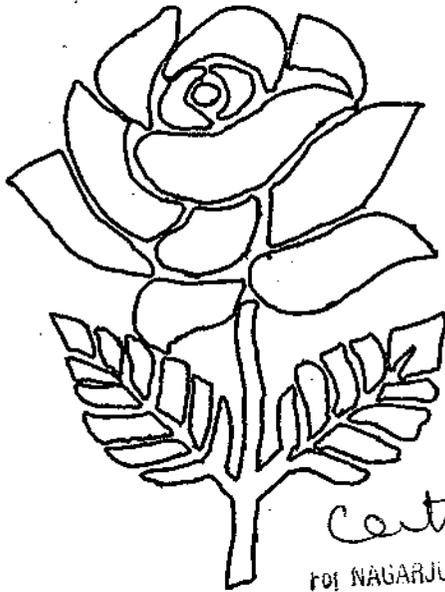




NAGARJUNA AGRI TECH LIMITED



Certified True copy
FOR NAGARJUNA AGRI TECH LIMITED
K. V. S. RAO
DIRECTOR

**21st ANNUAL REPORT
2008-2009**

Board of Directors

Dr. K.V.L.N. Raju	-	Managing Director
K. Soma Raju	-	Director
K. Ravindra	-	Director
N. Viswanatha Raju	-	Director

AUDITORS

M/s Amar & Raju
Chartered Accountants
Hyderabad - 500 082.

R & T AGENT

XL Softech System Ltd.
#3, Sagar Society, Road No. 2, Banjara Hills,
Hyderabad - 500 034. Ph : 2354 5913 / 14 / 15

PRINCIPAL BANKERS AND FINANCIAL INSTITUTION

Axis Bank - Yelahanka New Town Branch, Bangalore.

Canara Bank - Yelahanka New Town Branch, Bangalore.

REGISTERED OFFICE :

No. 56, Nagarjuna Hills,
Punjagutta,
Hyderabad - 500 082.
Telefax : 040-23357248
E-mail : natl@rediffmail.com

NAGARJUNA AGRI TECH LIMITED

PLOT No. 56, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082.

NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the Members of **Nagarjuna Agri Tech Limited** will be held on **Wednesday, September 30th 2009** at 15-30 hours at PLOT No. 56, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082 to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited accounts of the company for the year ended 31st March 2009, together with the reports of the Director's and Auditor's thereon.
2. To appoint a director in the place of **Mr. K. Soma Raju** who retires by rotation and being eligible, offers him self for reappointment.
3. To appoint auditors for the current year and to fix their remuneration, **M/s Amar and Raju**, Chartered Accountants, Hyderabad, retire at the conclusion of this meeting and are eligible for reappointment.

*By order of the Board of Directors
For Nagarjuna Agri Tech Limited*

(Dr. K.V.L.N. Raju)
Managing Director

Place : Hyderabad
Date : 30.06.2009

NOTES

1. A member is entitled to appoint a proxy to attend and vote instead of himself and that a Proxy need not be a member of the company. The Proxy form duly completed and signed should be deposited at the Registered Office of the company at least 48 hours before the commencement of the meeting.
2. The Register of Members and share transfer books will remain closed from 21.09.2009 to 30.09.2009 (both days inclusive).
3. Members are requested to inform immediately of any change in their address registered with the company.

*By order of the Board of Directors
For Nagarjuna Agri Tech Limited*

(Dr. K.V.L.N. Raju)
Managing Director

Place : Hyderabad
Date : 30.06.2009

DIRECTOR'S REPORT

Your Directors present herewith the Twenty First Annual Report and the Audited Accounts for the financial year ended 31st March 2009.

1. Financial Results:

The results of operations for the year ended 31.03.2009 are as under

(Rs. in Lakhs)

	2008-09	2007-08
Turn over	220.47	236.58
Accretion to stock	0.01	0.77
Total	220.48	237.35
Manufacturing Administrative and Selling Expenditure	201.15	221.86
Depreciation	45.85	45.37
Profit / Loss after before Taxation before non recurring/Extraordinary items	(-) 26.52	(-) 29.88
Fringe Benefit Tax	(-) 0.18	(-) 0.18
Profit / Loss after Taxation before non recurring/Extraordinary items	(-) 26.70	(-) 30.06
Prior period adjustments	(-) 0.68	----
Profit / Loss after Taxation and non recurring/Extraordinary items	(-) 27.38	(-) 30.06

2. Operations:

During the year the company has made a turn over of Rs. 220.47 Lakhs against previous years turn over of Rs. 236.58 Lakhs and made a net loss of Rs. 27.38 Lakhs as against net loss of Rs. 30.06 Lakhs during the previous year.

3. Directors:

Mr. K. Soma Raju who retires by rotation at the ensuing Annual General meeting and being eligible, offers himself for reappointment.

4. Auditors:

M/s Amar & Raju, Chartered Accountants, Hyderabad, who are the present Auditors of the company, retire at the close of the ensuing Annual General Meeting and are eligible for reappointment.

5. Particulars of Employees :

The particulars required pursuant to provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975 are not furnished since there is are no employees covered by the said rules.

