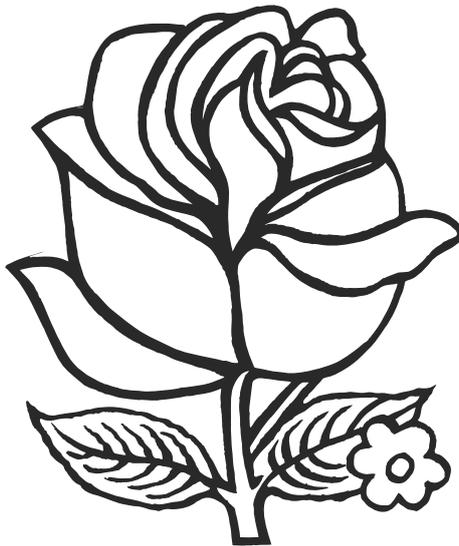




NAGARJUNA  
AGRITECH LIMITED



25th ANNUAL REPORT  
2012-2013

## 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

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**NAGARJUNA AGRI TECH LIMITED**  
**PLOT NO. 56, Nagarjuna Hills, Punjagutta, Hyderabad 500 082**

**NOTICE**

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of Nagarjuna Agri Tech Limited will be held on Monday, the 30<sup>th</sup> September 2013 at 15.30 hours at Plot No 56, Nagarjuna Hills, Punjagutta, Hyderabad-500 082 (Registered office of the Company) to transact the following business.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited accounts of the company for the year ended 31<sup>st</sup> March 2013, together with the reports of the Director's and Auditor's thereon.
2. To appoint a director in the place of Mr. N. Viswanadha Raju who retires by rotation and being eligible, offers him self for reappointment.
3. To appoint auditors M/s. Amar and Raju, Chartered Accountants, Hyderabad, who retires at the conclusion of this meeting and are eligible for reappointment. and to fix their remuneration,

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

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

Place: Hyderabad  
Date: 19.08.2013

**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 23.09.2013 to 30.09.2013 (both days inclusive)
3. Members are requested to inform immediately of any change in their address registered with the company.

## DIRECTOR'S REPORT

Your Directors present herewith the Twenty Fifth Annual Report and the Audited Accounts for the financial year ended 31<sup>st</sup> March 2013.

### 1. Financial results:

The results of operations for the year ended 31.03.2013 are as under

	(Rs. in Lakhs)	
	2012-13	2011-12
Turn over	78.45	190.69
Total	78.45	190.69
Manufacturing Administrative and Selling Expenditure	81.34	186.36
Depreciation	46.22	46.49
Profit / Loss before Taxation, before non recurring/Extraordinary items	(49.10)	(41.93)
Provision for Taxation	(0.93)	-
Profit / Loss after Taxation, before non recurring/Extraordinary items	(50.00)	(41.93)
Prior period adjustments	-	-
Profit / Loss after Taxation and non recurring/Extraordinary items	(50.00)	(41.93)

### 2. Operations:

During the year the company has made a turnover of Rs 78.45 Lakhs against previous years turnover of Rs 190.69 Lakhs and made a net loss of Rs 50.00 Lakhs as against net loss of Rs.41.93 Lakhs during the previous year.

Management has leased out the company's farm and its operations with effective from 1<sup>st</sup> August, 2012 for a period of two years since company is facing a serious important issues related to water, power and labour in order to keep it's continuity.

### 3. Directors:

Mr. N.Viswanadha Raju , director, who retires by rotation at the ensuing Annual General meeting and being eligible, offers himself for re-appointment.

### 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 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 has 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. Disclosures:**

- a) Conservation of Energy:

Floriculture industry is not power intensive. However, 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 & Out go:

Foreign Exchange Earnings : Rs.34.97 lakhs

Foreign Exchange Out go : Rs. Nil

**8. Auditor's Report:**

The Auditors observations are self explanatory.

### 9. 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.

### 10. Fixed Deposits :

Company has not accepted fixed deposit from the public as per section 58A of the Companies Act, 1956.

### 11. Acknowledgment:

The Directors gratefully acknowledge the timely support of the 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**

**(K. SOMA RAJU)**  
Director

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

Place: Hyderabad  
Date: 19.08.2013

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT  
(Forms part of Director's 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 reduction 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 Chain Kenya and Ethiopia at competitive prices has threat to this industry.

High turnover 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 affect company performance.

**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.

## **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 of 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 5 meetings of the Board of Directors during the financial year 2012-13. The Board met on the following dates:  
14.05.2012, 14.08.2012, 04.09.2012, 12.11.2013 and 12.02.2013

#### **iii) Board composition as on 31.03.2013:**

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	2	Nil
K. Soma Raju	Non Executive Independent Professional	Chairman	9	Nil
N. Viswanatha Raju	Non Executive Independent	Director	1	Nil
K. Ravindra	Non Executive Independent	Director	2	Nil

#### **iv) Shares held by Directors in the company:**

Name of the Director	No of Shares held
Dr K. V. L. N. Raju	4,501
K. Soma Raju	Nil
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

**1. 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 under review, the audit committee met four times on the following dates namely 14.05.2012, 14.08.2012, 15.11.2012 and 15.02.2013 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

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

**4. Investor Grievance Committee:**

The Share Holders Grievance Committee which looks 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. Mr. K. Soma Raju, an independent non-executive Director, heads the Committee.

