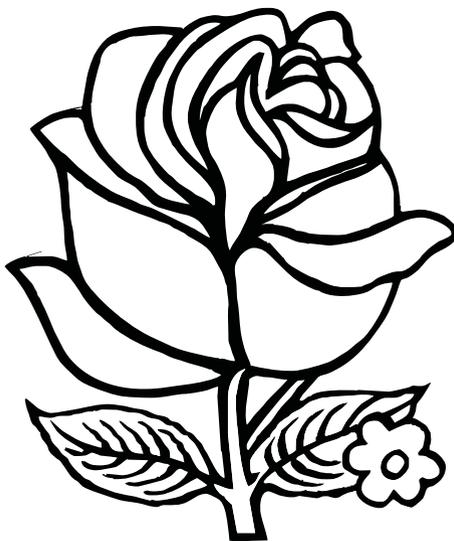




NAGARJUNA
AGRITECH LIMITED



24th ANNUAL REPORT
2011-2012

Board of Directors

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

AUDITORS

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

R & T AGENT

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

PRINCIPAL BANKERS AND FINANCIAL INSTITUTION

Axis Bank - Yelahanka New Town Branch, Bangalore.

Canara Bank - Yelahanka New Town Branch, Bangalore.

REGISTERED OFFICE :

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

NAGARJUNA AGRI TECH LIMITED
PLOT NO 56, Nagarjuna Hills, punjagutta, Hyderabad 500 082

NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of Nagarjuna Agri Tech Limited will be held on Friday, the 29th Saturday 2012 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 31st March 2012, together with the reports of the Director's and Auditor's thereon.
2. To appoint a director in the place of Mr. K. Soma Raju who retires by rotation and being eligible, offers him self for reappointment.
3. To appoint auditors M/s. Amar and Raju, Ch artered 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 Lintied**

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

Place: Hyderabad
Date: 04.09.2012

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 25.09.2012 to 29.09.2012(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 fourth Annual Report and the Audited Accounts for the financial year ended 31st March 2012.

1. Financial results:

The results of operations for the year ended 31.03.2012 are as under

(Rs. in Lakhs)

	2011-12	2010-11
Turn over	190.69	168.82
Total	190.69	168.82
Manufacturing Administrative and Selling Expenditure	186.36	286.87
Depreciation	46.49	46.59
Profit / Loss before Taxation, before non recurring/Extraordinary items	(41.94)	(164.64)
Provision for Taxation	-	-
Profit / Loss after Taxation, before non recurring/Extraordinary items	(41.94)	(164.64)
Prior period adjustments	-	-
Profit / Loss after Taxation and non recurring/Extraordinary items	(41.94)	(164.64)

2. Operations:

During the year the company has made a turnover of Rs 190.69 Lakhs against previous years turnover of Rs 168.82 Lakhs and made a net loss of Rs 41.94 Lakhs as against net loss of Rs. 164.64 Lakhs during the previous year.

Management has leased out the company's farm and its operations with effective from 1st 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. K. Soma 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, 1959 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.100.24 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. 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: 04.09.2012

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 2010-12. The Board met on the following dates:
 14.05.2011, 14.08.2011, 02.09.2011, 15.10.2011 and 15.02.2012

iii) Board composition as on 31.03.2012:

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

3. Audit Committee:

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

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

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

During the year under review, the audit committee met four times on the following dates namely 14.05.2011, 14.08.2011, 15.11.2011 and 15.02.2012 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
2008-09	Registered office	Wednesday, 30.09.09	15.30 p.m
2009-10	Registered office	Thursday, 30.09.10	15.30 p.m
2010-11	Registered office	Friday, 30.09.11	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	Friday 29-09-2012, 15.30 P.m.
Venue	Registered Office