6. Director's Responsibility Statement:

The Board of Directors of your company state

- a) that in preparation of annual accounts, the applicable accounting standards have been followed;
- b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of profit and loss account of the company for that period.
- c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the directors had prepared the annual accounts on a going concern basis:

7. Management Discussion and Analysis Report

The demand for the Floriculture products worldwide has witnessed an increasing trend. The price increase registered by the products has made the units operate more productively with corresponding viability.

Strengths & Opportunities

The company has developed a clear strategic plan to market its product directly for a fixed price through out the year and on special occasions at a special price in more aggressive way.

Company has initiated cost deduction measures to improve the profitability during the current year.

Existing association with M/s Moerheim Roses & Trading BV to develop new varieties through the demo house in our project will have substantial benefit continuously.

Risks & Weakness

Professional competence has to be improved further through better training and HR development.

Unforeseen natural hazards, Foreign exchange fluctuations, policies like import and export could have an impact on the performance and profitability of the company. Competition from other countries like China, Kenya and Ethophia at competative prices has threat to this industry.

High turn over of experienced, skilled and competent man power.

Central government Air Freight subsidies from Agro Products Export Development Authority (APEDA) not receiving on time/ substantial delays will effect company performance. This is one of the reason for not performing as projected earlier.

Cautionary statement

The statements in the report of the board of directors and management discussion and analysis report describing the company's projections, estimates, expectations of predictions may be forward looking statements with in meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since the company's operations are influenced by many external and internal factors beyond the control of the company.

8. Disclosures:

a) Conservation of Energy:

Floriculture industry is not power intensive. How ever, adequate measures have been taken to conserve energy, wherever possible.

b) Technology absorption, adoption & innovation

The company has fully absorbed the technology from the suppliers / collaborators.

c) Foreign Exchange Earnings and Out go :

Foreign Exchange Earnings Rs. 1,50,69,019/-

Foreign Exchange Out go Rs. Nil

9. Auditor's Report:

The Auditors observations are self explanatory.

10. Corporate Governance:

In pursuance of Clause 49 of the Listing agreement entered into with the stock Exchanges, a separate section on Corporate Governance has been incorporated in the Annual report for the information of the shareholders. A certificate from the Auditors of the company regarding the compliance of conditions of Corporate Governance as stipulated under said clause also forms part of the Annual Report.

11. Acknowledgment:

The Directors gratefully acknowledge the timely support of the financial institutions and Bankers. The Directors wish to record their appreciation for the untiring efforts and team spirit of all the staff and executives.

By order of the Board of Directors
For Nagarjuna Agri Tech Limited

(Dr. K.V.L.N. Raju)
Managing Director

Place : Hyderabad
Date : 30.06.2009

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy:

The Company is committed to good Corporate Governance. The Company fully realizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company provides detailed information on various issues concerning its business and performance to its shareholders.

2. Board Composition and Meetings

i) Composition

The Board presently consists Four Directors. Out of them one is Promoter Managing Director, and other three are independent non-executive directors. The Board has no Institutional Directors. None of the Directors on the Board is a member on more than 10 committees and chairman of more than 5 committees across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies.

ii) Number of Board Meetings:

The Company held 6 meetings of the Board of Directors during the financial year 2008-09. The Board met on the following dates: 30-06-2008, 31-07-2008, 27.09.2008, 23.10.2008, 25.01.2009

iii) Board composition as on 31.03.2009

Name of the Director	Category	Designation	No of Director Ships held in Other companies	No. of Committee Positions in other companies
Dr. K.V.L.N. Raju	Executive Promoter	Managing Director	4	Nil
K. Soma Raju	Non Executive Independent Professional	Chairman	4	Nil
N. Viswanatha Raju	Non Executive Independent	Director	1	Nil
K. Ravindra	Non Executive Independent	Director	3	Nil

iv) Shares held by Directors in the company

Name of the Director	No of Shares held
Dr. K.V.L.N. Raju	4501
K. Soma Raju	1000
N. Viswanatha Raju	Nil
K. Ravindra	Nil

v) Directors attendance in Board Meetings and AGM

Name of the Director	Nature of Directorship	Number of Board Meetings attended	Attendance at the last AGM
Dr. K.V.L.N. Raju	Managing Director Executive Promoter	5	Yes
K. Soma Raju	Chairman Non executive Independent Professional	5	Yes
N.Viswanatha Raju	Non executive Independent	5	Yes
K. Ravindra	Non executive Independent	5	Yes

3. Audit Committee:

The Audit Committee consists of Three directors and all of them are independent and non-executive Directors. Mr. K. Soma Raju, a non-executive, independent and professional Director who is a qualified Chartered Accountant, heads the committee.

Audit Committee has been constituted with powers to recommend to the Board on the following aspects:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing with management the annual financial statements before submission to the Board.
- Reviewing with management, and auditors, the adequacy of internal control systems.
- Reviewing the findings of any investigations by the auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with auditors before commencement of audit, nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.

During the year the audit committee met four times on the following dates namely 30.06.2008, 31.07.2008, 23.10.2008, 25.01.2009 and following is the attendance of the members.

Name of the Director	Position held	No. of Meetings attended
K. Soma Raju	Chairman	4
N. Viswanatha Raju	Member	4
K. Ravindra	Member	4

The following businesses were conducted during the year.