The Managing Director acts as compliance officer to look into shareholders grievances on a day-to-day basis. The committee comprises of the following members.

Name of the Director	Position held
K. Soma Raju	Chairman
Dr. K. V. L. N. Raju	Member
K. Ravindra	Member

**5. 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 has been taken to ensure that no transfers are pending for more than a fortnight.

**6. 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 is sent to all the directors in advance. The gap between two consequent board meetings did not exceed three months

**7. 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 financial year	Venue	Day & Date	Time
2009-10	Registered office	Thursday, 30.09.10	15.30 p.m
2010-11	Registered office	Friday, 30.09.11	15.30 P.m
2011-12	Registered office	Saturday 29.09.12	15.30 p.m

In the last AGM there were no resolutions received to be passed through postal ballot.

**8. 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.

**9. 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 and Telugu daily.

**10.CEO/CFO Certification:**

As required by Clause 49 of the Listing Agreement, the CEO/CFO certification was submitted to the Board.

**11.Auditors' Certification on Corporate Governance:**

As required by Clause 49 of the Listing Agreement, the Auditors' Certification is provided elsewhere in the Annual Report.

**12. General Shareholders' Information:**

i) **Annual General Meeting:**

Day, Date and time	Monday 30-09-2013, 15.30 P.m.
Venue	Registered Office

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

Mr. Viswanadha Raju Namburi retires by rotation and eligible for re- appointment.

Brief details of Mr. N. Viswanadha Raju

Date of Appointment: 05.04.2004

Educational Qualifications: Chartered Accountant

Expertise in specific field: Finance

iii) **Financial Calendar:**

Indicative calendar of events for the year 2012-13 is as under

First Quarter financial results	14.08.2012
Second Quarter financial results	12-11-2012
Third Quarter financial results	12-02-2013
Fourth Quarter & Annual results of financial year 2012-13 (audited)	31-05-2013

iv) **Book Closure:**

The Company's Register of Members and Share Transfer books will remain closed for the.	23-09-13 to 30-09-13 (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

The listing fee for the year 2013-14 has been paid to the above stock exchange

Stock Code: 531832 (BSE)

vi) **Outstanding GDR, ADR or Warrants:** The Company has no outstanding GDR, ADR or warrants convertible into equity shares as 31.03.2013

vii) **Plant Location:** Aralumallige village, Dodballpur taluk, Bangalore Rural Dist.

viii) **Address for Correspondence:** # 56, Nagarjuna Hills, Punjagutta,  
Hyderabad- 82.

ix) **Registrar and Transfer Agent:** XL SOFTECH SYSTEMS LTD  
# 3, Sagar Society, Road No 2,  
Banjara Hills, Hyderabad – 500 034  
Ph No: 23545912/13/14

x) **Stock Market Data:**

S. No	Month	High (Rs.)	Low (Rs.)
1.	April 2012	1.83	1.65
2.	May 2012	2.01	1.73
3.	June 2012	1.74	1.45
4.	July 2012	2.77	1.76
5.	August 2012	3.8	2.65
6.	September 2012	2.97	1.91
7.	October 2012	2.82	1.84
8.	November 2012	3.04	2.42
9.	December 2012	3.25	3.04
10.	January 2013	3.37	2.05
11.	February 2013	1.99	1.81
12.	March 2013	2.08	1.98

**xi) Distribution schedule & Shareholding pattern:**

The table below gives the distribution of share holding according to the size clause as on 31<sup>st</sup> March 2013

Shareholding Nominal value of Rs.	Shareholders		Shares held in each class	
	Number	% of Total	Number	% of Total
1-5,000	1795	70.48	756305	8.07
5,001-10,000	524	20.57	492018	5.25
10,001-20,000	107	4.20	178236	1.90
20,001-30,000	21	0.82	56463	0.60
30,001-40,000	10	0.39	37000	0.39
40,001-50,000	27	1.06	130166	1.39
50,001-1,00,000	29	1.14	225100	2.40
1,00,001 & above	34	1.33	7493812	79.98
<b>TOTAL:</b>	<b>2,547</b>	<b>100.00</b>	<b>93,69,100</b>	<b>100.00</b>

