



NAGARJUNA
AGRI TECH LIMITED

12th ANNUAL REPORT
1999 - 2000



Board of Directors

Field Marshal SHFJ Manekshaw - Chairman
K. Soma Raju
K. Rama Krishna Raju
Dr. KVLN Raju - Managing Director

Auditors

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

Advocates & Solicitors

M/s. Bhaishanker Kanga & Girdharlal
Bombay - 400 001.

Principal Bankers & Financial Institution

State Bank of Mysore
Industrial Development Bank of India
Canara Bank
Global Trust Bank Ltd.

Registered Office

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



NAGARJUNA AGRI TECH LIMITED

Plot No.56, Nagarjuna Hills, Punjagutta, Hyderabad

NOTICE

Notice is hereby given that the Twelfth Annual General meeting of the Members of Nagarjuna Agri Tech Limited will be held on September 28, 2000 at 14-30 hours at Plot No. 56, Nagarjuna Hills, Punjagutta, Hyderabad 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 2000, together with the reports of the Director's and Auditor's thereon.
2. To appoint a Director in place of Mr. K. Soma Raju who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint auditors for the current year and 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 : 14-07-2000.

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.
2. The Register of members and share transfer books will remain closed from 18-09-2000 to 28-09-2000 (both days inclusive).
3. 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.
4. 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 : 14-07-2000.



DIRECTOR'S REPORT

Your Directors present herewith the Twelveth Annual Report and the Audited Accounts for the financial year ended 31st March 2000.

1. Financial results :

The results of Operations for the year ended 31-03-2000 are as under.

(Rs. in Lakhs)

	1999-2000	1998-1999
Turnover	148.05	92.52
Operating Surplus before		
Interest and depreciation	48.70	15.62
Interest	181.06	95.51
Depreciation	42.31	42.30
Plant Material Written off	46.03	48.48
Other expenditure		
written off	4.15	4.15
Deficit for the year	(-) 224.85	(-) 174.79
Deficit up to previous year	(-) 469.93	(-) 294.19
Deficit carried forward	(-) 694.78	(-) 469.93

2. Operations :

During the year, company has only 3.75 HA instead of 5 HA full production capacity. Since the company has already completed the change of plant material, during next financial year company is going to be with full 5 HA for production. During this year the price realizations are reasonable from Holland

auctions and Singapore. All the units put together we have chartered 2 air crafts during the season to Amsterdam to avoid sudden cancellation of flights and non-availability of space.

3. Future prospects :

Since there is a on going demand from all over the world for cut flowers company is going to explore the markets in other countries like far east countries. We are hoping to have more number of Chartered flights to Holland for smoother operations of exports. With 5Ha under full production and with the demand we are hoping to do much better.

The rehabilitation package is under the process with IDBI our term lending institution, and we are expecting a favourable support with the new package.

4. Directors :

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

5. 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.



6. 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 are no employees covered by the said rules.

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. 91,63,521
Foreign Exchange Outgo	
— On account of others	Rs. 2,22,649

8. Auditors Report :

The Auditors observations are self explanatory. The Company is making arrangements to pay the outstanding amounts to Employee Provident Fund and Employees State Insurance keeping in view of the Statutory obligation towards the above liability.

9. Acknowledgement :

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

**On behalf of the Board of Directors:
for NAGARJUNA AGRI TECH LIMITED**

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

Place : Hyderabad

Date : 14-07-2000



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, 2000 and the Profit and Loss Account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and other Companies (Auditor's Report) order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we report that :

- i) The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets. All the fixed assets have been physically verified by the management at the year end, 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 verification.
- ii) None of the fixed assets have been revalued during the year.
- iii) The management has conducted the physical verification in respect of finished goods, raw materials, stores at the end of the year under review. In our opinion the frequency of verification is reasonable.
- iv) The procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- v) No material discrepancies have been noticed on physical verification between the physical stocks and stocks as per the book records.
- vi) On the basis of our examination of the stock records of the Company, we are of the opinion that the valuation of stocks is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis

as in the preceding year.

