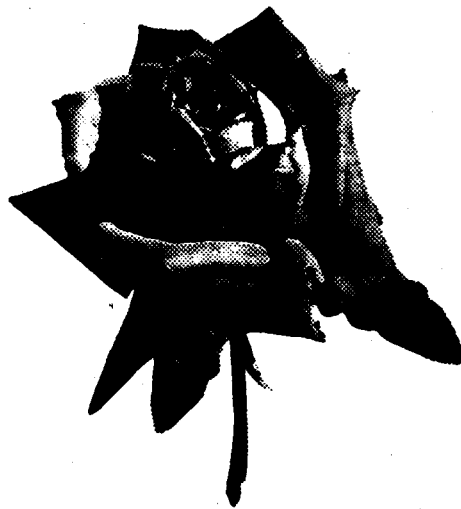


# **ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED**



**13TH ANNUAL REPORT 2005-06**

**ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED**

**BOARD OF DIRECTORS**

SHRI RAJKUMAR AGARWAL

*Director*

SHRI PAWANKUMAR AGARWAL

*Director*

SHRI SURENDRA GUPTA

*Director*

DR. SHEORAM AGARWAL

*Director*

**REGISTERED OFFICE**

Village : Mouje-Kashal

Taluka : Maval, Wadgaon

Dist. : Pune

**SITE**

Village : Mouje-Kashal

Taluka : Maval, Wadgaon

Dist. : Pune

**AUDITORS**

M/S. SHIV PAWAN & COMPANY

Chartered Accountants

Navi Mumbai

**BANKERS**

IDBI BANK

**NOTICE**

**NOTICE** is hereby given that the 13th Annual General Meeting of **ELEGANT FLORICULTURE AND AGROTECH (INDIA) LIMITED** will be held on Friday, 29th September, 2006 at 4.00 p.m. at Village: Mouje-Kashal, Taluka: Maval, Wadgoan, Dist.: Pune to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2006, the Profit and Loss Account for the year ended 31st March, 2006 together with report of the Directors' and Auditors' thereon.
2. To appoint Director:  
To appoint a Director in place of SHRI RAJKUMAR AGARWAL who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors of the Company:  
To consider, and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION.  
"RESOLVED THAT the Company's Auditors M/s. Shiv Pawan & Company, Chartered Accountants, Mumbai be and hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of next Annual General Meeting of the Company and the Board of Directors be and is hereby authorised to fix their remuneration for the period."

For & on behalf of Board of Directors  
**ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED**

Sd/-  
(PAWAN KUMAR AGARWAL)  
Director

Place : Mumbai  
Date : 28th July, 2006

**NOTES:**

1. A Member entitled to attend and vote at the Meeting is entitled to appoint Proxy to attend and vote instead of himself and the proxy need not be a member.
2. Proxies should be lodged with the Company 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will be closed from 23-09-2006 to 29-09-2006 (both days inclusive).
4. Member desirous of obtaining information with respect of the accounts of the Company are requested to send queries in writing to the Company at its registered office so as to reach at least seven days before the date of Meeting.
5. The members shall intimate change in their address to the Company to enable the Company to update its records.

For & on behalf of Board of Directors  
**ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED**

Sd/-  
(PAWAN KUMAR AGARWAL)  
Director

Place : Mumbai  
Date : 28th July, 2006

**DIRECTORS' REPORT**

To,  
The Members,

The Directors have pleasure in submitting the 13th Annual Report together with the Audited Accounts for the year ended 31st March 2006.

**DIVIDEND:**

The Directors recommend no payment of dividend during the year.

**OPERATIONS:**

During the year under consideration the Company has performed better and has earned Total Income of Rs. 105.33 lacs in comparison to Rs. 85.04 lacs in the previous year. The Company has earned net profit before tax of Rs. 25.75 lacs in comparison to Rs. 21.23 Lacs in the previous year. Your directors are hopeful of better performance in the current financial year.

**FIXED DEPOSITS:**

The Company has not accepted any deposits, within the meaning of section 58-A of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975.

**PERSONNEL:**

During the year under review none of the employees was in receipt of remuneration of Rs.24,00,000/- per annum when employed throughout the year or Rs.200000/- per month when employed for part of the year and therefore the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended are not attached.

**DIRECTORS:**

Shri Rajkumar Agarwal, Director of the Company retires by rotation and being eligible offer himself for reappointment.

**AUDITORS:**

Auditors observations referred in the Auditor's Report are self-explanatory and therefore do not call for any further comments under section 217(3) of the Companies Act, 1956.

Messers Shiv Pawan & Company, Auditors of the Company, retires from the office at conclusion of the Annual General Meeting and being eligible offer themselves for reappointment.

**ENERGY, CONSERVATION, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO:**

Information in accordance with the provision of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988

regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this report.

**DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956 :**

Pursuant to section 217 (2AA) of the Companies Act, 1956, the board of Directors hereby confirms:

- i) In the preparation of the Annual accounts, the applicable Accounting Standards have been followed.
- ii) The Company has selected and applied such Accounting Policy consistently and judgements and estimates are made in a reasonable and prudent manner so as to give true and fair view of the state of affairs of the Company as at the end of financial year and profit of the Company for the period.
- iii) Proper and sufficient care has been taken for maintenance of accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing/ detecting fraud and other irregularities.
- iv) The annual Accounts are prepared on a going concern basis.

**ACKNOWLEDGEMENTS:**

The Directors place on record their sincere appreciation of the valuable contribution made by the employees and shareholders at all levels towards the growth and performance of the Company.

The Directors would like to express their grateful appreciation for the assistance and Co-operation received from the various Departments of the Central and State Government and the Banks.

For & on behalf of the Board of Directors  
ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED

Place : Mumbai  
Date : 28th July, 2006

Sd/-  
(PAWAN KUMAR AGARWAL)  
Director

**ANNEXURE TO THE DIRECTOR'S REPORT**

STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FORMING PART OF THE REPORT OF THE DIRECTORS.

**A. CONSERVATION OF ENERGY:**

The particulars regarding conservation of energy are not applicable to the Company, as the Company has been producing the flowers during the year.