- Review of quarterly financial statements.
- Review of internal control systems.
- Review of annual financial statements for the year 2008-09.

The Board of Directors accepted all the recommendations of the audit committee.

4. Investor Grievance Committee:

The Share Holders Grievance Committee which look into redressal of Shareholders' and Investors' Complaints and requests like delay in transfer/ transmission of shares, issue of duplicate share certificate, non-receipt of dividend, annual report, etc. The Committee consists of three Directors. K. Soma Raju, an independent non-executive Director, heads the Committee.

The committee met 70 times during the year. The Managing Director acts as compliance officer to look into shareholders grievances on a day-to-day basis.

Name of the Director	Position held	No. of Meetings attended
K. Soma Raju	Chairman	70
N. Viswanatha Raju	Member	70
K. Ravindra	Member	70

5. Board procedure :

At least four board meetings are held every year. The Board Meetings are conducted at the Registered /Administrative office of the Company. The Board meets at least once in every quarter to review the financial results and other items on the agenda. Notice for the Board Meetings together with agenda are sent to all the directors in advance. The gap between two consequent board meetings did not exceed three months.

6. Details of General Meetings :

The Annual General Meetings (AGMs) of the Company have been held at the following places in the last three years.

For the year	Venue	Day & Date	Time
2006	Registered Office	Wednesday 27-09-06	15-30 p.m.
2007	Registered Office	Thursday 27-09-07	15-30 p.m.
2008	Registered Office	Saturday 27-09-08	15-30 p.m.

Extra ordinary General Meeting

2008	Registered Office	Saturday 10-05-08	15-30 p.m.
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7. Material Disclosures :

(i) Disclosures on materially significant related party transactions.

There is no material transaction with any related party, which may have potential conflict with the interests of the Company at large. However, the company has annexed to the accounts a list of related parties as per Accounting Standard 18 and the transaction entered into with them.

(ii) Details of Non-Compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange, SEBI or any statutory authorities or any matter related to capital markets.

The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. SEBI, Stock Exchanges or any other Statutory Authority has passed no penalties or strictures on matters relating to capital markets in the last three years.

8. Means of Communication :

The quarterly/ half-yearly / annual / un-audited / audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors.

The results are published in the Hyderabad editions of widely circulated English & Telugu daily.

9. General Shareholders' Information :

i) Annual General Meeting

Day, Date and Time	Wednesday, 30-09-2009, 15-30 p.m.
Venue	Registered Office

ii) Profile of Directors retiring by rotation /eligible for re-appointment :

Mr. K. Soma Raju retires by rotation and eligible for re appointment.

Brief details of Mr. K. Soma Raju

Date of Appointment : 22nd March 1994

Educational Qualifications Chartered Accountant

Expertise in specific field : Finance

iii) Financial Calendar :

Indicative calendar of events for the year 2009-10 (financial year) excluding extra Ordinary General Meeting(s), if any, is as under

Annual General Meeting (next year)	30.09.2009
First Quarter financial results	31-07-2009
Second Quarter financial results	23-10-2009
Third Quarter financial results	25-01-2010
Fourth Quarter & Annual results of financial year 2008-09	25-05-2010

iv) Book Closure :

The Company's Register of Members and Share Transfer books will remain closed for the.	21-09-09 to 30-09-09 (Both days inclusive)
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v) Listing on Stock Exchanges :

The Company's equity shares are listed on the following stock Exchanges.

Name	Address
Bombay Stock Exchange	Pheroje Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

Stock Code : 531832 (BSE)

vi) Outstanding GDR, ADR or Warrants : 15, 95, 300.

vii) Farm Location : Aralumallige Village, Doddaballapur Taluk, Bangalore Rural Dist.

viii) Address for Correspondence : #56, Nagarjuna hills, Panjagutta, Hyderabad-82.

ix) Registrar and Transfer Agent : XL SOFTECH SYSTEMS LTD.

3, Sagar Society, Road No. 2, Banjara Hills,
Hyderabad - 500 034.

Ph: No : 040 - 23545912/13/14

x) Share Transfer system :

Shares lodged for physical transfer of shares would be registered within a period of 10 to 15 days, if the documents were clear in all respects. The Share Transfer committee would dispatch the shares duly transferred to the concerned shareholders within a week from the date of approval of transfer. For this purpose, the Share Transfer Committee meets as often as required. Adequate care taken to ensure that no transfers are pending for more than a fortnight.

xi) Stock Market Data :

S.No	Month	High (Rs.)	Low (Rs.)	No of shares traded
1.	April 2008	32.65	21.80	8400
2.	May 2008	20.75	12.70	20300
3.	June 2008	17.50	10.50	9900
4.	July 2008	10.50	7.77	11200
5.	August 2008	12.08	9.00	635700
6.	September 2008	9.80	8.56	1700
7.	October 2008	-	-	-
8.	November 2008	8.51	7.31	400
9.	December 2008	9.57	5.70	10300
10.	January 2009	9.25	7.70	18200
11.	February 2009	7.32	5.36	2100
12.	March 2009	5.56	5.10	6600

xii) Shareholding pattern :

The table below gives the distribution of share holding according to the size clause as on 31-03-2008.