SHARE HOLDING PATTERN:		
CATEGORY	NO OF SHARES HELD	% OF SHARE HOLDING
<b>A. PROMOTERS HOLDING</b>		
1) PROMOTERS		
Indian Promoters	2884600	30.79
Foreign Promoters	0	0
2) PERSONS ACTING INCONCERT		
	0	0
<b>Sub Total</b>	<b>2884600</b>	<b>30.79</b>
<b>B. NON-PROMOTERS HOLDING</b>		
3) INSTITUTIONAL INVESTERS		
a) Mutual Funds & UTI	199500	2.13
b)-Banks, Financial Institutions, Insurance Comp.,(Central/State Govt.Inst./Non.Govt.Inst.) - Inds.Devp.Bank of Ind.(IDBI)	250000	2.67
c)- FIIs	0	0
<b>Sub Total</b>	<b>449500</b>	<b>4.8</b>
4) OTHERS		
a)- Private Corporate Bodies	3849724	41.09
b)- Indian Public	2115276	22.58
c)- NRIs/OCBs	50500	0.54
d)- Others (Clearing Members)	19500	0.21
<b>Sub Total</b>	<b>6035000</b>	<b>64.42</b>
<b>GRAND TOTAL</b>	<b>9369100</b>	<b>100.00</b>

**xii) 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 01.04.2012 to 31.03.2013

Sl. No	Name of the Complaint	Received	Disposed	Pending
1.	Change/correction of address	09	09	NIL
2.	Deletion/inclusion of joint name and transmission	NIL	NIL	NIL
3.	Non -receipt of annual reports	6	6	NIL
3.	Others	15	15	NIL

xiii) **Dematerialization of shares and liquidity:** The Company shares are under Compulsory De-materialization

xiv) **Address for Investor Correspondence:**

- a) For transfer of Shares : #56, Nagarjuna hills, Punjagutta, Hyderabad-82
- b) For query on Annual Report and any other query relating to the shares of the company : #56, Nagarjuna hills, Punjagutta, Hyderabad-82

**13. 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**

**K. SOMA RAJU  
Director**

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

Place: HYDERABAD  
Date: 19.08.2013

### CEO/MD CERTIFICATE

The Board of Directors  
Nagarjuna Agri-Tech Limited  
I certify that:

1. I have reviewed the financial statement, read with the cash flow statement of Nagarjuna Agri-Tech Limited (the Company ) for the year ended 31st March, 2012 and to the best of my Knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements and other financial information included in this report present a true and fair view of the company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or volatile of the company's code of conduct;
3. Based on the recent most evaluation on internal controls and systems I have to state
  - (i) That there were no deficiencies in the design or operation of internal controls, which I am aware ;
  - (ii) That there have been adequate internal control in the Company,
  - (iii) That there was no fraud, which I have become aware of and that involves management or other employees who have a significant role in the company's internal control systems;

Date : 19.08.2013  
Place : Hyderabad

Dr. KVLNRAJU  
MANAGING DIRECTOR

### DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

Pursuant to circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated 29th October, 2004, it is hereby Declared that The Company has obtained conformation from all Board Members and Senior Management Personnel of the Company for the compliance of the code of conduct of the Company for the year 2011-12 as envisaged in clause 49 of the Listing agreement with Stock Exchange

Date: 04.09.2012  
Place:Hyderabad

Dr. KVLNRAJU  
MANAGING DIRECTOR

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF  
CORPORATE GOVERNANCE UNDER CLAU SE 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 2012 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  
Firm Registration No: 000092S

Place: Hyderabad  
Date: 19-08-2013

(P. VENKATA RAMANA)  
Partner  
Membership No. : 203346

**AMAR & RAJU**  
**CHARTERED ACCOUNTANTS**

*Flat No: 201, KOR Residency  
H. No: 8 8-3-966/16, Road No:3,  
Nagarjuna Nagar, Srinagar Colony (PO)  
Hyderabad Hyderabad-500073  
& 23748129*

INDEPENDENT AUDITOR'S REPORT

TO  
The Members of  
NAGARJUNA AGRI TECH LIMITED  
Report on the Financial Statements:

We have audited the accompanying financial statements of M/s. NAGARJUNA AGRI TECH LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair

presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and 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 March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

- 1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2 As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) 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 those books
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For AMAR & RAJU  
CHARTERED ACCOUNTANTS  
Firm Registration No: 000092S

(P. VENKATA RAMANA)  
Partner  
Membership No: 203346

Place: Hyderabad  
Date: 31-05-2013

Annexure to Auditor's Report  
NAGARJUNA AGRI TECH LIMITED  
Referred to in Paragraph 1 of our report of even date

- 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.13,00,000/- and the year end outstanding balance was Rs.8,00,000/- . According to the information and explanations given to us the terms and conditions of the loan are not prima facie prejudicial to the interests of the company.
- 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) As per the information and explanations given to us by the Management, the company's internal control procedure together with the internal checks conducted by the Management staff during the year can be considered as an internal audit system commensurate with the size and nature of its business.
- viii) According to the information and explanations given to us, maintenance of cost records under section 209(1)(d) of the Companies act, 1956 are not applicable to the activities carried on by the company.
- ix)
  - a) The company is generally 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, 2013 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 incurred cash loss during the financial year covered by our audit and the company has not incurred cash loss in 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.
- xii) 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 funds raised on short-term basis have not 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.