**B. TECHNOLOGY ABSORPTION:**

The particulars regarding absorption of technology is given below as per form B of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

**EXPENDITURE ON R & D**

(a)	Capital	)	
(b)	Recurring	)	
(c)	Total	)	
(d)	Total R&D expenditure as percentage of total turnover.	)	NIL

**TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:**

1) Efforts in brief, made towards technology absorption, adoption and innovation – NIL –

2) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development.

– NOT APPLICABLE –

3) In case of Imported Technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished.

(a)	Technology Imported	)	
(b)	Year of Import	)	
(c)	Has technology been fully absorbed	)	NIL
(d)	If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	)	

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Company's main line of business is the producing of flowers

Total Foreign Exchange used	NIL
Total Foreign Exchange earned	NIL

For & on behalf of the Board of Directors  
ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED

Sd/-  
(PAWAN KUMAR AGARWAL)  
*Director*

Place : Mumbai  
Date : 28th July, 2006

## REPORT ON CORPORATE GOVERNANCE

## A. COMPLIANCE OF MANDATORY REQUIREMENTS

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company has incorporated a separate Section of Report on Corporate Governance in this Report in compliance with the Clause 49 of the Listing Agreement with the Stock Exchange, Mumbai thus committing it to transparency in all its dealings and places emphasis on business ethics.

Hope, by way of transparency in corporate management and reporting practices this will make a value addition.

## 2. BOARD OF DIRECTORS

- (i) Composition of Board, Directorships and Committees position held in other Companies as at 31st March 2006.

Directors	Executive / Non-Executive/ Independent	No. of outside Directorship Held	Outside Committees# As Chairman	As member
Shri Rajkumar Agarwal	*Non Executive	3	None	None
Shri Pawan Kumar Agarwal	*Non Executive	2	None	None
Shri Surendra Gupta	*Non Executive	1	None	None
Dr. Sheoram Agarwal	*Non Executive	2	None	None

\* Also Independent

# Only three Committees viz. Audit Committee, shareholders' Grievance Committee and Remuneration committee are considered for this purpose

Independent Director is defined as one who apart from receiving sitting fee as a Director, does not have any other material pecuniary relationship or transactions in his personal capacity with the Company, its promoters & management.

The Non-Executive Directors have no material pecuniary relationship or transactions in their personal capacity with the Company.



(ii) Attendance of Directors in meetings held during the financial year 2005-2006 :

Sr. No.	Nature & date of meetings	Name of Directors			
		R.K.Agarwal	P.K.Agarwal	S.S.Gupta	S.R.Agarwal
1	Board on 20.04.05	Present	Present	Present	Present
2	Board on 26.07.05	Present	Present	Present	Present
3	Board on 22.10.05	Present	Present	Present	Present
4	Board on 04.02.06	Present	Present	Present	Present
5	Members on 28.09.05	Present	Present	Present	Present

**3. AUDIT COMMITTEE**

(i) Terms of Reference

The Audit Committee has been mandated with the terms of reference as specified in Clause 49 of the Listing agreement with the Stock Exchange, Mumbai & enumerated in section 292A of the Companies Act, 1956 and covers all the aspects stipulated by the SEBI Guidelines.

(ii) Composition Name of Members and Chairman

The Audit Committee is comprised of three independent Directors. During the financial year ended 31.03.2006, four Committee Meetings were held on 20th April, 2005, 26th July, 2005, 22nd October, 2005 & 4th February, 2006. The composition of the Audit Committee and the attendance of each Director at their meetings are as follows:-

Sr. No	Members	Meetings attended
1	Shri. Surendra Gupta – <i>Chairman</i>	4
2	Dr. Sheoram Agarwal	4
3	Shri. Pawan Kumar Agarwal	4

(iii) Invitee: (being entitled to attend as per relevant provisions of applicable laws/rules and/or as and when felt necessary)

(a) The Statutory Auditors viz. M/s. Shiv Pawan & Company

(iv) The Chairman of the Audit Committee attended the Annual General Meeting held on 28th September, 2005 and provided clarifications of the members of the Company on the matters relating to Accounts and finance.

(v) The Audit Committee comprises persons with vast experience. Shri Surendra Gupta, Chairman is a practicing Chartered Accountant. Dr. Sheoram Agarwal, is a PHD holder and well known industrialist and Shri Pawan Kumar Agarwal having experience of around two and half decade of running business.

(vi) An Audit Committee meeting was held on 26th July, 2005 where the Annual Financial Statements for the year ended 31st March, 2005 were reviewed and examined by the members of the Audit Committee before recommendation of the same to the Board of Directors for their perusal and adoption.

The Audit Committee reviewed the Quarterly/Half Yearly Unaudited Financial Results on the following dates before recommending the same to the Board.

Sr. No.	Financial Reporting	Date of Approval by Audit Committee
1.	Quarter ended 31st March, 2005	20th April 2005
2.	Quarter ended 30th June, 2005	26th July, 2005
3.	Quarter/Half Year ended 30th Sept. 2005	22nd October, 2005
4.	Quarter ended 31st December, 2005	4th February 2006

**4. REMUNERATION COMMITTEE :**

Since the Company has no Executive Director, as such constitution of Remuneration Committee is not required. The Company has not paid any remuneration to any director during the year.

**5. SHAREHOLDERS COMMITTEE :**

(i) The Company has a 'Share Transfer Committee' to approve transfer and transmission of securities, issue of duplicate certificates and deals with other Shareholder related issues headed by Shri Rajkumar Agarwal, a Non-Executive Director of the Company. The Committee met 12 times during the year.

(ii) The Company also has a 'Shareholders/Investors Grievance Committee' headed by Shri Rajkumar Agarwal, a Non-Executive Director to specifically look into redressing of Shareholders' and Investors' complaints. It met three times during the year 2005-2006.

Shri Rajkumar Agarwal has also been designated by the Board as the 'Compliance Officer' of the Company for complying the requirements under the Listing Agreement with the Stock Exchange, Mumbai.

(iii) Number of Shareholders' complaints received during the year : Nil

Number not solved to the satisfaction of the Shareholders : Nil

Number of pending share Transfers : Nil

**6. (i) DETAILS OF GENERAL MEETING :**

AGM Year	Date of the meetings	Location	Time
10th	22-09-2003	Vill: Mouje-Kashal	3.00 p.m.
11th	15-09-2004	Vill: Mouje-Kashal	3.30 p.m.
12th	28-09-2005	Vill: Mouje-Kashal	4.00 p.m.