Shareholding Nominal value of Rs.	Shareholders		Shares held in each class	
	Number	% of Total	Number	% of Total
1-5000	1,728	72.76	774502	12.71
5001-10000	499	21.01	470900	7.73
10001-20000	70	2.95	118900	1.95
20001-30000	14	0.59	37700	0.62
30001-40000	11	0.46	41500	0.69
40001-50000	16	0.68	770930	1.26
50001-100000	7	0.30	501000	0.82
100001 & above	18	0.76	45207050	74.18
TOTAL:	2369	100.00	6094400	100.00

	Category	No. of Shares	% of share holding
1)	Promoters	28,83,600	33.93
2)	Banks & FII s & KSHDC	2,50,000	02.94
3)	Others		
	Private corporate bodies	34,02,150	40.03
	Indian Public	17,63,850	20.75
	Mutual Funds	1,99,500	02.35
	TOTAL	84,99,100	100.00

xiii) Investor Complaints

During the year the company has attended to most of the investor's grievances/complaints within a reasonable time of receipt of the same and aptly solved them. The delays in few cases were due to compliance of legal requirements.

Status report of for the period 01.04.2008 to 31.03.2009.

Sl. No.	Name of the Complaint	Received	Disposed	Pending
1.	Change/correction of address	5	5	Nil
2.	Deletion/inclusion of join name and transmission	Nil	Nil	Nil
3.	Others	11	11	Nil

xiv) Dematerialization of shares and liquidity: The Company shares are under compulsory De-materialization

xv) Address for Investor Correspondence:

- a) For transfer of Shares : **XL SOFTECH SYSTEMS LTD**
3, Sagar Society, Road No. 2,
Banjara Hills, Hyderabad - 500 034.
Ph. No : 23545912/13/14
- b) For query on Annual Report and any other query relating to the shares of the company : #56, Nagarjuna Hills, Panjagutta,
Hyderabad - 82.
E-mail : natl@rediffmail.com

10. Declaration :

All members of the Board and senior management personnel have complied with the code of conduct adopted by the company.

On behalf of the Board of Directors
For **NAGARJUNA AGRI TECH LIMITED**

(Dr. K.V.L.N. RAJU)
Managing Director.

Place : Hyderabad
Date : 30.06.2009

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To
The Members of
M/s. NAGARJUNA AGRI TECH LIMITED
Hyderabad.

We have examined the compliance of conditions of Corporate Governance by **M/s. NAGARJUNA AGRI TECH LIMITED** ("the Company") for the year ended on 31st March 2009 as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit, nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Share Holders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For AMAR & RAJU
CHARTERED ACCOUNTANTS

(G. AMARANATHA REDDY)
Partner
Membership No: 19711

Place : Hyderabad
Date : 30.06.2009

AUDITOR'S REPORT

To,
The Members
M/s. NAGARJUNA AGRI TECH LIMITED
HYDERABAD.

We have audited the attached Balance Sheet of **M/s. NAGARJUNA AGRI TECH LIMITED**, as at 31st March, 2009 and also the Profit & Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our Audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we report that:

- i) a) The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets.
- b) The management has conducted the physical verification of fixed assets during the year under audit, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) The company has not disposed substantial part of the fixed assets during the year under audit.
- ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

- iii) During the year the company has not granted any loans to parties covered in the register maintained under section 301 of the Companies Act, 1956. During the year the company has taken interest free unsecured loan from one party covered in the register maintained under section 301 of the Companies Act, 1956 and the maximum amount involved was Rs. 2,11,090/-/- and the year end outstanding balance was Rs. Nil. In the absence of any specific terms and conditions we are not in a position to comment on the sub-clauses (f) and (g) of clause 4(iii) of the Companies (Auditor's Report) Order, 2003.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to the purchases of inventory, fixed assets and with regard to the sale of goods. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) During the year the company has not entered into any transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- vi) The company has not accepted any deposits from the public. Accordingly, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- vii) The company does not have any internal audit system.
- viii) According to the information and explanations given to us, maintenance of cost records U/Sec. 209(1)(d) the Companies Act, 1956 have not been prescribed by the Central Government for the company.
- ix) a) The company is regular in depositing with appropriate authorities undisputed statutory dues applicable to it.
b) According to the information and explanations given to us no undisputed statutory dues applicable to it were outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.
c) According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute.
- x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) The company does not have any dues payable to financial institutions or banks or debenture holders. Accordingly, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- xxii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiii) In our opinion, the Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/ Society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xvi) The company has not obtained any term loans from banks and financial institutions during the year under audit. In our opinion and according to the information and explanations given to us the term loans obtained in the earlier years have been applied for the purpose for which they were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the funds to the extent of Rs. 6,76,464/- raised on short-term basis have been used for long-term investment.
- xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained U/Sec.301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order are not applicable to the company.
- xix) The company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xx) During the current financial year under review and in the immediately preceding financial year the company has not raised any money by way of public issue and there was no unutilized money raised through public issues at the beginning of the period covered by the audit report. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Subject to above comments and notes forming part of accounts we further state that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii) In our opinion, proper books of account as required by Law have been kept by the Company, so far as appears from our examination of such books.
- iii) The Balance Sheet, the Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as director in terms of clause (g) of sub-section (1) Section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts give the information required by the Companies Act, 1956 in the manner so required, read together with notes there on give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009 and
 - b) In the case of the Profit & Loss Account, of the Loss for the year ended on that date.
 - c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