For AMAR & RAJU  
CHARTERED ACCOUNTANTS  
Firm Registration No: 000092S

Place: Hyderabad  
Date: 31-05-2013

(P. VENKATA RAMANA)  
Partner  
Membership No: 203346

**NAGARJUNA AGRITECH LIMITED**

**BALANCE SHEET AS AT 31st MARCH, 2013**

Particulars	Note No	Amount in Rupees	
		AS AT 31-03-2013	AS AT 31-03-2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2.1	93,691,000	93,691,000
(b) Reserves and Surplus	2.2	(28,549,322)	(23,545,746)
		<b>65,141,678</b>	<b>70,145,254</b>
<b>(2) Non-Current Liabilities</b>			
(a) Other Long-term Liabilities	2.3	166,667	-
		<b>166,667</b>	<b>-</b>
<b>(3) Current Liabilities</b>			
(a) Short term borrowings	2.4	800,000	-
(b) Trade Payables	2.5	38,140	1,130,779
(c) Other Current Liabilities	2.6	632,905	880,353
		<b>1,471,045</b>	<b>2,011,132</b>
<b>Total</b>		<b>66,779,390</b>	<b>72,156,386</b>
<b>II. Assets</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
Tangible Assets	2.7	44,922,037	49,544,459
(b) Long-term Loans and Advances	2.8	1,707,195	1,962,518
(c) Other Non-Current Assets	2.9	13,456,300	13,456,300
		<b>60,085,532</b>	<b>64,963,277</b>
<b>(2) Current Assets</b>			
(a) Inventories	- 2.10		698,942
(b) Trade Receivables	2.11	80,757	2,182,937
(c) Cash and Bank Balances	2.12	6,383,769	4,018,979
(d) Short-term Loans and Advances	- 2.13		156,566
(e) Other Current Assets	2.14	229,332	135,685
		<b>6,693,858</b>	<b>7,193,109</b>
<b>Total</b>		<b>66,779,390</b>	<b>72,156,386</b>
Significant Accounting Policies	1		
Notes on Accounts	2		

As per our report of even date

For and on behalf of the Board

For AMAR & RAJU  
CHARTERED ACCOUNTANTS  
Firm Registration No: 000092S

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

(K. SOMA RAJU)  
Director

(P. VENKATA RAMANA)  
Partner  
Membership No: 203346

(N. VISWANATHA RAJU)  
Director

Place: HYDERABAD  
Date : 31-05-2013

**NAGARJUNA AGRI TECH LIMITED**

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013**

Particulars	Note No	Amount in Rupees	
		Year ended 31-03-2013	Year ended 31-03-2012
Revenue from Operations - Horticulture	2.15	7,544,393	19,069,285
Other Income	2.16	301,526	-
<b>Total Revenue</b>		<b>7,845,919</b>	<b>19,069,285</b>
Expenses:			
Purchases of Stock-in-trade (Cut Flowers)		609,946	260,585
Changes in Inventories of Finished Goods and Stock-in-trade	2.17	210,000	(22,200)
Employee Benefit Expense	2.18	426,000	607,497
Depreciation	2.7	4,622,422	4,649,612
Other Expenses	2.19	6,887,955	17,766,558
<b>Total Expenses</b>		<b>12,756,323</b>	<b>23,262,052</b>
Profit / (Loss) before Tax		(4,910,404)	(4,192,767)
Tax Expense:			
Current Tax		(93,172)	-
Deferred Tax		-	-
<b>Profit / (Loss) for the Period from Continuing Operations</b>		<b>(5,003,576)</b>	<b>(4,192,767)</b>
EPS: (In Rupees) (Face Value Rs.10/-)	2.20		
Basic and Diluted Earnings Per Share		(0.53)	(0.45)
<b>Significant Accounting Policies</b>	1		
<b>Notes on Accounts</b>	2		

As per our report of even date

For and on behalf of the Board

**FOR AMAR & RAJU**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No: 000092S

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

**(K. SOMA RAJU)**  
Director

**(P. VENKATA RAMANA)**  
Partner  
Membership No: 203346

**(N. VISWANATHA RAJU)**  
Director

Place: HYDERABAD  
Date : 31-05-2013

**NAGARJUNA AGRI TECH LIMITED**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS  
FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS STATEMENT  
FOR THE YEAR ENDING 31st MARCH, 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES:**

a) **Basis of preparation of Financial Statements:**

The Financial Statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India and comply in all material aspects with the applicable Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956 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 historical cost less depreciation. Attributable costs and expenses including borrowing costs for bringing the respective assets to working condition for their intended use are capitalized.

c) **Depreciation:**

Depreciation is provided on straight line method as per the rates prescribed under Schedule XIV of the Companies Act, 1956.

d) **Valuation of Inventories:**

Closing stock of inventories are valued at lower of cost or net realisable value. Cost has been ascertained on FIFO basis.

e) **Revenue Recognition:**

Revenue from the sale of grown items is recognised upon passage of the title to the customers which generally consists with the delivery and acceptance thereof.

Interest income is recognized on accrual basis.

Operating lease rentals are accounted on mercantile basis as per the terms of the lease agreement.

f) **Foreign Exchange transactions:**

All foreign currency transactions were initially recognized at the rate on the date of transaction.