- vii) The Company has taken interest free unsecured loans from companies and other parties listed in the register maintained under Section 301 of the Companies Act, 1956, and in our opinion and according to the information and explanations given to us the terms and conditions of these loans are not prima facie prejudicial to the interest of the company.
- viii) The Company has granted interest free unsecured loan to a company listed in the register maintained Under Section 301 of the Companies Act, 1956. In our opinion and according to the information and explanations given to us the terms and conditions of these loans are not prima-facie prejudicial to the interest of the company.
- ix) In respect of loans and advances in the nature of loans given by the company, parties are repaying the amounts as stipulated and according to the information and explanations given to us reasonable steps have been taken by the company for the recovery of the same.
- x) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of stores, materials, machinery, equipment and other assets, and for the sale of goods.
- xi) In our opinion and according to the information and explanations given to us, the transactions for purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the registers maintained Under Section 301 and aggregating during the year to Rs.50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods, materials or



- services have been made with other parties.
- xii) As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, materials and finished goods. Adequate provision has been made in the accounts for the loss arising on the items so determined.
- xiii) The Company has not accepted any deposits from the public during the year under audit in contravention to the provisions of Sec. 58A of the Companies Act, 1956, and the rules framed thereunder.
- xiv) According to the information and explanations given to us there is no generation of scrap and the company has no by-products.
- xv) The Company does not have any internal audit system.
- xvi) Maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 has not been prescribed by the Central Government for the Company.
- xvii) Provident Fund and Employees State Insurance dues relating to the period 1997-98, 1998-99 and 1999-2000 amounted to Rs.40,976/-, which had fallen due for deposit with appropriate authorities has not been so deposited as at 31-03-2000.
- xviii) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding as at 31st March, 2000 for a period of more than six months from the date they became payable.
- xix) According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with the generally accepted business practice.
- xx) During the year under audit, the accumulated losses as at the end of the year exceeded the net worth. According to the information and explanations given to us, the company is not an industrial company and the provisions of Sick Industrial Companies (Special Provision) Act, 1985 are not applicable to the company.
2. Subject to above comments and notes forming part of accounts we further state 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 such books.
- c) The Balance sheet and the Profit & Loss Account referred to in this report are in agreement with the books of Accounts.
- d) In our opinion, the Balance Sheet and Profit and Loss Account comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to the explanations given to us, the said Balance sheet and the Profit and Loss Account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
- i) Insofar as it relates to the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2000 and
- ii) Insofar as it relates to the Profit & Loss Account of the Loss of the Company for the year ended on that date.

For AMAR & RAJU
CHARTERED ACCOUNTANTS

G. AMARANATHA REDDY
Partner

Place : Hyderabad
Date : 14-07-2000.



BALANCE SHEET AS AT 31st MARCH, 2000

	SCH No.	AS AT 31-03-2000		AS AT 31-03-1999	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
SHARE HOLDER'S FUNDS :					
Share Capital	A	6,75,12,000		6,70,68,250	
Reserves & Surplus	B	1,00,000		7,50,000	
			6,76,12,000		6,78,18,250
LOAN FUNDS :					
Secured Loans	C	10,43,48,577		8,41,08,436	
Unsecured Loans	D	86,42,566		1,05,22,583	
			11,29,91,143		9,46,31,019
TOTAL			18,06,03,143		16,24,49,269
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	E	10,21,76,205		10,12,86,722	
LESS : Depreciation		1,43,77,247		1,01,46,249	
Net Block			8,77,98,958		9,11,40,473
CURRENT ASSETS, LOANS AND ADVANCES					
Current Assets	F	49,83,688		19,07,169	
Loans & Advances		23,15,648		15,11,695	
		72,99,336		34,18,864	
LESS: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	G	64,17,266		63,97,396	
Provisions		0		0	
Net Current Assets			8,82,070		(29,78,532)
MISCELLANEOUS EXPENDITURE	H		2,24,43,966		2,72,94,107
PROFIT & LOSS ACCOUNT			6,94,78,149		4,69,93,221
TOTAL			18,06,03,143		16,24,49,269
NOTES TO ACCOUNTS	N				