For AMAR & RAJU
CHARTERED ACCOUNTANTS

(G. AMARANATHA REDDY)
Partner
Membership No: 19711

Place : Hyderabad
Date : 30.06.2009

NAGARJUNA AGRI TECH LIMITED
BALANCE SHEET AS AT 31st MARCH, 2009

PARTICULARS	SCH	AS AT 31/3/2009		AS AT 31/3/2008	
		Rs.		Rs.	
SOURCE OF FUNDS					
Share holder's funds:					
Share Capital	A	91,637,750		67,590,750	
Share Warrants	B	1,595,300		2,000,000	
Share Application Money		-		20,000,000	
Reserves & Surplus	C	100,000		100,000	
			93,333,050		89,690,750
Loan Funds					
Secured Loans		-		-	
Unsecured Loans		-		-	
TOTAL			93,333,050		89,690,750
APPLICATION OF FUNDS					
Fixed Assets:					
Gross Block	D	116,592,760		106,981,417	
Less: Depreciation		54,561,789		49,976,730	
Net Block			62,030,971		57,004,687
Investments:					
Current Assets, Loans and Advances:	E				
Inventories		890,405		974,730	
Sundry Debtors		13,293,167		16,602,274	
Cash & Bank Balances		2,719,194		1,237,497	
Other Current Assets		-		-	
Loans & Advances		10,878,718		13,426,385	
		27,781,484		32,240,886	
Less: Current Liabilities and Provisions:	F				
Current Liabilities		1,855,702		2,193,682	
Provisions		18,104		17,615	
		1,873,806		2,211,297	
Net Current Assets			25,907,678		30,029,589
Profit and Loss Account:			5,394,401		2,656,474
Miscellaneous Expenditure:					
TOTAL			93,333,050		89,690,750
NOTES TO ACCOUNTS	J				

As per our report of even date
For **AMAR & RAJU**
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(G. AMARANATHA REDDY)
Partner
Membership No. 19711

(Dr. K.V.L.N. RAJU)
Managing Director

Place : Hyderabad
Date : 30-06-2009

(K. SOMA RAJU)
Director

(N. VISWANATHA RAJU)
Director

NAGARJUNA AGRI TECH LIMITED

BALANCE SHEET AS AT 31st MARCH, 2009

PARTICULARS	SCH	AS AT 31/3/2009		AS AT 31/3/2008	
		Rs.		Rs.	
INCOME					
Sales - Horticulture			22,046,667		23,657,823
Accretion to stock	H		1,590		76,975
TOTAL			22,048,257		23,734,798
EXPENDITURE					
Maintenance, Administrative and Selling expenditure	I		20,114,894		22,059,464
Depreciation	D		4,585,060		4,536,737
Loss on sale of vehicle					127,108
TOTAL			24,699,954		26,723,309
Profit/Loss before Taxation			(2,651,697)		(2,988,511)
Provision for Taxation					
Deferred Tax asset/liability					
Fringe Benefit Tax		(18,104)		(17,615)	
			(18,104)		(17,615)
Profit/Loss after Taxation			(2,669,801)		(3,006,126)
Prior period adjustments			(68,126)		
			(2,737,927)		(3,006,126)
Profit / Loss brought forward			(2,656,474)		349,652
Balance carried to Balance Sheet			(5,394,401)		(2,656,474)
Basic EPS (Face Value Rs.10/-)			(0.32)		(0.49)
Diluted EPS (Face Value Rs.10/-)			(0.27)		(0.36)
NOTES TO ACCOUNTS	J				

As per our report of even date
For **AMAR & RAJU**
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(G. AMARANATHA REDDY)
Partner
Membership No. 19711

(Dr. K.V.L.N. RAJU)
Managing Director

Place : Hyderabad
Date : 30-06-2009

(K. SOMA RAJU)
Director

(N. VISWANATHA RAJU)
Director

NAGARJUNA AGRI TECH LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	AS AT 31/3/2009		AS AT 31/3/2008	
	Rs.		Rs.	
SCHEDULE : A				
SHARE CAPITAL				
Authorised Capital:				
1,00,00,000 Equity Shares of Rs. 10/- each		100,000,000		100,000,000
Issued, Subscribed & Paid up:				
84,99,100 (Previous year 60,94,400) Equity				
Shares of Rs.10/- each fully paid up		84,991,000		60,944,000
Add: Amount paid up on forfeited shares		6,646,750		6,646,750
TOTAL		91,637,750		67,590,750
SCHEDULE : B				
SHARE WARRANTS:				
15,95,300 (Previous year 20,00,000) share warrants @ Rs.1/- per warrant paidup		1,595,300		2,000,000
TOTAL		1,595,300		2,000,000
SCHEDULE : C				
RESERVES & SURPLUS				
Subsidy from APEDA		100,000		100,000
TOTAL :		100,000		100,000

NAGARJUNA AGRI TECH LIMITED

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2009
SCHEDULE : D FIXED ASSETS**