Exchange differences arising on the settlement of monetary items were recognized as income/expense.

Monetary items as on the date of Balance Sheet are stated at the closing rate/realistic rate.

g) **Cash Flow Statement:**

The Cash Flow Statement has been compiled from and is based on the Balance Sheet and the related Statement of Profit and Loss 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. Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques in hand and short term investments with an original maturity of three months or less.

## 1. SIGNIFICANT ACCOUNTING POLICIES:

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h) **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.

i) **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.

j) **Provisions and Contingent Liabilities and Contingent Assets:**

Provisions in respect of present obligations arising out of past 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.

k) **Operating Lease:**

Operating Lease payments are recognized as an expense in the Profit and Loss Statement of the year to which they relate

l) **Earnings Per Share:**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

m) **Government Grants:**

Air freight subsidy towards reimbursement of Air freight charges/expenses is deducted from the related expenditure. Capital Subsidy towards reimbursement of capital expenditure is deducted from the concerned capital expenditure.

n) **Use of Estimates:**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

**NAGARJUNA AGRI TECH LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013**

<b>A) <u>Cash Flow from Operating Activities:</u></b>	<b>Amount in Rupees</b>			
	<b>31-03-2013</b>		<b>31-03-2012</b>	
Net Profit / (Loss) Before Tax		(4,910,404)		(4,192,767)
Adjustments for:				
Depreciation	4,622,422		4,649,612	
Bad Debts & Deposits Written off	1,140,607		2,825,526	
Interest received	(301,526)		-	
Income tax paid	(93,172)		-	
		<b>5,368,331</b>		<b>7,475,138</b>
Operating Profit Before Working Capital Changes		<b>457,927</b>		<b>3,282,371</b>
Adjustments for:				
Trade & Other Receivables	1,445,638		2,146,816	
Trade Payable	(1,173,420)		(1,899,205)	
Inventories	698,942		(164,143)	
		<b>971,160</b>		<b>83,468</b>
Net Cash from Operating Activities		<b>1,429,087</b>		<b>3,365,839</b>
<b>B) <u>Cash Flow from Investing Activities:</u></b>				
Purchase of Fixed Assets	-		(1,147,102)	
Subsidy received	-		1,500,000	
Investment in Share Application Money	-		(2,000,000)	
Interest received on fixed deposits	135,703		-	
Net Cash Used in Investing Activities		<b>135,703</b>		<b>(1,647,102)</b>
<b>C) <u>Cash Flow from Financing Activities:</u></b>				
Unsecured loans taken	1,300,000		-	
Unsecured loans repaid	(500,000)		-	
Net Cash Used in Financing Activities		<b>800,000</b>		<b>-</b>
Net Increase in Cash & Cash Equivalents (A-B-C)		<b>2,364,790</b>		<b>1,718,737</b>
Cash & Cash Equivalents at the Beginning				
Cash on Hand	48,760		34,333	
Balance with Sch., Banks in CA	3,785,158		2,080,848	
		<b>3,833,918</b>		<b>2,115,181</b>
Cash & Cash Equivalents at the End				
Cash on Hand	215,443		48,760	
Balance with Sch., Banks in CA	5,983,265		3,785,158	
		<b>6,198,708</b>		<b>3,833,918</b>

As per our report of even date

for AMAR & RAJU  
CHARTERED ACCOUNTANTS  
Firm Registration No: 000092S

For and on behalf of the Board

(P. VENKATA RAMANA)  
Partner  
Membership No: 203346

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

(K. SOMA RAJU)  
Director

Place: HYDERABAD  
Date : 31-05-2013

(N. VISWANATHA RAJU)  
Director

**NAGARJUNA AGRI TECH LIMITED**

**2. NOTES ON ACCOUNTS:**

**2.1 SHARE CAPITAL**

Particulars	Amount in Rupees	
	31-03-2013	31-03-2012
<b>A) Authorised Share Capital:</b>		
1,00,00,000 Equity Shares of Rs.10/- each	<b>100,000,000</b>	100,000,000
<b>B) Issued, Subscribed and Fully Paid-up Share Capital:</b>		
93,69,100 Equity Shares of Rs.10/- each fully paid up	<b>93,691,000</b>	93,691,000
Total	<b>93,691,000</b>	93,691,000

**Disclosure pursuant to Note No. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956**

**Reconciliation of the Number of Shares Outstanding:**

	As At	
	31-03-2013	31-03-2012
Shares outstanding at the beginning of the year	<b>9,369,100</b>	9,369,100
Add: Shares Issued during the year	-	-
Add: Bonus Shares Issued	-	-
Less: Shares bought back during the year	-	-
Shares outstanding at the end of the year	<b>9,369,100</b>	9,369,100

**Disclosure pursuant to Note No. 6(A)(e) of Part I of Schedule VI to the Companies Act, 1956**

The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital;

a) The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share

b) The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

c) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**NOTES ON ACCOUNTS**

**Disclosure pursuant to Note No. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956**

Shares in the Company held by each Share Holder holding more than 5% shares

	As At	
	31-03-2013 No of shares %	31-03-2012 No of shares %
a) Subhkam Ventures (I) Private Limited	3,414,200 36.44%	3,414,200 36.44%
b) Jinnur Investments Private Limited	2,133,405 22.77%	2,133,405 22.77%