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

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

Brief details of Mr. K. Soma Raju

Date of Appointment: 24.11.1987

Educational Qualifications: Chartered Accountant

Expertise in specific field: Finace

iii) **Financial Calendar:**

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

First Quarter financial results (published)	14.08.2011
Second Quarter financial results	On or before 15-11-2012
Third Quarter financial results	On or before 15-02-2013
Fourth Quarter & Annual results of financial year 2010-11 (un-audited)	On or before 15-05-2013

iv) **Book Closure:**

The Company’s Register of Members and Share Transfer books will remain closed for the.	25-09-12 to 29-09-12 (Both days inclusive)
--	--

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 2010-11 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 31.03.2011

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 2011	6.23	4.54
2.	May 2011	5.33	3.01
3.	June 2011	3.25	2.80
4.	July 2011	4.29	2.67
5.	August 2011	4.20	3.12
6.	September 2011	3.00	2.86
7.	October 2011	3.16	2.62
8.	November 2011	3.34	2.37
9.	December 2011	2.48	1.95
10.	January 2012	1.94	1.62
11.	February 2011	2.10	1.93
12.	March 2012	2.00	1.66

xi) Distribution schedule & Shareholding pattern:

The table below gives the distribution of share holding according to the size clause as on 31st March 2011

Shareholding Nominal value of Rs.	Shareholders		Shares held in each class	
	Number	% of Total	Number	% of Total
1-5,000	1771	70.31	755105	8.06
5,001-10,000	515	20.44	483997	5.17
10,001-20,000	109	4.33	183400	1.96
20,001-30,000	22	0.87	60500	0.65
30,001-40,000	15	0.60	54900	0.59
40,001-50,000	26	1.03	125593	1.34
50,001-1,00,000	26	1.03	199600	2.13
1,00,001 & above	35	1.39	7506005	80.11
TOTAL:	2,519	100.00	93,69,100	100.00

SHARE HOLDING PATTERN:

	CATEGORY	NO OF SHARES HELD	% OF SHARE HOLDING
1)	Promoters	28,84,600	30.79
2)	Banks & FII s & KSIIDC	2,50,000	02.67
3)	Others		
	Private corporate bodies	39,40,200	42.05
	Indian Public	20,93,300	22.34
	NRI s / OCB s	1,500	0.02
	Mutual Funds	1,99,500	02.13
	TOTAL	93,69,100	100.00

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 01.04.2011 to 31.03.2012

Sl. No	Name of the Complaint	Received	Disposed	Pending
1.	Change/correction of address	10	10	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: 04.09.2012

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 : 04.09.2012
Place: Hyderabad

Dr. K V L N RAJU
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 ad envisaged in clause 49 of the Listing agreement with Stock Exchange

Date: 04.09.2012
Place:Hyderabad

Dr. K V L N RAJU
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: 04-09-2012

(G. AMARANATHA REDDY)
Partner
Membership No: 019711

AMAR & RAJU
CHARTERED ACCOUNTANTS

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

23748129

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, 2012 and also the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date annexed there to. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our Audit.

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

- I. As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we report that:
- i) a) The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets.
 - b) The management has conducted the physical verification of fixed assets during the year under audit, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) The company has not disposed substantial part of the fixed assets during the year under audit.

- ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) The company has neither granted nor taken any loans, secured or unsecured to/ from companies, firms or other parties covered in the register maintained U/Sec.301 of the Act. Accordingly sub-clauses b, c, d, f & g of clause-(iii) of paragraph-4 of the order are not applicable to 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 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, 2012 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute.
- x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash loss during the financial year covered by our audit and the company has incurred cash loss in the immediately

- xi) The company does not have any dues payable to financial institutions or banks or debenture holders. Accordingly, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xxii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xxii) 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.