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 01-04-2008 Rs.	Additions Rs.	Deletions Rs.	As on 31-03-09 Rs.	Upto 31-03-2008 Rs.	For the year Rs.	Deletions Rs.	Upto 31-03-09 Rs.	As on 31-03-09 Rs.	As on 31-03-08 Rs.
Land	8,263,722	86,00,000	-	16,863,722	-	-	-	-	16,863,722	8,263,722
Buildings	10,175,108	-	-	10,175,108	3,917,801	339,849	-	4,257,650	5,917,458	6,257,307
Plant and Machinery	87,063,423	1,011,343	-	88,074,766	44,924,934	4,184,497	-	49,109,431	38,965,335	42,138,489
Furniture	633,710	-	-	633,710	449,096	40,114	-	489,210	144,500	184,614
Office Equipment	295,414	-	-	295,414	155,351	14,032	-	169,383	126,031	140,063
Computers	286,637	-	-	286,637	266,144	6,568	-	272,712	13,925	20,493
Vehicles	263,403	-	-	263,403	263,403	-	-	263,403	-	-
TOTAL	106,981,417	9,611,343	-	116,592,760	49,976,729	4,585,060	-	54,561,789	62,030,971	57,004,688
Previous year Total	107,173,257	675,839	867,679	106,981,417	45,890,562	4,536,737	4,50,569	49,976,730	57,004,687	61,282,695

NAGARJUNA AGRI TECH LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	AS AT 31/3/2009		AS AT 31/3/2008	
		Rs.		Rs.
SCHEDULE : E				
CURRENT ASSETS, LOANS AND ADVANCES				
A. Current Assets:				
1) Stock-in-trade:				
a) Fertilizers & Pesticides		332,769		340,820
b) Stores & Consumables		-		157,800
c) Packing Material		199,571		119,635
d) Cut flowers		358,065		356,475
		890,405		974,730
2) Sundry Debtors: (Unsecured considered good)				
a) Out standing for more than six months		9,562,835		9,737,445
b) Others		3,730,332		6,864,829
		13,293,167		16,602,274
3) Cash and Bank balances:				
a) Cash on hand		154,269		552,366
b) Balance with Scheduled Banks: In Current Account		2,564,925		685,131
		2,719,194		1,237,497
B. Loans and Advances: (Unsecured considered good recoverable in cash or in kind for the value to be received)				
1) Other receivables		41,850		46,974
2) Advance for capital works				7,044,957
3) Air Freight Subsidy receivable		6,170,389		5,243,407
4) Share application money		3,600,000		
5) Deposits		1,066,479		1,091,047
		10,878,718		13,426,385
TOTAL		27,781,484		32,240,886
SCHEDULE: F				
CURRENT LIABILITIES & PROVISIONS				
A) Current Liabilities:				
1) Creditors for supplies		1,046,569		1,691,039
2) Creditors for services & expenses		809,133		502,643
		1,855,702		2,193,682
B) Provisions:				
Provision for Taxation (FBT)		18,104		17,615
TOTAL		1,873,806		2,211,297

NAGARJUNA AGRI TECH LIMITED

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT AS AT 31ST MARCH, 2009

PARTICULARS	AS AT 31/3/2009 Rs.		AS AT 31/3/2008 Rs.	
	SCHEDULE : H ACCRETION TO STOCK:			
Closing stock in trade:				
Cut Flowers	358,065	358,065	356,475	356,475
Less: Opening stock in trade:				
Cut Flowers	356,475		221,500	
Nursery & Plantation Work in progress			58,000	
		356,475		279,500
Accretion to stock		1,590		76,975

NAGARJUNA AGRI TECH LIMITED

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT AS AT 31ST MARCH, 2009

PARTICULARS	AS AT 31/3/2009		AS AT 31/3/2008	
		Rs.		Rs.
SCHEDULE : I				
MAINTENANCE, ADMINISTRATIVE AND SELLING EXPENDITURE				
A) Maintenance Expenditure:				
Fertilizers & Pesticides consumed	5,728,115		5,593,130	
Power & Fuel	1,115,557		1,443,058	
Plant Maintenance	4,759,498		3,298,794	
Repairs & Maintenance	287,466		461,736	
Freight inwards	79,214		65,019	
Stores & Spares consumed	440,295		495,185	
Purchase of Flowers	885,492		2,082,382	
		13,295,637		13,439,304
B) Administrative Expenditure:				
Travelling & Conveyance	149,839		140,694	
Printing & Stationery	44,901		46,914	
Postage & Telephone	137,694		150,742	
Rent	311,791		280,500	
Rates & Taxes	147,982		555,512	
Auditors remuneration	99,270		84,270	
Professional charges	346,477		285,077	
Bank charges & Commission	185,211		167,971	
Vehicle maintenance	53,021		40,496	
Office Maintenance	52,507		33,611	
General expenses	64,503		9,863	
		1,593,196		1,795,650
C) Selling Expenditure:				
Clearing & Forwarding charges	405,958		478,978	
Freight outwards	2,683,786		3,349,667	
Packing Material consumed	1,135,475		1,174,643	
		4,225,219		5,003,288
D) Expenditure on Personnel:				
Salaries & other benefits	636,097		1,501,334	
Security charges	84,047		77,370	
Staff welfare expenses	280,698		242,518	
		1,000,842		1,821,222
TOTAL		20,114,894		22,059,464