As per our report of even date

For and on behalf of the Board

For AMAR & RAJU
Chartered Accountants

(FIELD MARSHAL SHFJ MANEKSHAW
Chairman

(G. AMARANATHA REDDY)
Partner

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

K. SOMA RAJU
Director

K. RAMAKRISHNA RAJU
Director

Place : Hyderabad
Date : 14-07-2000



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS AT 31st MARCH, 1999

	SCII	YEAR ENDED 31-03-2000 Rupees	YEAR ENDED 31-03-1999 Rupees
INCOME			
Sales		1,48,05,125	93,51,832
Other Income	I	55,24,888	1,16,031
TOTAL		2,03,30,013	93,68,763
EXPENDITURE			
Manufacturing, Administrative and Selling expenditure	J	1,46,87,442	72,11,089
Expenditure on personnel	K	7,72,789	5,52,501
Interest	L	1,81,05,962	95,50,664
Depreciation	E	42,30,998	42,29,993
Other expenditure written off	M	50,17,780	52,62,793
TOTAL		4,28,14,941	2,68,47,170
Net Loss for the year		(-) 2,24,84,928	(-) 1,74,78,407
Earlier year adjustments		0	(-) 96,129
Loss brought forward		(-) 4,69,93,221	(-) 2,94,18,685
Loss carried to Balance Sheet		6,94,78,149	4,69,93,221
NOTES TO ACCOUNTS	N		

As per our report of even date

For and on behalf of the Board

For AMAR & RAJU
Chartered Accountants

(FIELD) MARSHAL SHEJ MANEKSHAW
Chairman

(G. AMARANATHA REDDY)
Partner

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

K. SOMA RAJU
Director

K. RAMAKRISHNA RAJU
Director

Place : Hyderabad
Date : 14-07-2000



SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2000
SCHEDULE - A : SHARE CAPITAL

	AS AT 31-03-2000		AS AT 31-03-1999	
	Rupees	Rupees	Rupees	Rupees
Authorised :				
1,00,00,000 Equity Shares of Rs.10/- each		10,00,00,000		10,00,00,000
Issued, Subscribed & Paid up :				
87,53,100 Equity Shares of Rs.10/- each		8,75,31,000		8,75,31,000
Less : calls in arrears		2,00,19,000		2,04,62,750
TOTAL		6,75,12,000		6,70,68,250

SCHEDULE : B - RESERVES & SURPLUS

Subsidy from APEDA		1,00,000		7,50,000
TOTAL		1,00,000		7,50,000

SCHEDULE : C - SECURED LOANS

Foreign currency Term Loan from IDBI	4,72,62,954		4,43,05,832	
Add : Interest accrued and due	2,25,75,094		1,09,30,432	
		6,98,38,048		5,52,36,264
Rupee term loan from IDBI	1,37,00,000		1,37,00,000	
Add : Interest accrued and due	1,53,28,852		97,02,945	
		2,90,28,852		2,34,02,945
Cash credit from Sate Bank of Mysore		49,55,202		47,62,022
Hire Purchase Finance from				
a) Birla Global Finance Ltd.	2,01,385		3,36,500	
b) Nagarjuna Finance Ltd.	2,04,440		2,04,440	
c) DCL Finance Ltd.	1,20,650		1,86,285	
		5,26,475		7,07,205
TOTAL		10,43,48,577		8,41,08,436

SCHEDULE : E FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As on 01-04-1999 Rs.	Additions Rs.	Deletions Rs.	As on 31-03-2000 Rs.	Upto 31-03-1999 Rs.	For the year Rs.	Upto 31-03-2000 Rs.	As on 31-03-2000 Rs.	As on 31-03-1999 Rs.
Land	82,63,722	0	0	82,63,722	0	0	0	82,63,722	82,63,722
Buildings	1,06,27,485	0#	4,62,500	1,01,64,985	8,87,395	3,39,510	12,26,905	89,38,080	97,40,930
Plant & Machinery	8,00,36,830*	27,89,483#	12,87,500	8,15,37,813	88,63,688	37,40,546	1,26,04,234	6,89,33,679	7,14,72,142
Furniture	6,11,668	0	0	6,11,668	96,797	38,719	1,35,516	4,76,152	6,14,871
Office equipment	2,59,214	0	0	2,59,214	30,782	12,313	43,095	2,16,119	2,23,432
Computers	2,07,721	0	0	2,07,721	84,180	33,672	1,17,852	88,869	1,23,641
Vehicles	2,63,403	0	0	2,63,403	62,557	25,023	87,580	1,75,823	2,00,846
Refrigerated Vehicle	10,17,679	0#	1,50,000	8,67,679	1,20,850	41,215	1,62,065	7,06,614	8,96,829
TOTAL	10,12,86,722	27,89,483	19,00,000	10,21,76,205	1,01,46,249	42,30,998	1,43,77,247	8,77,96,958	3,11,40,473
Previous year total	9,74,64,742	38,21,980	0	10,12,86,722	59,16,256	42,29,933	1,01,46,249	9,11,40,473	9,15,48,486