**Disclosure pursuant to Note No. 6(A)(h) of Part I of Schedule VI to the Companies Act, 1956**

Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment;

NIL                      NIL

**Disclosure pursuant to Note No. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956**

a) Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash in the last five years immediately preceeding the Balance Sheet date

NIL                      NIL

b) Aggregate number of bonus shares (Equity) issued in the last five years immediately preceeding the Balance Sheet date

c) Aggregate number of equity shares bought back in the last five years immediately preceeding the Balance Sheet date

NIL                      NIL

**Disclosure pursuant to Note No. 6(A)(j) of Part I of Schedule VI to the Companies Act, 1956**

Securities convertible into equity / preference shares issued

NIL                      NIL

**NOTES ON ACCOUNTS**

**2.2 RESERVES & SURPLUS**

Particulars	As At	
	31-03-2013	31-03-2012
A) Subsidy from APEDA (A)	<u>100,000</u>	<u>100,000</u>
B) Capital Reserve (B)	<u>7,372,050</u>	<u>7,372,050</u>
C) Surplus:		
Opeing balance	(31,017,796)	(26,825,029)
Add / (Less): Net Profit / (Loss) after Tax transferred from Statement of Profit & Loss	<u>(5,003,576)</u>	<u>(4,192,767)</u>
Balance in Profit & Loss Account (.C)	<u>(36,021,372)</u>	<u>(31,017,796)</u>
Total (A+B+C)	<u>(28,549,322)</u>	<u>(23,545,746)</u>

**2.3 OTHER LONG-TERM LIABILITIES**

Particulars	As At	
	31-03-2013	31-03-2012
Lease Rent Received in Advance	166,667	-
Total	<u>166,667</u>	<u>-</u>

**2.4 SHORT-TERM BORROWINGS**

Particulars	As At	
	31-03-2013	31-03-2012
Unsecured Short-Term Borrowings:		
From Related Parties	800,000	-
Total	<u>800,000</u>	<u>-</u>
Aggregate amount of loans Guaranteed by Directors & Others	NIL	NIL
Amount of default as on the balance sheet date in repayment of loans and interest there on	NIL	NIL

**NOTES ON ACCOUNTS**

**2.5 TRADE PAYABLES**

Particulars	As At	
	31-03-2013	31-03-2012
Accrued Salaries and other benefits		
Salaries	15,000	183,750
For Other Liabilities		
For Supplies	23,140	947,029
Total	<u>38,140</u>	<u>1,130,779</u>

**2.6 OTHER CURRENT LIABILITIES**

Particulars	As At	
	31-03-2013	31-03-2012
For Services & Expenses	114,829	608,618
Withholding and Other Taxes Payable	18,076	17,949
Creditors for capital goods/works	-	253,786
Lease Rent received in advance	500,000	-
Total	<u>632,905</u>	<u>880,353</u>

NOTES ON ACCOUNTS

2.7 FIXED ASSETS

Amount in Rupees

DESCRIPTION	Rate of Dep.,	GROSS BLOCK			DEPRECIATION		NET BLOCK	
		AS ON 1/4/2012	ADDITIONS	AS ON 31/03/2013	UP TO 1/4/2012	FOR THE PERIOD 31/03/2013	AS ON 31/03/2013	AS ON 31/03/2012
TANGIBLE ASSETS								
Land	-	16,863,722	-	16,863,722	-	-	16,863,722	16,863,722
Buildings	3.34%	10,175,108	-	10,175,108	5,277,197	339,849	4,558,062	4,897,911
Plant & Machinery	4.75%	89,509,607	-	89,509,607	61,852,145	4,251,706	23,405,756	27,657,462
Furniture	6.33%	633,710	-	633,710	609,552	12,924	11,234	24,158
Office Equipment	4.75%	304,214	-	304,214	212,733	14,450	77,031	91,481
Computers	16.21%	295,337	-	295,337	285,612	3,493	6,232	9,725
Vehicles	-	263,403	-	263,403	263,403	-	-	-
<b>TOTAL</b>		<b>118,045,101</b>	<b>-</b>	<b>118,045,101</b>	<b>68,500,642</b>	<b>4,622,422</b>	<b>44,922,037</b>	<b>49,544,459</b>
<b>PRE., YEAR TOTAL</b>		<b>118,249,213</b>	<b>1,295,888</b>	<b>118,045,101</b>	<b>63,851,030</b>	<b>4,649,612</b>	<b>49,544,459</b>	<b>54,398,183</b>

**NOTES ON ACCOUNTS**

**2.8 LONG-TERM LOANS AND ADVANCES**

Particulars	As At	
	31-03-2013	31-03-2012
Unsecured Considered Good		
Advances for capital goods/works	1,000,000	1,000,000
Security Deposits	707,195	962,518
Total	<u>1,707,195</u>	<u>1,962,518</u>