**SCHEDULES FORMING PART OF THE BALANCE SHEET AND
PROFIT & LOSS ACCOUNT AS AT 31ST MARCH, 2009**

SCHEDULE : J

NOTES TO ACCOUNTS:

1. Significant Accounting Policies:

- a. Basis of preparation of financial statements
- The financial statements have been prepared under the historical cost convention on the basis of a going concern and in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956 and applicable Accounting Standards issued by ICAI as adopted consistently by the company.
- Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles followed by the company.
- b. Fixed assets
- Fixed assets are valued at cost less depreciation.
- c. Depreciation
- Depreciation has been provided on straight line method at the rates specified in the schedule XIV of the Companies Act, 1956.
- d. Inventories
- Closing stocks of inventories are valued at lower of cost or net realisable value.
- e. Foreign currency transactions
- Exports invoiced in foreign currency are converted at the exchange rate prevailing on the date of transactions. Gain/ Loss arising out of fluctuation in exchange rates are accounted for on realisation.
- Other foreign currency transactions are recognised at the rate on the date of transaction.
- Monetary items as on the date of Balance Sheet are stated at the closing rate/realistic rate.
- f. Cash Flow Statement
- The cash flow statement has been compiled from and is based on the Balance Sheet as at 31st March, 2009 and the related Profit and Loss Account for the year ended on that date. The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI.
- g. Revenue Recognition
- Revenue from the sale of grown items is recognized

upon passage of the title to the customers which generally consists with the delivery and acceptance thereof.

h. Impairment of Assets

The Management assesses using external and internal sources whether there is any indication that an asset may be impaired. Impairment of an asset occurs where the carrying value exceeds the present value of cash flow expected to arise from the continuing use of the asset and its eventual disposal. The provision for impairment loss is made when recoverable amount of the asset is lower than the carrying amount.

i. Provisions and Contingent Liabilities and Contingent Assets

Provisions in respect of present obligations arising out of past and Contingent Assets events are made in the accounts when reliable estimate can be made of the amount of obligations and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but if material, are disclosed in the notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.

j. Accounting for Taxes on Income

Current Tax: Provision for Current Income Tax is made on the basis of the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax: Deferred income tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the Balance Sheet date.

k. Government Grants

Air freight subsidy receivable (reimbursement of Air freight charges/expenses) is accounted on mercantile basis and is deducted from the related expenditure.

2. Foreign Exchange Transactions

- a) Earnings in foreign currency
(FOB value of exports excluding exchange fluctuation)
- b) CIF Value of imports
- c) Expenditure in foreign currency

2008-2009

2007-2008

14,611,648

16,500,524

8. Previous year figures have been regrouped, recasted and reclassified wherever necessary, to confirm with current years classifications.

9. The figures have been rounded off to the nearest rupee.

10. Quantative particulars:

The company is engaged in the business sale of floriculture products. The production and sale of such items are not capable of being expressed in any generic unit and hence it is not possible to give the quantative details and the information as required under paragraph 3,4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

11. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

The Management is currently in the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of Micro, Medium and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly the disclosure in respect of the amount payable to such medium and small enterprises as at 31-03-2009 has not been made in the financial statements. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

12. Deferred Tax asset / liability:

The management has taken the view that, floriculture activity comes under agricultural activity and since agricultural income is exempted from income tax, there is no need to recognise deferred tax asset/liability in the books of account.

13. Related Party Disclosures:

During the year Unsecured loan amounting to Rs. 2,11,090/ was taken from and repaid to Smt. K. Lakshmi Raju (wife of Dr. K. V. L. N. Raju, Managing Director)

14. Segment Reporting:

As the company's business activities falls within single segment the disclosure requirement of Accounting Standard - 17 on "Segment Reporting" issued by ICAI is not applicable.

15. Foreign Exchange Fluctuations:

As per the above stated accounting policy, the amount of exchange differences credited to Profit and Loss Account during the period was amounted to Rs. 1,61,925/-

16. Provision for taxation:

No Provision for tax has been provided since the operations of the company comes under agricultural activity and agricultural income is exempted from income tax.

17. Remuneration to Directors:

No remuneration was paid or provided to the Directors

18. Government Grants:

Air Freight Subsidy receivable from APEDA towards reimbursement of air freight charges incurred for export of cut flowers are accounted on accrual basis and deducted from the related expenditure. Subsidy receivable for the current year is amounting to Rs. 10,87,987/- (previous year Rs. 20,70,387/).

19. Prior Period Expenses:

Items of expense which arise in the current period as a result of errors in an earlier period are considered as prior period items and shown separately in the profit and loss account. During the year, prior period expenses debited to profit and loss account was amounted to Rs. 68,126/-

20. Balance Sheet abstract and company's general business profile:

I) Registration details:	
Registration No.	7981 of 1987-88
State code	1
Balance Sheet date	3/31/2009
II) Capital raised during the year: (Amount in Rs.)	
Public issue	NIL
Bonus issue	NIL
Rights issue	NIL
Private placement (preferential allotment)	24,047,000
III) Position of Mobilisation & Deployment of funds: (Amount in Rs.)	
Total Liabilities	95,206,856
Total Assets	95,206,856
Sources of Funds:	
Paid up Capital	91,637,750
Share Application money	-
Share Warrants	1,595,300
Reserves & Surplus	100,000
Secured Loans	-
Unsecured Loans	-
Application of Funds:	
Net Fixed Assets	62,030,971
Investments	-
Net Current Assets	25,907,678
Misc. Expenditure	-
Accumulated Losses	5,394,401
IV) Performance of the Company: (Amount in Rs.)	
Total income	22,048,257
Total Expenditure	24,699,954
Profit/Loss before tax	(2,651,697)
Profit/Loss after tax	(2,669,801)
Earning per share (Basic Face value Rs.10/-)	(0.32)
Dividend rate (%)	NA
V) Generic names of three principal products/services of the company(as per monetary terms)	
Item Code No (ITC Code)	
Product description	N.A.