- (ii) No Postal Ballot was put through during the last year as well as year 2005-06 and as of now there is no proposal pending for passing any resolution through Postal Ballot in the ensuing Annual General Meeting.

**7. DISCLOSURES :**

Disclosure on materially significant related party transactions i.e. transactions of the Company of Material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large

Details of related party transaction during the year have been set out under Note No. 15 of Schedule K of the Annual Accounts. However, these are not having any potential conflict with the interest of the Company at large.

Details of Non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority or any matter related to Capital Market during last three years.

None

Secretarial Audit

A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**8. MEANS OF COMMUNICATION :**

Half yearly report sent to each household of Shareholder

No

Quarterly Results

The quarterly results as approved and taken on record by the Board of Directors of the Company within one month of the close of the relevant quarters are sent forthwith to the Stock Exchange, Mumbai and published in the proforma as prescribed in the Clause 41 of the Listing Agreement with the said Stock Exchange.

Which newspaper normally published in	The Free Press Journal (English Newspaper)
	Dainik Navshakti (Marathi newspaper)

Any website where displayed	NO
-----------------------------	----

Whether it also displays official news release	N.A
--	-----

Whether presentations made to institutional investors or to analyst	No request as such was received
---	---------------------------------

Whether Management Discussion and Analysis Report is a part of Annual Report or not	Yes
---	-----

#### 9. GENERAL SHAREHOLDERS INFORMATION :

##### (i) Next AGM:

Date	Time	Venue
29-09-2006	4.00 p.m.	Vill.Mouje-Kashal Taluka- Maval. WadgaonDist.- Pune.

##### (ii) Financial Calendar (tentative) for year 2006-07 : Financial Reporting

	Date of submission to stock exchange
For the quarter ending	30th June, 2006
For the quarter/half year ending	30th Sept.2006
For the quarter ending	31st Dec.2006
For the year ending	31st March, 2007

(iii) Next Dates of Book Closure	23rd Sept. 2006 to 29th Sept. 2006 (both days inclusive)
----------------------------------	---

(iv) Dividend Payment Date	Not Applicable
----------------------------	----------------

(v) Listing on Stock Exchanges	The Shares of the Company are listed at the Stock Exchange, Mumbai
--------------------------------	--

(vi) Stock Code	526473
-----------------	--------

(vii) ISIN No. for the Company's Equity Share in Demat Form	INE 152E01013
---	---------------

(viii)	Depository Connectivity	National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL)
--------	-------------------------	--

(ix) Stock Market Data

Month		High	Low
April,	2005	3.88	2.00
May,	2005	5.20	2.42
June,	2005	10.14	3.90
July,	2005	9.90	6.50
August,	2005	9.32	6.71
September,	2005	8.80	4.68
October,	2005	4.45	2.34
November,	2005	3.37	2.57
December,	2005	3.43	2.54
January,	2006	3.20	2.38
February,	2006	2.70	2.00
March,	2006	2.49	1.54

(x) Registrar & Transfer Agents: The Company has appointed Sharex Dynamic (India) Pvt. Ltd as a common agency for share registry work (both physical & electronic) for all matters connected with transfers and transmission of shares and also dematerialization of shares and other related functions

(xi) Share Transfer System: With a view to expedite the process of share transfers, the Board of Directors has delegated the power of share transfer to Share Transfer Committee of the Board, which meets almost once in every fortnight. The shares for transfer received in physical mode by the Company, are transferred expeditiously and thereafter, option letter is sent to the transferee(s) for dematerialization, Confirmation in respect of the request for dematerialization of shares is sent to the respective depositories, i.e. National Security Depository Limited (NSDL) and Central Depository Services (India) Limited within 7 days.

(xii)	Registrar and Transfer Agent	SHAREX DYNAMIC (INDIA) PVT. LTD. 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai-400 001.
-------	------------------------------	---

(xiii) DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2006 :

(a) According to Category holdings :

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of shares
Promoters	15	0.27	462215	7.70
FI(s) Bank & Mutual Fund	3	0.05	39200	0.65
Individual	5451	97.43	4327352	72.12
Corporate Bodies	115	2.06	743703	12.40
NRI/OCB	4	0.07	3700	0.06
Clearing Members	6	0.11	422230	7.04
Venture Capital	1	0.02	1600	0.03
<b>Total</b>	<b>5595</b>	<b>100.00</b>	<b>6000000</b>	<b>100.00</b>

(b) According to Number of Equity Shares :

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of shares
1-100	1291	23.07	127790	2.13
101-200	894	15.98	178656	2.98
201-500	1960	35.03	881290	14.69
501-1000	847	15.14	754313	12.57
1001-5000	478	8.54	1083684	18.06
5001-10000	57	1.02	440539	7.34
10001-100000	66	1.18	2010398	33.51
100001 & above	2	0.04	523330	8.72
<b>Total</b>	<b>5595</b>	<b>100</b>	<b>6000000</b>	<b>100</b>

(xiv) Dematerialization of Shareholding and liquidity	62.81% Company's Equity shares are Dematerialized as on 31.03.2006
---	--

(xv) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity	Not applicable
---	----------------

(xvi) Plant Locations	Village Mouje- Kashal Taluka Maval, Wadgaon, Dist.- Pune
-----------------------	--

**(xvii) Address for Correspondence :**

The shareholders may address  
their communications/suggestions/  
grievances/queries to our share  
transfer agent  
**SHAREX DYNAMIC (INDIA) PVT. LTD.**  
17/B, Dena Bank Building, 2nd Floor,  
Horniman Circle, Fort, Mumbai-400 001

**B. COMPLIANCE OF NON-MANDATORY REQUIREMENTS:**

1. Remuneration Committee:  
The Company does not have remuneration committee
2. Shareholders Rights:  
Half-yearly results including summary of the significant events are presently not being sent to Shareholders of the Company.

**C. DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT :**

As provided under Clause 49 of Listing Agreement, it is hereby declared that to the best of my information, all the Board members of the Company have affirmed their compliance with the Code of Conduct of the Company for the year ended 31<sup>st</sup> March, 2006.