* Foreign exchange fluctuation

Subsidy received

10





SCHEDULE - D : UNSECURED LOANS

	AS AT 31-03-2000		AS AT 31-03-1999	
	Rupees	Rupees	Rupees	Rupees
1. From Directors		5,25,964		7,87,542
2. From Body Corporates		26,67,413		38,85,852
3. From Others		54,49,189		58,49,189
TOTAL		86,42,566		1,05,22,583

SCHEDULE - F : CURRENT ASSETS, LOANS AND ADVANCES

A. Current Assets :				
1) Stock-in-trade :				
a) Fertilizers & Pesticides	1,00,909		14,766	
b) Packing material	9,168		2,466	
		1,10,077		17,232
2) Sundry Debtors :				
a) Outstanding for more than six months	13,89,825		4,40,878	
b) Others	19,77,559		13,57,753	
		33,67,384		17,98,631
3) Cash and Bank balances :				
a) Cash on hand	1,59,861		7,570	
b) Balance with Scheduled Banks :				
i) In Current Account	12,65,638		3,008	
ii) Deposit Account	80,728		80,728	
		15,06,227		91,306
		49,83,688		19,07,169
B. Loans and Advances :				
1) Unsecured considered good recoverable in cash or in kind for the value to be received.	14,99,753		7,46,900	
2) Deposits	8,15,895		7,64,795	
		23,15,648		15,11,695
TOTAL		72,99,336		34,18,864



SCHEDULE - G : CURRENT LIABILITIES AND PROVISION

	AS AT 31-03-2000		AS AT 31-03-1999	
	Rupees	Rupees	Rupees	Rupees
A. Current Liabilities :				
1) Creditors for capital works	8,32,924		8,55,924	
2) Creditors for supplies	8,07,532		7,94,209	
3) Creditors for services and Expenses	40,66,724		42,57,975	
4) Advances from customers	2,01,395		53,743	
5) Interest accrued but not due on term loan	5,08,691		4,58,545	
	64,17,266		63,97,396	
B. Provisions :	0		0	
TOTAL		64,17,266		63,97,396

SCHEDULE - H : MISCELLANEOUS EXPENDITURE :

(To the extent not written off or adjusted)				
1) Public issue expenditure		24,84,216		28,98,252
2) Preliminary expenditure		0		605
3) Deferred Revenue expenditure (Mother Plants)		1,99,59,750		2,43,95,250
TOTAL		2,24,43,966		2,72,94,107



SCHEDULE - I : OTHER INCOME

	YEAR ENDED 31-03-2000	YEAR ENDED 31-03-1999
	Rupces	Rupces
Software Development charges	51,00,000	0
Freight Subsidy	1,45,837	5,807
Miscellaneous income	0	7,598
Earlier year expenditure written back	0	1,03,526
Interest Received	2,79,051	0
TOTAL	55,24,888	1,16,931

SCHEDULE - J : MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES

A) Manufacturing Expenditure :		
Fertilizers & Pesticides	12,93,078	12,04,094
Power & Fuel	5,81,976	4,54,824
Plant Maintenance	17,43,345	16,14,187
Repairs & Maintenance	6,79,662	4,07,779
Purchase of Flowers	7,88,366	3,70,555
B) Administrative Expenditure :		
Travelling & Conveyance	1,58,053	2,70,953
Printing & Stationery	58,756	34,651
Communication costs	1,70,980	1,09,416
Rent, Rates, Taxes & Charges	1,85,293	1,51,291
Auditors remuneration	35,000	30,000
Legal & Professional Charges	14,000	33,000
Bank charges & Commission	61,450	32,913
Vehicle maintenance	2,76,019	2,38,846
Office Maintenance	48,380	61,298
General expenses	57,563	54,022
Software development charges	50,00,000	0
C) Selling Expenditure :		
Freight, Clearing, Forwarding and Handling Charges	31,35,292	19,57,629
Packing Material	4,00,229	2,25,631
TOTAL	1,46,87,442	72,51,089