- II. Subject to above comments and notes forming part of accounts we further state that:
- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii) In our opinion, proper books of account as required by Law have been kept by the Company, so far as appears from our examination of such books.
 - iii) The Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of account.
 - iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956.
 - v) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as director in terms of clause (g) of sub-section (1) Section 274 of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts give the information required by the Companies Act, 1956 in the manner so required, read together with notes there on give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 and
 - b) In the case of the Statement of Profit & Loss, of the Loss for the year ended on that date.
 - c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

CHARTERED ACCOUNTANTS

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

(G. AMARANATHA REDDY)

Partner
Membership No: 19711

Place: Hyderabad,

Date: 04.09.2012

NAGARJUNA AGRI TECH LIMITED

BALANCE SHEET AS AT 31st MARCH, 2012

Particulars	Note No	Rs. in lakh	
		AS AT 31-03-2012	AS AT 31-03-2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1	936.91	936.91
(b) Reserves and Surplus	2.2	<u>(235.47)</u>	<u>(193.53)</u>
		701.44	743.38
(2) Current Liabilities			
(a) Trade Payables	2.3	11.31	23.39
(b) Other Current Liabilities	2.4	<u>8.81</u>	<u>14.23</u>
		20.12	37.62
Total		<u>721.56</u>	<u>781.00</u>
II.Assets			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	2.5	495.45	543.98
(b) Long-term Loans and Advances	2.6	19.63	19.63
(c) Other Non-Current Assets	2.7	<u>134.56</u>	<u>114.56</u>
		649.64	678.17
(2) Current Assets			
(a) Inventories	2.8	6.99	5.35
(b) Trade Receivables	2.9	21.81	43.12
(c) Cash and Bank Balances	2.10	40.19	23.00
(d) Short-term Loans and Advances	2.11	1.57	0.36
(e) Other Current Assets	2.12	<u>1.36</u>	<u>31.00</u>
		71.92	102.83
Total		<u>721.56</u>	<u>781.00</u>
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

(G. AMARANATHA REDDY)
 Partner
 Membership No: 019711

(N. VISWANATHA RAJU)
 Director

Place: HYDERABAD
 Date : 04.09.2012

NAGARJUNA AGRI TECH LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	Note No	Rs. in lakh, except per share data	
		Year ended 31-03-2012	Year ended 31-03-2011
Revenue from Operations - Horticulture	2.13	190.69	168.82
Total Revenue		<u>190.69</u>	<u>168.82</u>
Expenses:			
Purchases of Stock-in-trade (Cut Flowers)		2.61	7.31
Changes in Inventories of Finished Goods and Stock-in-trade	2.14	(0.22)	1.56
Employee Benefit Expense	2.15	6.07	4.90
Depreciation	2.5	46.49	46.59
Other Expenses	2.16	177.68	273.10
Total Expenses		<u>232.63</u>	<u>333.46</u>
Profit / (Loss) before Tax		(41.94)	(164.64)
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Profit / (Loss) for the Period from Continuing Operations		<u>(41.94)</u>	<u>(164.64)</u>
EPS: (In Rupees) (Face Value Rs.10/-)	2.17		
Basic and Diluted Earnings Per Share		(0.45)	(1.77)
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

(G. AMARANATHA REDDY)
 Partner
 Membership No: 019711

(N. VISWANATHA RAJU)
 Director

Place: HYDERABAD
 Date : 04.09.2012

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, 2012

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.

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.

SIGNIFICANT ACCOUNTING POLICIES:

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, 2012

Rs. in lakh

A) <u>Cash Flow from Operating Activities:</u>	31-03-2012		31-03-2011	
Net Profit Before Tax		(41.94)		(164.64)
Adjustments for:				
Depreciation	46.49		46.59	
Bad Debts Written off	28.26		110.44	
		74.75		157.03
Operating Profit Before Working Capital Changes		32.81		(7.61)
Adjustments for:				
Trade & Other Receivables	21.49		9.95	
Trade Payable	(19.00)		1.65	
Inventories	(1.64)		2.37	
		0.85		13.97
Net Cash from Operating Activities		33.66		6.36
B) <u>Cash Flow from Investing Activities:</u>				
Purchase of Fixed Assets	(11.47)		(6.67)	
Subsidy received	15.00		-	
Investment in Share Application Money	(20.00)		(20.14)	
Net Cash Used in Investing Activities		(16.47)		(26.81)
C) <u>Cash Flow from Financing Activities:</u>				
Share Capital amount received	-		40.14	
Net Cash Used in Financing Activities		-		40.14
Net Increase in Cash & Cash Equivalents (A-B-C)		17.19		19.69
Cash & Cash Equivalents at the Beginning				
Cash on Hand	0.34		0.42	
Balance with Sch., Banks in CA	20.81		1.04	
		21.15		1.46
Cash & Cash Equivalents at the End				
Cash on Hand	0.49		0.34	
Balance with Sch., Banks in CA	37.85		20.81	
		38.34		21.15
		(0.00)		-