Sd/-  
(RAJ KUMAR AGARWAL)  
DIRECTOR

**D. CEO CERTIFICATION**

I, Pawan Kumar Agarwal, Chief Executive Officer of the Company, to the best of my knowledge and belief, certify that:

- (a) I have reviewed financial statements and the cash flow statements for the year and that 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 together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) These are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) I have reviewed the internal control and procedures, and to the best of my knowledge and information, I affirm that the Company has adequate internal controls and procedures.

(d) Based on my knowledge and information:

- (i) there have been no changed in the accounting policies during the year;
- (ii) no significant changes in internal controls during the year; and
- (iii) there have been no instances of significant fraud during the year, which has come to the knowledge of the management.

Sd/-  
(PAWAN KUMAR AGARWAL)  
Director

**E. MANAGEMENT DISCUSSION AND ANALYSIS**

The Company is engaged in the business of floriculture and the Company is trying to achieve the desired growth. During the current financial year the Company has made profit before tax of Rs. 25.76 lacs in comparison to Rs. 21.23. With the better quality, infrastructure facilities and other resources the management is of the view that the Company will perform well in the coming years.

For & on behalf of the Board of Directors  
ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED

Place : Mumbai  
Date : 28th July, 2006

Sd/-  
(PAWAN KUMAR AGARWAL)  
Director



**AUDITORS COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To the members of  
**ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED**

We have reviewed the compliance of conditions of Corporate Governance by Elegant Floriculture & Agrotech (I) Limited for the year ended 31<sup>st</sup> March, 2006 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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. 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. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement with the Stock Exchange have been complied with in all material respect by the Company.

No investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

For SHIV PAWAN & COMPANY  
Chartered Accountants

Place : Navi Mumbai  
Dated : 28th July, 2006

Sd/-  
(S.H.GARG)  
Partner

**AUDITORS REPORT**

**TO THE MEMBERS OF ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED**

We have audited the attached Balance Sheet of **M/S. ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED** as at 31st March, 2006, the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that:

1. As required by the Companies (Auditors Report) Order, 2003 (CARO, 2003), (as amended) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said Order;
2. Further to our comments in the Annexure referred to in paragraph 1 above, 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 purposes of our audit;
  - b) In our opinion, proper books of account as required by law, have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
  - d) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the directors, as on 31st March, 2006, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2006 from being appointed as a director in terms of Clause (g) of Sub-Section (i) of Section 274 of the Companies Act, 1956 on the accounts for the year ended on 31st March, 2006.
  - f) 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) in so far as it relates to the Balance Sheet, of the state of affairs of the company as at 31st March, 2006 and
    - ii) insofar as it relates to the Profit & Loss account, of the Profit of the Company for the year ended on that date.

For SHIV PAWAN & COMPANY  
Chartered Accountants

Place : Navi Mumbai  
Dated : 28th July, 2006

Sd/-  
(S.H.GARG)  
Partner

**ANNEXURE TO THE AUDITOR'S REPORT OF EVEN DATE**  
**(Referred to in paragraph 2 thereof)**

- i) The nature of the Company's activities during the year under review is such that clauses (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- ii) In respect of fixed assets :
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed by the management on such verification.
- iii) In respect of Inventories :
  - a) As explained to us physical verification of inventory has been conducted during the year by the management at reasonable intervals.
  - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
  - c) In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of its inventory and no material discrepancies were noticed on physical verification.
- iv) In respect of loans secured or unsecured, granted or taken by the company, to or from companies, firms or other parties covered in the register maintained under section 301 of the Act according to the information and explanation given to us:
  - a) The Company has granted or taken the loans, from or to company covered in the Register, maintained under section 301 of the Act, as per note no. 15 of the notes to the accounts attached herewith as schedule no. K.
  - b) The rate of interest and other terms and conditions of the loans given or taken by the company, secured or unsecured, are not prima facie prejudicial to the interest of the company.
  - c) The payment of the principal amount and interest are regular.
  - d) There are no overdue amounts of loans taken or granted by the Company.
- v) 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 for the purchase of inventory and fixed assets and for the sale of goods.

- vi) In respect of transactions that need to be entered in the register maintained in pursuance of Section 301 of the Act in our opinion and according to the explanations given to us:
  - a) no transaction that need to be entered into the Register in pursuance of Section 301 of the Act.
  - b) No transaction is in excess of Rupees five lakhs in respect of any party.
- vii) In our opinion and according to the information and explanations given to us, since the Company has not accepted any deposits covered under section 58A of the Act during the year, the question of compliance with the provisions of Section 58A of the Act does not arise.
- viii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- ix) The Central Government has not prescribed maintenance of Cost records for the Company under section 209(1)(d) of the Act.
- x) According to the information and explanation given to us in respect of statutory and other dues:
  - a) The Company is regular in depositing undisputed statutory dues including Income-Tax, and other statutory dues with appropriate authorities when applicable and that there are not undisputed amounts payable on account of the aforesaid statutory dues outstanding as at 31st March, 2006 for a period of more than six months from the date they became payable;
  - b) There are no outstanding disputed statutory dues.
- xi) The Company has been registered for a period more than five years, its accumulated losses at the end of the financial year are not more than fifty percent of its net worth. However, the company has not incurred cash losses in the financial year and there was no cash losses in the immediately preceding financial year.
- xii) The Company has not taken any loan from any Bank or financial institution.
- xiii) According to the information and explanations given to us, the Company has not granted loans and advances on basis of security by way of pledge of shares, debenture and other securities.
- xiv) As per information and explanation given to us, the Company is not dealing or trading in shares, debentures and other securities and there is no question of proper records of investments.
- xv) As per information and explanations given to us, the Company has not given the guarantee for loans taken by other from bank or financial institutions. The question of the terms and conditions of interest of the Company does not arise.

- xvi) The company has not taken any terms loan during the year under review.
- xvii) According to the information and explanations given to us, on an overall basis, the funds raised on short-term basis have prima-facie not been used for long term investment. The company has not raised any funds during the year on long term basis.
- xviii) The Company has not made any preferential allotment of shares during the year and accordingly the question of price being prejudicial to the interest of the company does not arise.
- xix) Not debentures have been issued by the Company and hence, the question of creating securities in respect thereof does not arise.
- xx) During the period, the Company has not raised any money by way of public issue.
- xxi) According to the information and explanations given to us, no fraud on or by the Company have been noticed or reported during the financial year under review.