SCHEDULE - K : EXPENDITURE ON PERSONNEL :

	YEAR ENDED 31-03-2000	YEAR ENDED 31-03-1999
	Rupees	Rupees
Salaries, retainers fees and other benefits	4,49,969	2,53,371
Staff welfare expenditure	3,22,790	2,99,260
TOTAL	7,72,759	5,52,631

SCHEDULE - L : INTEREST :

On Term Loans	1,73,20,715	87,91,373
Bank Interest	7,85,247	6,17,177
On Other Loans	0	1,42,114
TOTAL	1,81,05,962	95,50,664

SCHEDULE - M : OTHER EXPENDITURE WRITTEN OFF :

Public Issue expenses	4,14,036	4,14,036
Preliminary expenses	605	605
Plant material written off	46,03,139	48,48,152
TOTAL	50,17,780	52,62,793



SCHEDULE - N : NOTES TO ACCOUNTS :

1. Significant Accounting Policies :

a. Basis of preparation of financial statements

1. 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 as adopted consistently by the company.

2. 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 fertilizers, pesticides and packing materials are valued at cost.

e. Miscellaneous Expenditure

i) Preliminary expenses are amortised over a period of 10 years in equal instalments.

ii) Public issue expenses are amortised over a period of 10 years in equal instalments.

iii) Deferred revenue expenditure consisting of plant material (mother plants) will be amortised over a period of 8 years in equal instalments.

f. Foreign currency transactions

i) Liabilities in respect of foreign currency loans have been revalued at the exchange rate prevailing at the year end. The difference arising as a result of the above is adjusted in the cost of the fixed assets acquired and in respect of deferred revenue expenditure (mother plants), it is debited/credited to the Profit & Loss account as the case may be.

ii) 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.

g. Government Grants

1. Air freight subsidy received is recognised on receipt basis and is shown separately as income, under the head "Other Income".

2. Subsidy received for meeting capital expenditure was deducted from the cost of the relevant Fixed Assets

2. Particulars of capacity & Production

a) Class of Goods

produced : Cut flowers (Roses)

b) Licensed Capacity

: N.A.

c) Installed Capacity

: 1,12,50,000 p.a.

d) Actual Production

Cut flowers (includes normal wastage) Nos.

1999 - 2000	1998 - 1999
-------------	-------------

45,08,722	33,56,851
-----------	-----------

Trading purchases (Nos.)

1999 - 2000	1998 - 1999
-------------	-------------

1,68,560	1,07,640
----------	----------



4. Turnover	%	*Qty(Nos.)	Value (Rs.)	%	*Qty(Nos.)	Value (Rs.)
Domestic Sales	39%	32,57,630	58,15,902	52%	27,43,440	48,16,544
Export Sales	61%	12,67,940	89,89,223	48%	6,33,940	44,35,288
TOTAL	100%	45,25,570	1,48,05,125	100%	33,77,380	92,51,832

* Does not include bloomed roses

3. Fertilizers & Pesticides consumed

1999 - 2000	1998 - 1999
Rs.	Rs.
12,93,978/-	12,04,094/-

5. Stock-in-Trade

Cut Flowers (Roses)	0	0
---------------------	---	---

6. Foreign Exchange Transactions

a) Earnings in foreign currency (FOB value of exports)	91,63,521	46,64,922
b) Expenditure in foreign currency on account of travel	0	1,35,369
account of others	2,22,649	0

7. Auditors Remuneration

As Auditors Fee	20,000	20,000
For Tax Audit	5,000	5,000
For Certification & Taxation matters	10,000	5,000
TOTAL	35,000	30,000

8. Contingent Liabilities

Bank Guarantee	5,10,113	5,10,113
----------------	----------	----------

9. Secured Loans

a) Foreign currency term loan and Rupee term loan from Industrial Development Bank of India is secured by first mortgage and charge on all the movable and immovable assets of the Company, present and future, subject to the charges to be created in favour of bankers on specified current assets for securing working capital borrowings and personal guarantee of Dr. K.V.L.N. Raju, the main promoter.

b) Cash credit from State Bank of Mysore, Hi-Tech Agricultural Finance Branch, Ganganagar, Bangalore is secured by hypothecation of crops, movables, raw materials, finished and semi-finished goods stock in trade belonging to the company and all movable assets, plant material and flowers at different stages created out of banks finance.

c) Hire purchase loan are secured by hypothecation of specified assets acquired under hire purchase agreement.