As per our report of even date

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

(G. AMARANATHA REDDY)
Partner
Membership No: 019711

For and on behalf of the Board

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

(K. SOMA RAJU)
Director

(N. VISWANATHA RAJU)
Director

Place: **HYDERABAD**
Date :**04.09.2012**

NAGARJUNA AGRI TECH LIMITED

2. NOTES ON ACCOUNTS:

2.1 SHARE CAPITAL

Particulars	Rs. in lakh except as other wise stated	
	As At	
	31-03-2012	31-03-2011
A) Authorised Share Capital:		
1,00,00,000 Equity Shares of Rs.10/- each	1,000.00	1,000.00
B) Issued, Subscribed and Fully Paid-up Share Capital:		
93,69,100 Equity Shares of Rs.10/- each fully paid up	936.91	936.91
Total	936.91	936.91

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	
	31-03-2012	31-03-2011
Shares outstanding at the beginning of the year	9,369,100	8,923,100
Add: Shares Issued during the year	-	446,000
Add: Bonus Shares Issued	-	-
Less: Shares bought back during the year	-	-
Shares outstanding at the end of the year	9,369,100	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	
	31-03-2012 No of shares %	31-03-2011 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	
	31-03-2012	31-03-2011
A) Subsidy from APEDA (A)	<u>1.00</u>	<u>1.00</u>
B) Capital Reserve (B)	<u>73.72</u>	<u>73.72</u>
C) Surplus:		
Opening balance	(268.25)	(103.61)
Add / (Less): Net Profit / (Loss) after Tax transferred from Statement of Profit & Loss	<u>(41.94)</u>	<u>(164.64)</u>
Balance in Profit & Loss Account (.C)	<u>(310.19)</u>	<u>(268.25)</u>
 Total (A+B+C)	 <u>(235.47)</u>	 <u>(193.53)</u>

2.3 TRADE PAYABLES

Particulars	As At	
	31-03-2012	31-03-2011
Accrued Salaries and other benefits		
Salaries	1.84	1.44
For Other Liabilities		
For Supplies	9.47	21.95
Total	<u>11.31</u>	<u>23.39</u>

2.4 OTHER CURRENT LIABILITIES

Particulars	As At	
	31-03-2012	31-03-2011
For Services & Expenses	6.09	12.99
Withholding and Other Taxes Payable	0.18	0.19
Creditors for capital goods/works	2.54	1.05
Total	<u>8.81</u>	<u>14.23</u>

NOTES ON ACCOUNTS

2.5 FIXED ASSETS

Rs. in lakh

DESCRIPTION	Rate of Dep.,	GROSS BLOCK		DEPRECIATION		NET BLOCK		
		AS ON 1/4/2011	ADDITIONS DELETIONS 31/03/2012	AS ON 31/03/2012	UP TO 1/4/2011 UP TO 31/03/2012	FOR THE PERIOD 31/03/2012	AS ON 31/03/2012	AS ON 31/03/2011
TANGIBLE ASSETS								
Land	-	168.64	-	168.64	-	-	168.64	168.64
Buildings	3.34%	101.75	-	101.75	49.37	3.40	48.98	52.38
Plant & Machinery	4.75%	897.22	12.87	895.09	576.01	42.52	276.56	321.21
Furniture	6.33%	6.34	-	6.34	5.70	0.40	0.24	0.64
Office Equipment	4.75%	3.04	-	3.04	1.98	0.14	0.92	1.06
Computers	16.21%	2.87	0.09	2.96	2.82	0.03	0.11	0.05
Vehicles	-	2.63	-	2.63	2.63	-	-	-
TOTAL		1,182.49	12.96	1,180.45	638.51	46.49	495.45	543.98
PRE., YEAR TOTAL		1,175.82	6.67	1,182.49	591.92	46.59	543.98	583.90