For SHIV PAWAN & COMPANY  
Chartered Accountants

Sd/-  
(S.H.GARG)  
Partner

Place : Navi Mumbai  
Dated : 28th July, 2006

## BALANCE SHEET AS 31ST MARCH 2006

PARTICULARS	Schedule No.	Current Year ended 31-03-2006	Previous Year ended 31-03-2005
<b><u>SOURCES OF FUND :</u></b>			
1. <b><u>Shareholders' Funds</u></b>			
Equity Share Capital	A	59,671,500.00	59,671,500.00
2. <b><u>Reserve &amp; Surplus</u></b>			
Capital Reserve	B	695,179.00	695,179.00
Total (1+2)		<u>60,366,679.00</u>	<u>60,366,679.00</u>

**APPLICATION OF FUNDS:**

1. <b><u>FIXED ASSETS : Net Block</u></b>	C	31,898,198.00	34,273,823.07
2. <b><u>CURRENT ASSETS, LOANS &amp; ADV.</u></b>			
Sundry Debtors	D	566,130.00	171,265.00
Cash & Bank Balances	E	326,722.00	370,352.18
Loans & Advances	F	<u>25,242,126.00</u>	<u>20,574,020.00</u>
		26,134,978.00	21,115,637.18
Less: Current liabilities & Pro.			
Current Liabilities	G	<u>1,172,457.00</u>	<u>1,260,422.00</u>
		<u>24,962,521.00</u>	<u>19,855,215.18</u>
3. <b><u>Miscellaneous Expenditure</u></b>			
To the extent w/o or adjusted	H	2,425,023.00	2,538,183.00
4. <b><u>Profit &amp; Loss Account</u></b>			
Total (1+2+3+4)		<u>1,080,937.00</u>	<u>3,699,457.75</u>
		<u>60,366,679.00</u>	<u>60,366,679.00</u>

Notes Forming part of the Accounts K

The Schedules &amp; Notes referred to above from an integral part of the Accounts.

As per our report of even date  
For SHIV PAWAN & COMPANY  
Chartered Accountants

For ELEGANT FLORICULTURE &  
AGROTECH (INDIA) LIMITED

Sd/-  
(S.H.GARG)  
Partner

Sd/-  
(RAJ KUMAR AGARWAL)  
Director

Sd/-  
(PAWAN KUMAR AGARWAL)  
Director

Place : Navi Mumbai  
Dated : 28th July, 2006

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

PARTICULARS	Schedule No.	Current Year ended 31-03-2006	Previous Year ended 31-03-2005
<b>A. INCOME :</b>			
Sales		1,966,041.00	906,741.50
Interest on Income Tax Refund		14,440.00	12,941.00
Commission Received		6,571,958.00	6,441,005.00
Interest Received		1,980,641.00	1,143,508.00
Total		<u>10,533,080.00</u>	<u>8,504,195.50</u>
<b>B. EXPENDITURE :</b>			
Purchases & Consumables	I	781,232.00	282,371.80
Administrative Other Expenses	J	4,780,290.00	3,703,600.20
Depreciation	C	<u>2,396,042.00</u>	<u>2,394,750.00</u>
		<u>7,957,564.00</u>	<u>6,380,722.00</u>
Net Profit before Tax		2,575,516.00	2,123,473.50
Less: Income tax adjustment		189,765.00	(5,007.00)
Less: Fringe Benefits tax paid		2,244.00	
Less: Provision for Income Tax		216,730.00	0.00
Less: Provision for Fringe Benefits Tax		2,734.00	0.00
Add: Provision for deferred tax liability/assets		454,478.00	141,142.00
Add: Balance b/f		<u>(3,699,458.00)</u>	<u>(5,959,066.25)</u>
Net Profit /(Loss) carried to Balance Sheet		<u>(1,080,937.00)</u>	<u>(3,699,457.75)</u>

Notes Forming part of the Accounts K

The Schedules &amp; Notes referred to above from an integral part of the Accounts.

As per our report of even date  
For SHIV PAWAN & COMPANY  
Chartered Accountants

For ELEGANT FLORICULTURE &  
AGROTECH (INDIA) LIMITED

Sd/-  
(S.H.GARG)  
Partner

Sd/-  
(RAJ KUMAR AGARWAL)  
Director

Sd/-  
(PAWAN KUMAR AGARWAL)  
Director

Place : Navi Mumbai  
Dated : 28th July, 2006

## SCHEDULES

## Schedules Annexed to and forming part of Balance Sheet as on 31st March, 2006

PARTICULARS	Current Year ended 31-03-2006	Previous Year ended 31-03-2005
-------------	-------------------------------------	--------------------------------------

## SCHEDULE 'A':

AUTHORISED CAPITAL SHARE CAPITAL

600,00,00 (600,00,00) Equity Shares of Rs. 10/- (10/-) each	<u>60,000,000.00</u>	<u>60,000,000.00</u>
Issued, subscribed & Paid Up Capital 600,00,00 (600,00,00) Equity Share of Rs. 10/- (10/-) each fully paid	60,000,000.00	60,000,000.00
Less:- Calls unpaid by other than Directors	328,500.00	328,500.00
TOTAL Rs.	<u>59,671,500.00</u>	<u>59,671,500.00</u>

## SCHEDULE 'B'

RESERVE & SURPLUS

Capital Reserve	<u>695,179.00</u>	<u>695,179.00</u>
TOTAL Rs.	<u>695,179.00</u>	<u>695,179.00</u>

## SCHEDULE 'D':

SUNDRY DEBTORS

(Unsecured, considered good)		
a) Debts exceeding six months	0.00	0.00
b) Other Debts	566,130.00	171,265.00
TOTAL Rs.	<u>566,130.00</u>	<u>171,265.00</u>

## SCHEDULE 'E':

CASH & BANK BALANCE:

Cash in hand (Certified by Director)	96,067.00	156,503.77
Balance with Schedule Banks		
In Current Account	230,655.00	213,848.41
TOTAL Rs.	<u>326,722.00</u>	<u>370,352.18</u>



## SCHEDULE C : SCHEDULE OF FIXED ASSETS

AS ON 31ST MARCH, 2006

Amount in Rs.