**2.9 OTHER NON-CURRENT ASSETS**

Particulars	As At	
	31-03-2013	31-03-2012
Others:		
Share Application Money	13,456,300	13,456,300
Total	<u>13,456,300</u>	<u>13,456,300</u>

**2.10 INVENTORIES**

Particulars	As At	
	31-03-2013	31-03-2012
a) Fertilisers & Pesticides	-	442,827
b) Packing Material	-	46,115
c) Cut Flowers	-	210,000
Total	<u>-</u>	<u>698,942</u>

Mode of valuation of Inventories:  
Inventories are valued at lower of cost or net realisable value.  
Cost has been arrived on FIFO basis

**NOTES ON ACCOUNTS**

**2.11 TRADE RECEIVABLES**

Particulars	As At	
	31-03-2013	31-03-2012
Unsecured Considered Good		
Outstanding for a period exceeding six months	-	1,133,317
Others	<b>80,757</b>	1,049,620
Total	<b>80,757</b>	2,182,937

**2.12 CASH AND BANK BALANCES**

Particulars	As At	
	31-03-2013	31-03-2012
A) Cash and Cash Equivalents:		
Balances with Banks	<b>5,983,265</b>	3,785,158
Cash on Hand	<b>215,443</b>	48,760
Total Cash and Cash Equivalents (A)	<b>6,198,708</b>	3,833,918
B) Other Bank Balances:		
Balances with Banks	<b>185,061</b>	185,061
Total Other Bank Balances (B)	<b>185,061</b>	185,061
Total Cash and Bank Balances (A + B)	<b>6,383,769</b>	4,018,979
Other Bank Balances includes:		
a) Earmarked balances with banks	-	-
b) Deposit accounts with more than 12 months maturity	-	-
c) Held as margin money deposits against guarantees	<b>185,061</b>	185,061

**NOTES ON ACCOUNTS**

**2.13 SHORT TERM LOANS AND ADVANCES**

Particulars	As At	
	31-03-2013	31-03-2012
Unsecured Considered Good		
Others		
Advance for supplies	-	121,066
Staff Advances	-	35,500
Total	<u>-</u>	<u>156,566</u>

**2.14 OTHER CURRENT ASSETS**

Particulars	As At	
	31-03-2013	31-03-2012
Air Freight Subsidy Receivable	25,849	135,685
Interest receivable on deposits	165,823	-
Income tax refund due	37,660	-
Total	<u>229,332</u>	<u>135,685</u>

**NOTES ON ACCOUNTS**

**2.15 REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
A) From Sale of Products		
Cut Flowers	7,211,060	19,069,285
B) Other Operating Revenue		
Rent Received	333,333	-
<b>Total</b>	<b>7,544,393</b>	<b>19,069,285</b>

**2.16 OTHER INCOME**

<b>Particulars</b>	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
Interest Received	301,526	-
<b>Total</b>	<b>301,526</b>	<b>-</b>

**2.17 CHANGES IN INVENTORIES**

<b>Particulars</b>	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
Inventories at the end of the period		
Finished Goods		
Cut Flowers	-	210,000
<b>Total (A)</b>	<b>-</b>	<b>210,000</b>
Inventories at the beginning of the period		
Finished Goods		
Cut Flowers	210,000	187,800
<b>Total (B)</b>	<b>210,000</b>	<b>187,800</b>
<b>Change in Inventories (A - B)</b>	<b>210,000</b>	<b>(22,200)</b>

**NOTES ON ACCOUNTS**

**2.18 EMPLOYEE BENEFIT EXPENSES**

Particulars	Year ended 31-03-2013	Year ended 31-03-2012
Salaries, Wages & Other Benefits	368,800	456,000
Staff Welfare Expenses	57,200	151,497
<b>Total</b>	<b>426,000</b>	<b>607,497</b>

**2.19 OTHER EXPENSES**

Particulars	Year ended 31-03-2013	Year ended 31-03-2012
Fertilizers & Pesticides Consumed	1,697,067	3,865,884
Power & Fuel	616,170	1,693,522
Plant Maintenance	1,303,456	4,322,247
Repairs & Maintenance	160,373	268,536
Travelling & Conveyance	244,646	217,080
Printing & Stationery	33,840	30,999
Postage & Telephone	30,032	82,246
Rent	117,750	109,650
Rates & Taxes	61,798	106,007
Auditors Remuneration	112,360	112,360
Professional Charges	163,403	276,325
Bank Charges & Commission	22,099	30,288
General Expenses	6,924	33,070
Clearing & Forwarding Charges	130,807	604,737
Freight outwards	751,528	2,120,160
Packing Material Consumed	295,095	1,067,921
Bad Debts Written Off	1,105,034	2,825,526
Deposits written off	35,573	-
<b>Total</b>	<b>6,887,955</b>	<b>17,766,558</b>