Note: Deletions to Plant and Machinery represents subsidy received

NOTES ON ACCOUNTS

2.6 LONG-TERM LOANS AND ADVANCES

Particulars	As At	
	31-03-2012	31-03-2011
Unsecured Considered Good Advances for capital goods/works	10.00	10.00
Security Deposits	9.63	9.63
Total	19.63	19.63

2.7 OTHER NON-CURRENT ASSETS

Particulars	As At	
	31-03-2012	31-03-2011
Others:		
Share Application Money	134.56	114.56
Total	134.56	114.56

2.8 INVENTORIES

Particulars	As At	
	31-03-2012	31-03-2011
a) Fertilisers & Pesticides	4.43	1.55
b) Packing Material	0.46	1.92
c) Cut Flowers	2.10	1.88
Total	6.99	5.35

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

2.9 TRADE RECEIVABLES

Particulars	As At	
	31-03-2012	31-03-2011
Unsecured Considered Good		
Outstanding for a period exceeding six months	11.31	-
Others	10.50	43.12
Total	21.81	43.12

2.10 CASH AND BANK BALANCES

Particulars	As At	
	31-03-2012	31-03-2011
A) Cash and Cash Equivalents:		
Balances with Banks	37.85	20.81
Cash on Hand	0.49	0.34
Total Cash and Cash Equivalentents (A)	38.34	21.15
B) Other Bank Balances:		
Balances with Banks	1.85	1.85
Total Other Bank Balances (B)	1.85	1.85
Total Cash and Bank Balances (A + B)	40.19	23.00
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	1.85	1.85

NOTES ON ACCOUNTS

2.11 SHORT TERM LOANS AND ADVANCES

Particulars	As At	
	31-03-2012	31-03-2011
Unsecured Considered Good		
Others		
Advance for supplies	1.21	-
Staff Advances	0.36	0.36
Total	<u>1.57</u>	<u>0.36</u>

2.12 OTHER CURRENT ASSETS

Particulars	As At	
	31-03-2012	31-03-2011
Air Freight Subsidy Receivable	1.36	31.00
Total	<u>1.36</u>	<u>31.00</u>

NOTES ON ACCOUNTS

2.13 REVENUE FROM OPERATIONS

Particulars	Year ened 31-03-2012	Year ended 31-03-2011
From Sale of Products		
Cut Flowers	190.69	168.82
Total	<u>190.69</u>	<u>168.82</u>

2.14 CHANGES IN INVENTORIES

Particulars	Year ened 31-03-2012	Year ended 31-03-2011
Inventories at the end of the period		
Finished Goods		
Cut Flowers	2.10	1.88
Total (A)	<u>2.10</u>	<u>1.88</u>
Inventories at the beginning of the period		
Finished Goods		
Cut Flowers	1.88	3.44
Total (B)	<u>1.88</u>	<u>3.44</u>
Change in Inventories (A - B)	<u>(0.22)</u>	<u>1.56</u>

NOTES ON ACCOUNTS

2.15 EMPLOYEE BENEFIT EXPENSES

Particulars	Year ened 31-03-2012	Year ended 31-03-2011
Salaries, Wages & Other Benefits	4.56	3.84
Staff Welfare Expenses	1.51	1.06
Total	6.07	4.90