Signatures to Schedules 'A' to 'K'

As per our report of even date
For AMAR & RAJU
CHARTERED ACCOUNTANTS

(G. AMARANATHA REDDY)
Partner
Membership No. 19711

For and on behalf of the Board

(Dr. K.V.I.N. RAJU)
Managing Director

Place : Hyderabad
Date : 30-6-2009

(K. SOMA RAJU)
Director

(N. VISWANATHA RAJU)
Director

NAGARJUNA AGRI TECH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

	2008 - 2009		2007-2008	
	Rs.	Rs.	Rs.	Rs.
A) Cash flow from operating Activities				
Net profit as per Profit and Loss Account		(2,651,697)		(2,988,511)
Adjustments for :				
Depreciation	4,585,060		4,536,737	
Income tax paid (FBT)	(17,615)		(26,074)	
Prior period adjustments	(68,126)			
Loss on disposal of assets	-		127,108	
		4,499,319		4,637,771
Operating profit before working capital changes		1,847,622		1,649,260
Adjustments for :				
Trade and other receivables	2,411,816		(1,698,338)	
Trade payable	(337,980)		722,645	
Inventories	84,325		5,037	
		2,158,161		(970,656)
		4,005,783		678,604
B) Cash flow from investing activities :				
Purchase of Fixed Assets	(2,586,386)		(2,637,849)	
Investment in share application money	(3,600,000)			
Sale proceeds of assets			290,000	
Net cash used in investing activities		(6,166,386)		(2,347,849)
C) Cash flow from financing activities :				
Share capital amount received	3,642,300			
Net cash from financing activities		3,642,300		
Net increase in cash & cash equivalents (A-B-C)		1,481,697		(1,669,245)
Cash and Cash equivalents as at 31-03-2008				1,237,495
Cash and Cash equivalents as at 31-03-2009		1,237,497		2,906,740
		2,719,194		

As per our report of even date
For **AMAR & RAJU**
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(G. AMARANATHA REDDY)
Partner
Membership No. 19711

(Dr. K.V.L.N. RAJU)
Managing Director

Place : Hyderabad
Date : 30-06-2009

(K. SOMA RAJU)
Director

(N. VISWANATHA RAJU)
Director

NAGARJUNA AGRI TECH LIMITED

PLOT No. 56, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082.

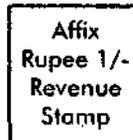
PROXY FORM

Regd. Folio No.

No. of shares held

I/We of
in the district of being a member/members of
M/s NAGARJUNA AGRI TECH LIMITED hereby appoint
of in the district of or failing him
..... of in the district of
as my/our Proxy to vote for me/us on my/our behalf at the 21st Annual General Meeting
of the company to be held on **Wednesday, the 30th day of September 2009** at 3-30 hours at
PLOT No. 56, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082.

Signature



- Notes : 1. The proxy need not be a member.
2. The proxy to be valid should be duly stamped with a Revenue Stamp of Rupee 1/-
and executed by the member and should reach the company's Registered office at
least 48 hours before the commencement of the meeting.

NAGARJUNA AGRI TECH LIMITED

PLOT No. 56, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082.

Grams : FLOWERS

PROXY FORM

Regd. Folio No.

No. of shares held

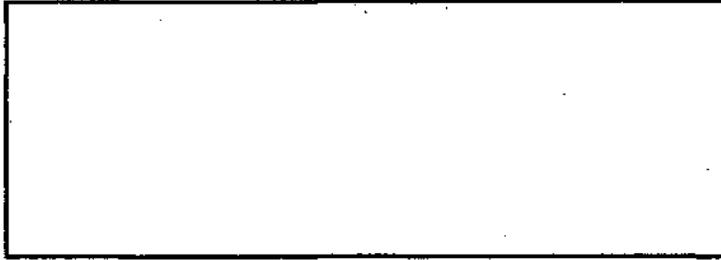
I hereby record my presence at the 21st Annual General Meeting of M/s NAGARJUNA AGRI
TECH LIMITED held at PLOT No. 56, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082 at 3-30
on Wednesday, September 30th 2009.

.....
Name of shareholder/proxy in BLOCK letters

.....
Signature of shareholder/proxy

- Notes : 1. Please fill this attendance slip and hand it over at the ENTRANCE of the meeting hall.
2. No gifts will be distributed at the meeting

BOOK-POST
PRINTED MATTER



If undelivered, please return to :



NAGARJUNA
AGRI TECH LIMITED
PLOT No. 56, Nagarjuna Hills,
Punjagutta, Hyderabad - 500 082.