**NOTES ON ACCOUNTS**

**2.20 EARNINGS PER SHARE**

Particulars	Year ended 31-03-2013	Year ended 31-03-2012
No. of Equity Shares outstanding at the beginning of the year	9,369,100	9,369,100
Weighted Average No. of Equity Shares issued during the year	-	-
Total number of Shares outstanding at the end of the year (used as denominator for calculating EPS)	9,369,100	9,369,100
Profit available to share holders (used as numerator for calculating EPS)	(5,003,576)	(4,192,767)
Basic & Diluted Earnings Per Share in Rs. (Face Value Rs.10/-)	(0.53)	(0.45)

**2.21 VALUE OF PURCHASE OF STOCK-IN-TRADE,  
TURNOVER, OPENING & CLOSING STOCK-IN-TRADE:**

Particulars	Year ended 31-03-2013	Year ended 31-03-2012
A) Purchase of Stock-in-trade: Cut Flowers	609,946	260,585
B) Turnover: Sale of Cut Flowers and Bloomed Roses	7,211,060	19,069,285
C) Opening Stock-in trade: Finished goods - Cut Flowers	210,000	187,800
D) Closing Stock-in-trade: Finished goods - Cut Flowers	-	210,000

**NOTES ON ACCOUNTS**

**2.22 AUDITORS REMUNERATION**

Particulars	Year ended 31-03-2013	Year ended 31-03-2012
Audit Fee	70,000	70,000
Tax Audit Fee	15,000	15,000
For Certification, Taxation and other matters	15,000	15,000
Service Tax	12,360	12,360
Total	<u>112,360</u>	<u>112,360</u>

**2.23 FOREIGN EXCHANGE TRANSACTIONS**

Particulars	Year ended 31-03-2013	Year ended 31-03-2012
Earnings in Foreign Currency: FOB Value of Exports	3,497,545	10,023,921

**2.24 CONTINGENT LIABILITIES**

Particulars	Year ended 31-03-2013	Year ended 31-03-2012
Guarantees to Banks	510,113	510,113

**NOTES ON ACCOUNTS**

**2.25 Disclosure under Clause 32 of the Listing Agreement**

Particulars	Year ended 31-03-2013	Year ended 31-03-2012
a) Loans and advances in the nature of loans to Subsidiary Company:	NIL	NIL
b) Loans and advances in the nature of loans to Associate Company:	NIL	NIL
c) Loans and advances in the nature of loans where there is:		
I) No repayment schedule or repayment beyond seven years:	NIL	NIL
II) No Interest or interest below Sec. 372A of Companies Act:	NIL	NIL
d) Loans and advances in the nature of loans to firms/companies in which Directors are interested:	NIL	NIL
e) Investments by the loanee in the shares of the parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	NIL	NIL

**2.26 Related Party Disclosures:**

Related party - Smt. K. Lakshmi Raju		
Amount of loan taken from the related party	1,300,000	-
Balance loan payable	800,000	-

**2.27 Segment Reporting:**

As the Company's business activities falls within single segment the disclosure requirement of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is not

applicable.

**2.28 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:**

There are no Micro, Small and Medium Enterprise, to whom the company owes dues, which are outstanding for more than 45 days as at 31<sup>st</sup> March, 2013. This information as required to be disclosed under the Micro, Small Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

**2.29 Deferred Tax Asset / Liability:**

The management has taken the view that, flowri culture 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.

**2.3 Government Grants:**

Air Freight Subsidy from APEDA towards reimbursement of air freight charges incurred for export of cut flowers are deducted from the related expenditure. Subsidy receivable for the current year is amounting to Rs.NIL (previous year Rs.1,35,685/-).

**2.3 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.3,20,622/- (previous year credited Rs.2,19,520/-)

**2.32 Note on Land:**

The company has acquired land in the name of individuals. The rules in Karnataka State do not permit the companies to hold agricultural land in their names. However, the company has entered into agreement with the respective individuals for execution of necessary legal documents in respect of the title of the land. The consideration for purchase of said land has already been paid out of the company's funds, hence treated as an asset of the company.

**2.33 Previous Years Figures:**

The previous year's figures have been reworked / regrouped / rearranged / reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

**2.34 Balances subject to Confirmation:**

Balances under sundry debtors, sundry creditors, deposits, loans and advances payable / receivable are subject to confirmation and reconciliation.

**As per our report of even date**

**For and on behalf of the Board**

**FOR AMAR & RAJU**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No: 000092S

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

**(P. VENKATA RAMANA)**  
Partner  
Membership No: 203346

**(N. VISWANATHA RAJU)**  
Director

Place: HYDERABAD  
Date : 31-05-2013

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 25th Annual General Meeting of the company to be held on Monday the 30th day of September 2013 at 3-30 hours at PLOT No. 56, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082.

Signature .....

Affix  
 Rupee 1/-  
 Revenue  
 Stamp

- 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 25th 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 Monday, September 30th 2013.

.....  
 Name of shareholder/proxy in BLOCK letters .....  
 Signature of share holder/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**  
**AGRITECH LIMITED**  
PLOT No. 56, Nagarjuna Hills,  
Punjagutta, Hyderabad - 500 082.