2.16 OTHER EXPENSES

Particulars	Year ened 31-03-2012	Year ended 31-03-2011
Fertilizers & Pesticides Consumed	38.66	46.22
Power & Fuel	16.94	13.18
Plant Maintenance	42.64	38.94
Repairs & Maintenance	2.69	4.05
Freight inwards	0.59	0.88
Travelling & Conveyance	2.17	2.80
Printing & Stationery	0.31	0.38
Postage & Telephone	0.82	0.78
Rent	1.10	1.14
Rates & Taxes	1.06	3.94
Auditors Remuneration	1.12	1.10
Professional Charges	2.76	2.67
Bank Charges & Commission	0.30	0.46
General Expenses	0.33	3.08
Clearing & Forwarding Charges	6.05	4.91
Freight outwards	21.20	29.38
Packing Material Consumed	10.68	8.75
Bad Debts Written Off	28.26	110.44
Total	177.68	273.10

NOTES ON ACCOUNTS

2.17 EARNINGS PER SHARE

Particulars	Year ened 31-03-2012	Year ened 31-03-2011
No. of Equity Shares outstanding at the beginning of the year	9,369,100	8,923,110
Weighted Average No. of Equity Shares issued during the year	-	387,348
Total number of Shares outstanding at the end of the year (used as denominator for calculating EPS)	9,369,100	9,310,458
Profit available to share holders (used as numerator for calculating EPS)	(41.94)	(164.64)
Basic & Diluted Earnings Per Share in Rs. (Face Value Rs.10/-)	(0.45)	(1.77)

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

Particulars	Year ened 31-03-2012	Year ened 31-03-2011
A) Purchase of Stock-in-trade: Cut Flowers	2.61	7.31
B) Turnover: Sale of Cut Flowers and Bloomed Roses	190.69	168.82
C) Opening Stock-in trade: Finished goods - Cut Flowers	1.88	3.44
D) Closing Stock-in-trade: Finished goods - Cut Flowers	2.10	1.88

NOTES ON ACCOUNTS

2.19 AUDITORS REMUNERATION

Particulars	Year ened 31-03-2012	Year ended 31-03-2011
Audit Fee	0.70	0.70
Tax Audit Fee	0.15	0.15
For Certification, Taxation and other matters	0.15	0.15
Service Tax	0.12	0.10
Total	<u>1.12</u>	<u>1.10</u>

2.20 FOREIGN EXCHANGE TRANSACTIONS

Particulars	Year ened 31-03-2012	Year ended 31-03-2011
Earnings in Foreign Currency: FOB Value of Exports	100.24	104.25

2.21 CONTINGENT LIABILITIES

Particulars	Year ened 31-03-2012	Year ended 31-03-2011
Guarantees to Banks	5.10	5.10

NOTES ON ACCOUNTS

2.22 Disclosure under Clause 32 of the Listing Agreement

Particulars	Year ened 31-03-2012	Year ended 31-03-2011
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

2.23 Related Party Disclosures:

During the year the company has not entered into any transactions with the related parties.

2.24 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.

2.25 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 31st March, 2012. 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.

NOTES ON ACCOUNTS

2.26 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.

2.27 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.1.36 lakh (previous year Rs.4.56 lakh).

Subsidy received from Government amounting to Rs.15 lakhs towards reimbursement of capital expenditure was deducted from the Plant & Machinery.

2.28 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.2.20 lakh (previous year debited Rs.0.42 lakh)

2.29 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.

2.30 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.

2.31 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)
 Managing Director

(K. SOMA RAJU)
 Director

(G. AMARANATHA REDDY)
 Partner
 Membership No: 019711

(N. VISWANATHA RAJU)
 Director

Place: HYDERABAD

Date : 04.09.2012

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 24nd Annual General Meeting
of the company to be held on Saturday the 29th day of Sep of September 2012 at 3-30 hours at
PLOT No. 56, Nagarjuna Hills, Punjagutta, Hyderabad- 560 082.

Signature.....

Affix
Ruppee 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 24nd 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 Saturday, September 29th 2012

.....
Name of shareholder/poxy 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. Na 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.