PARTICULARS		GROSS BLOCK				DEPRECIATION				NET BLOCK	
NAME OF THE ASSET	RATE %	COST AS ON 01-04-05	ADDITION DURING THE YEAR	SALES DURING THE YEAR	COST AS ON 31-03-06	DEPR. AS ON 01-04-05	WITHDAR DURING THE YEAR	DEPR DURING THE YEAR	DEPR. AS ON 31-03-06	W.D.V. AS ON 31-03-06	W.D.V. AS ON 31-03-05
LAND	0.00	430,627.00	0.00	0.00	430,627.00	0.00	0.00	0.00	0.00	430,627.00	430,627.00
BUILDING	1.63	5,637,706.15	0.00	0.00	5,637,706.15	811,877.00	0.00	91,895.00	903,772.00	4,733,934.15	4,825,829.15
PLANT & MACHINERY	4.75	39,230,615.92	0.00	0.00	39,230,615.92	15,760,330.00	0.00	1,863,454.00	17,623,784.00	21,606,831.92	23,470,285.92
PLANTING MATERIAL	4.75	6,364,439.00	0.00	0.00	6,364,439.00	2,612,787.00	0.00	302,311.00	2,915,098.00	3,449,341.00	3,751,652.00
ELECTRICAL INST.	4.75	2,601,044.00	0.00	0.00	2,601,044.00	971,108.00	0.00	123,550.00	1,094,658.00	1,506,386.00	1,629,936.00
FURNITURE & FIXTURE	6.33	6,760.00	20,417.00	0.00	27,177.00	3,703.00	0.00	1,720.00	5,423.00	21,754.00	3,057.00
TOOLS & EQUIPMENTS	4.75	119,756.00	0.00	0.00	119,756.00	40,048.00	0.00	5,688.00	45,736.00	74,020.00	79,708.00
MOTOR VAN	7.07	105,000.00	0.00	0.00	105,000.00	22,272.00	0.00	7,424.00	29,696.00	75,304.00	82,728.00
TOTAL		54,495,948.07	20,417.00	0.00	54,516,365.07	20,222,125.00	0.00	2,396,042.00	22,618,167.00	31,898,198.07	34,273,823.07
PREVIOUS YEAR		54,283,948.07	212,000.00	0.00	54,495,948.07	17,827,375.00	0.00	2,394,750.00	20,222,125.00	34,273,823.07	36,456,573.07

## SCHEDULES (Contd....)

PARTICULARS	Current Year ended 31-03-2006	Previous Year ended 31-03-2005
-------------	-------------------------------------	--------------------------------------

**SCHEDULE 'F':****LOANS AND ADVANCES**

a) Advances recoverable is cash of kind for value to be received	24,667,936.00	19,894,352.00
b) Deposits	13,200.00	12,700.00
c) T.D.S. for the A.Y. 2003-2004	0.00	23,258.00
d) T.D.S. for the A.Y. 2004-2005	0.00	288,837.00
e) T.D.S. for the A.Y. 2005-2006	188,356.00	354,873.00
f) T.D.S. for the A.Y. 2006-2007	335,624.00	0.00
g) Staff Advance	37,000.00	0.00
<b>TOTAL Rs.</b>	<b>25,242,126.00</b>	<b>20,574,020.00</b>

**SCHEDULE 'G':****CURRENT LIABILITIES:**

Sundry Creditors	36,627.00	6,070.00
Profession Tax (Staff)	1,800.00	1,800.00
T.D.S. Payable	184,722.00	101,436.00
Audit Fees Payable	21,326.00	19,000.00
Legal & Professional Fees Payable	3,928.00	0.00
Provision for Income Tax	216,730.00	0.00
Service Tax Payable	26,952.00	0.00
Fringe Benefit Tax Payable	2,734.00	0.00
Deferred Tax Liability		
Opening Bal. 01.04.2005	1,132,116.00	
Less: Assets during the year	454,478.00	
<b>TOTAL Rs.</b>	<b>6,77,638.00</b>	<b>1,132,116.00</b>
	<b>1,172,457.00</b>	<b>1,260,422.00</b>

**SCHEDULE 'H'****MISCELLANEOUS EXPENDITURE**

(to the extent not w/o or adjusted)

Issue Expenses	2,538,183.00	2,651,343.00
Less: w/o during the year	113,160.00	113,160.00
<b>TOTAL.....(A)</b>	<b>2,425,023.00</b>	<b>2,538,183.00</b>
Preliminary Expenses	0.00	0.00
Less: w/o during the year	0.00	0.00
<b>TOTAL ... (B)</b>	<b>0.00</b>	<b>0.00</b>
<b>Total ... (A+B)</b>	<b>2,425,023.00</b>	<b>2,538,183.00</b>

## SCHEDULES (Contd....)

PARTICULARS	Current Year ended 31-03-2006	Previous Year ended 31-03-2005
<b>SCHEDULE 'I'</b>		
<b>MATERIALS :</b>		
Opening Stock	0.00	0.00
Add: Purchase	781,232.00	282,371.80
TOTAL Rs.	781,232.00	282,371.80
Less: Closing Stock	0.00	0.00
TOTAL Rs.	781,232.00	282,371.80
<b>SCHEDULE 'J' :</b>		
a) <u>Administrative &amp; Other Expenses:</u>		
Security Charges	25,560.00	28,464.00
Wages & Labour	255,294.00	214,412.00
Freight & Forwarding/Packing Material	19,540.00	38,245.00
Transportation & Hamali Charges	32,632.00	10,630.00
Electricity Expenses	99,355.00	33,934.00
Repair & Maintenance	751,654.00	685,302.00
Commission Paid	2,987,939.00	1,760,833.00
TOTAL Rs.	4,171,974.00	2,771,820.00
b) <u>Other Exp.:</u>		
Salaries	99,838.00	174,792.00
Printing & Stationery	109,340.00	68,515.00
Telephones Expenses	30,775.00	24,292.00
Postage Charges	17,600.00	15,380.00
Conveyance & Travelling Exp.	16,700.00	46,766.00
Auditors Remuneration	21,326.00	19,000.00
Advertisement Expenses	5,844.00	7,848.00
Legal and Professional Charges	45,517.00	16,370.00
Bank Commission	1,912.00	2,901.00
Misc. Expenses	19,916.00	125,337.00
Profession Tax (Company)	1,700.00	1,700.00
Vehicle Expenses	48,703.00	79,551.00
Preliminary Expenses	0.00	36,014.00
Issue Expenses w/o	113,160.00	113,160.00
Stock Exchange Annual Fees	30,428.00	19,000.00
Staff Welfare A/c.	16,875.00	43,819.00
Annual General Meeting Expenses	13,500.00	12,665.00
Shares Transfer Expenses	13,000.00	0.00
Fees & Fines	1,000.00	1,500.00
Insurance	1,182.00	1,791.00
Rent	0.00	120,000.00
Bombay Sales Tax Paid	0.00	1,379.00
TOTAL Rs.	608,316.00	931,780.00
Total (a+b)	4,780,290.00	3,703,600.00