10. No provision has been made in the accounts against the liability in respect of future payments of gratuity to employees as no employee has yet put in the qualifying service for the entitlement of the benefit.

11. The company has acquired land in the name of its employees. The existing rules in Karnataka state do not permit the companies to hold agricultural land in their names. However, the company has entered into agreement with its employees 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.

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

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



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

15. Balance Sheet abstract and company's general business profile.

I) Registration details

Registration No. 7981 of 1987-88
State code 1
Balance Sheet date 31-03-2000

**II) Capital raised during the year :
(Amount in Rs. Thousands)**

Public issue NIL
Bonus issue NIL
Rights issue NIL
Private placement NIL

**III) Position of Mobilisation & Deployment
of funds:**

(Amount in Rs. Thousands)
Total Liabilities 187020
Total Assets 187020

Sources of Funds :

Paid up Capital 67512
Reserves & Surplus 100
Secured Loans 104349
Unsecured Loans 8642

Application of Funds :

Net Fixed Assets 87799
Investments 0
Net Current Assets 882
Misc., Expenditure 22444
Accumulated Losses 69478

**IV) Performance of the Company:
(Amount in Rs. Thousands)**

Turnover 14805
Total Expenditure 42815
Profit/Loss before Tax (-)22485
Earning per share N.A.
Dividend rate (%) NIL

**V) Generic names of three principal products/
services of the company (as per monetary
terms)**

Product description NA
Item Code no. (ITC Code) NA

Signatures to Schedules 'A' to 'N'

As per our report of even date

For AMAR & RAJU
Chartered Accountants

For and on behalf of the Board

FIELD MARSHAL SHFI MANEKSHAW
Chairman

(G. AMARANATHA REDDY)
Partner

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

K. SOMA RAJU
Director

K. RAMAKRISHNA RAJU
Director

Place : Hyderabad
Date : 14-07-2000



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2000

As at 31-3-2000
Rs.

A) Cash flow from Operating Activities:		
Net loss as per Profit and Loss Account		(2,24,84,928)
Adjustments for :		
Depreciation	42,30,998	
Interest	1,81,05,962	
Other expenditure written off	50,17,780	
Interest received	(2,79,051)	
		<u>2,70,75,889</u>
Operating profit before working capital changes		45,90,761
Adjustments for :		
Trade & other receivables	(23,72,706)	
Trade payable	-30,276	
Inventories	-92,845	
		<u>24,95,827</u>
Net cash from operating activities		(20,94,934)
B) Cash flow from investing activities:		NIL
C) Cash flow from financing activities:		
Working capital borrowings from banks	1,93,180	
Allotment money received	4,43,750	
Interest received	2,79,051	
Repayment of other borrowings	(20,60,747)	
Interest paid	(7,85,247)	
Subsidy received	12,50,000	
		<u>(6,80,013)</u>
Net cash from financing activities		(6,80,013)
Net increase in cash & cash equivalents (A-B-C)		14,14,921
Cash & cash equivalents as at 31-03-1999		10,578
Cash & cash equivalents as at 31-03-2000		14,25,498

For AMAR & RAJU
CHARTERED ACCOUNTANTS

for and on behalf of the Board
for NAGARJUNA AGRI TECH LTD.

(G. AMARANATHA REDDY)
Partner

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

Place : Hyderabad
Date : 14-07-2000



To

**The Board of Directors,
M/s. NAGARJUNA AGRI TECH LIMITED,
56, Nagarjuna Hills, Punjagutta,
HYDERABAD - 500 082.**

Dear Sirs,

We have examined the attached Cash Flow statement of **M/s. NAGARJUNA AGRI TECH LIMITED** for the year ended 31st March, 2000. The statement has been prepared by the Company in accordance with the requirements of listing agreement with and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company covered by our report of 14-07-2000 to the members of the Company.

**For AMAR & RAJU
CHARATERED ACCOUNTANTS**

**(G. Amaranatha Reddy)
Partner**

Place : Hyderabad.
Date : 14-07-2000.