## SCHEDULE K

## NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR 31ST MARCH, 2006

## 1 SIGNIFICANT ACCOUNTING POLICIES :

The Accounts have been prepared primarily on the histories, cost convention. The significant accounting policies followed by the company are stated below :

## a) FIXED ASSETS:

Fixed Assets are shown at costs less depreciation. Cost comprises of the purchase price and other attributable expenses.

## b) DEPRECIATION :

Depreciation has been provided during the year in the books of accounts. However, the company had provided the depreciation as per straight line method of Schedule XIV of the Companies Act, 1956.

## c) INVENTORIES :

Inventories shall be valued at lower of cost and estimated net realiseable value. Cost is arrived at on a first in first out basis (FIFO Method), as and when applicable.

## d) REVENUE RECOGNITION :

The Company has followed mercantile system of Accounting. Sales of goods is recognised at a point of despatch of finished goods to customers.

2. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of Loans & Advances and Debtors in the ordinary course of business will not be less than the amount at which they are stated in Balance Sheet.

3. Managerial Remuneration under section 198 of the companies Act, 1956.

	31-03-2006	31-03-2005
Salary	: NIL	NIL
Commission	: NIL	NIL
Contribution to Provident Fund	: NIL	NIL
Other perquisites	: NIL	NIL

4. Computation of Net Profit under section 309 (5) of the Companies Act, 1956.

As no Commission is payable to Managing Director for the current year Computation of net profit under section 309 (5) of the Companies Act, 1956 has not given.

Auditors Remuneration :	31-03-2006	31-03-2005
	Rs.	Rs.
Audit Fees (Statutory Audit)	11,224.00	12,000.00
Audit Fees (Tax Audit)	10,102.00	7,000.00

6. Expenditure in Foreign Exchange : NIL NIL

7. Earning in Foreign Currency : NIL NIL

8. Value of Imports on C.I.F. basis :  
 Planting Material : NIL NIL  
 Poly Film : NIL NIL
9. No provisions has been made as there were no employees who have covered the qualifying period of service covered under the payment of Gratuity Act, 1972.
10. Quantitative Details :  
 a) Licenced Capacity 31-03-2006 31-03-2005  
 Not Applicable Not Applicable  
 b) Installed Capacity 22.50 Lacs 22.50 Lacs  
 (Flowers) (Flowers)  
 c) Actual Production 6.81 Lacs 6.19 Lacs  
 (Flowers) (Flowers)  
 d) Opening Stock, Purchase,  
 Sales & Closing Stock (Flowers)

	Current Year		Previous Year	
	Qty. in Number	Rs in lacs	Qty. in Number	Rs. in lacs
Opening Stock	NIL	NIL	NIL	NIL
Production	6.81 lacs	0.00	6.19	0.00
Sales	6.81 lacs	19.68	6.19	9.07
Closing Stock	NIL	NIL	NIL	NIL

11. Previous year figures have been regrouped/rearranged wherever necessary
12. The Company has implemented the accounting standard (AS 22) Accounting for Taxes on income "issued by the Institute of Chartered Accountants of India. In accordance with this standard an amount of Rs. 4,54,478/- has been created deferred tax assets during the year.
13. Current year tax is determined in accordance with Income Tax Act, 1961 Deferred tax is recognized subject to the consideration of prudence on timing difference.

As per our report of even date  
 For SHIV PAWAN & COMPANY  
 Chartered Accountants

For ELEGANT FLORICULTURE &  
 AGROTECH (INDIA) LIMITED

Sd/-  
 (S.H.GARG)  
 Partner

Sd/-  
 (RAJ KUMAR AGARWAL)  
 Director

Sd/-  
 (PAWAN KUMAR AGARWAL)  
 Director

Place : Navi Mumbai  
 Dated : 28th July, 2006

## 14. Additional Information pursuant to Part IV of Schedule of the Companies Act, 1956.

## Balance Sheet Abstract and Company's General Business Profile

## I. REGISTRATION DETAILS :

Registration No.	:	11-73872 of 1993
State Code No.	:	11 (Refer code list)
Balance Sheet :	:	31-03-2006

## II. CAPITAL RAISED DURING THE YEAR :

	:	(Amount in Thousand)
Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Prefential Issue	:	NIL

## III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS :

	:	(Amount in Thousand)
Total Liabilities	:	61,539.14
Total Assets	:	61,539.14
<b>Sources of Funds:</b>		
Paid-up Capital	:	59,671.50
Reserve & Surplus	:	695.18
Secured Loans	:	0.00
Unsecured Loans	:	0.00
<b>Application of Funds:</b>		
Net Fixed Assets	:	31,898.20
Investments	:	0.00
Net Current Assets	:	24,962.52
Misc. Expenditure	:	2,425.02
Accumulated Losses	:	1,080.94

## IV. PERFORMANCE OF COMPANY :

	:	(Amount in Thousand)
Turnover	:	10,533.08
Total Expenditure	:	7,957.56
Profit/(Loss) before tax	:	2,575.52
Profit/(Loss) after tax	:	2,575.52
Earning per shares in Rs.	:	0.43
Dividend Rate %	:	NIL

## V. GENERIC NAME OF PRODUCTS / SERVICES OF THE COMPANY :

(As per Item Code No.)	:	
(ITO Code)	:	
Products Description :	:	Flowers

As per our report of even date  
For SHIV PAWAN & COMPANY  
Chartered Accountants

For ELEGANT FLORICULTURE &  
AGROTECH (INDIA) LIMITED

Sd/-  
(S.H.GARG)  
Partner

Sd/-  
(RAJ KUMAR AGARWAL)  
Director

Sd/-  
(PAWAN KUMAR AGARWAL)  
Director

Place : Navi Mumbai  
Dated : 28th July, 2006

15. During the years, the company entered into transactions with related parties. Those transactions alongwith related balances as at 31st March, 2006 and March, 2006 to the years then ended are presented in the following table :

**LOAN GIVEN :**

Name of the Party	As on 31.03.2006	As on 31.03.3005	Relation
SURAJBHAN RAJKUMAR LTD.	24,667,936.00	19,894, 352.00	Common Directors

During the year, the company entered into transactions with related parties. Those transactions alongwith related balance as at 31st March, 2006 and March, 2005 for the years then ended are presented in the following table :

**INTEREST RECEIVED**

Name of the Party	As on 31.03.2006	As on 31.03.3005	Relation
SURAJBHAN RAJKUMAR LTD.	1,980,641.00	1,143, 508.00	Common Directors

16. Schedule A to K form an integral part of the Balance Sheet and Profit and Loss Account and have been hereby duly authenticated.

As per our report of even date  
For SHIV PAWAN & COMPANY  
*Chartered Accountants*

For ELEGANT FLORICULTURE &  
AGROTECH (INDIA) LIMITED

Sd/-  
(S. H. GARG)  
*Partner*

Sd/-  
(RAJ KUMAR AGARWAL)  
*Director*

Sd/-  
(PAWAN KUMAR AGARWAL)  
*Director*

Place : Navi Mumbai  
Dated : 28th July, 2006

## ANNEXURE TO CLAUSE – 32 OF THE LISTING AGREEMENT

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2006.

Rs. in Lacs

<b>A. Cash Flow from Operating Activities :</b>		
Net Profit before tax and extraordinary items	:	25.76
Adjustments for :		
Depreciation	:	23.96
Income-Tax Adjustment	:	4.09
Misc. Expenditure w/o.	:	1.13
<b>Operating Profit before Working Capital Changes</b>	:	<b>54.94</b>
Adjustments for:		
Trade & other receivable	:	(3.95)
Trade Payable	:	(0.31)
Other Liabilities	:	(3.32)
Loans & Advances	:	(46.68)
<b>Cash General from Operations</b>	:	<b>(54.26)</b>
<b>Net Cash Flow from Operating Activities</b>	:	<b>(54.26)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	:	0.20
Sale Fixed Assets	:	0.00
	:	0.20
<b>C. Cash flow from Financing Activities</b>		
Proceeds from issue of Shares Capital	:	0.00
Proceeds of long term borrowings	:	0.00
Share Issue & Preliminary Expenses	:	0.00
<b>Net Cash used in Financing Activities</b>	:	<b>0.00</b>
Net Increase/(decrease) in Cash and Cash Equivalents	:	0.88
Cash and Cash Equivalents as at 31st March, 2005	:	3.70
Cash and Cash Equivalents as at 31st March, 2006	:	4.58

## AUDITORS' CERTIFICATE

We have examined the attached Cash Flow statement of **M/S. ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED** for the year ended 31st March, 2006. The Statement is made by the Company and in accordance with the requirement of listing agreement Clause 32 with Stock Exchange 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 dated 28th July, 2006 to the members of the Company.

As per our report of even date  
For SHIV PAWAN & COMPANY  
Chartered Accountants

Sd/-  
(S.H.GARG)  
Partner

Place : Navi Mumbai  
Dated : 28th July, 2006



**ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED**  
Regd. Office: Village Mouje-Kashal, Taluka-Maval, Wadgaon, Dist. Pune.

**ATTENDANCE SLIP**

**Annual General Meeting - 29th September, 2006**

Name : \_\_\_\_\_ No. of Shares : \_\_\_\_\_  
Address : \_\_\_\_\_ Jt. Holder : \_\_\_\_\_  
1 \_\_\_\_\_ F/H Name : \_\_\_\_\_  
2 \_\_\_\_\_

<b>For Shares held in Physcial Mode</b> Regd. Folio No. _____ (Please note that folio No. must be provided)	<b>For Shares held in Electronic Mode</b> DPID No. _____ CLIENT ID No. _____ (Please note that both DPID No. and CLINT ID No. must be provided)
---	---

I certify that I am a registered Shareholder / Proxy for the registered Shareholder of the Company.

I hereby record my presence at the 13th Annual General Meeting of the Company to be held on September 29, 2006 at 4:00 p.m. at C/o. Village Mouje-Kashal, Taluka-Maval, Wadgaon, Dist. Pune.

Member's/Proxy's name in BLOCK LETTERS \_\_\_\_\_

Member's/Proxy's Signature \_\_\_\_\_

**Note :** Please fill in this attendance slip and at the time of handling it over for registration at the above address

**ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED**  
Regd. Office: Village Mouje-Kashal, Taluka-Maval, Wadgaon, Dist. Pune.

**PROXY FORM**

**Annual General Meeting - 29th September, 2006**

<b>For Shares held in Physcial Mode</b> Regd. Folio No. _____ (Please note that folio No. must be provided)	<b>For Shares held in Electronic Mode</b> DPID No. _____ CLIENT ID No. _____ (Please note that both DPID No. and CLINT ID No. must be provided)
---	---

/ We \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ being a member /members of the above named Company,  
hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_  
or failing him \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf, at the 13 Annual General Meeting of the company to be held on Friday, the 29th September, 2006 at 4.00 p.m. at Village Mouje-Kashal, Taluka-Maval, Wadgaon, Dist. Pune and at any adjournmant thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2006

Signed by proxy \_\_\_\_\_ Signature of the member \_\_\_\_\_

Affix Rs. 1-  
Revenue  
Stamp

**NOTE :** The form in order effective must be stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the Commenment of Meeting.

**BOOK-POST**  
**PRINTED MATTER**  
**U.P.C**

**TO:**

**If Undelivered, please return to :  
ELEGANT FLORICULTURE &  
AGROTECH (INDIA) LIMITED  
Village Mouje-Kashal,  
Taluka-Maval, Wadgaon,  
Dist. Pune.**