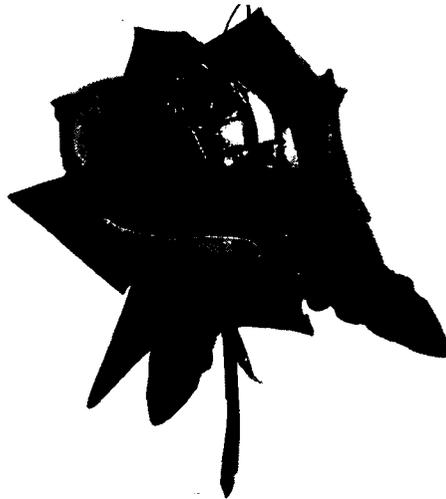


**ELEGANT FLORICULTURE &  
AGROTECH (INDIA) LIMITED**



**19TH ANNUAL REPORT 2011-12**

**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 19<sup>th</sup> Annual General Meeting of Elegant Floriculture and Agrotech (India) Limited will be held on Tuesday, 25<sup>th</sup> September, 2012 at 2.00 p.m. at Village: Mouje - Kasha, Taluka: Maval, Wadgoan, Dist.: Pune to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as on 31<sup>st</sup> March, 2012, the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2012 together with report of the Directors' and Auditors' thereon.

2. To appoint Director:

To appoint a Director in place of SHRI SHEORAM 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 Statutory Auditors of the Company M/s. Shiv Pawan & Company, Chartered Accountants, Navi 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 at a remuneration as may be mutually decided by the Board of Directors and M/s. Shiv Pawan & Company."

For & on behalf of Board of Directors  
ELEGANT FLORICULTURE & AGROTECH (I) LTD.

Place : Mumbai

Date : 30th May, 2012

Sd/-  
(PAWAN KUMAR AGARWAL)  
Director

**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 21-09-2012 to 25-09-2012 (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

Place : Mumbai

Date : 30th May, 2012

Sd/-  
(PAWAN KUMAR AGARWAL)  
Director

## **DIRECTORS' REPORT**

To The Members,

The Directors have pleasure in submitting the 19<sup>th</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2012.

### **DIVIDEND**

The Directors do not recommend payment of dividend for the year.

### **OPERATIONS**

During the year under review the Company has performed well and has earned profit as compared to the previous year. The Company has earned Total Revenue of Rs.142.96 lacs in comparison to Rs.597.85 lacs in the previous year. The Company has incurred net profit of Rs.1.99 lacs in comparison to net loss of Rs.6.87 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**

There are no employees whose particulars are to be given under Section 217(2A) of The Companies Act read with the Companies (Particulars of Employees) Rules, 1975.

### **DIRECTORS**

Shri Sheoram 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.

M/s. 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.

### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, require disclosure of the particulars regarding conservation of Energy and Technology absorption. The Company not being an industrial Company, the same is therefore not applicable to it.

**FOREIGN EXCHANGE EARNINGS & OUTGO**

The Company has earned an income of Rs. 21,42,872/- (Previous Year Rs.11,09,177/-) in foreign exchange. The Company has not incurred any expenditure in foreign exchange during the year.

**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 : 30th May, 2012

Sd/-  
(PAWAN KUMAR AGARWAL)  
Chairman

**REPORT ON CORPORATE GOVERNANCE**

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of maximizing stakeholder's value and discharge of social responsibility. The Corporate Governance structure in the Company assigns responsibilities and entrusts authority among different participants in the organization. The Company has adopted the requirement of Corporate Governance under Clause 49 of the Listing Agreement, the disclosure requirements of which are given below:

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings to ensure the efficient conduct of the affairs of the Company to achieve its goal of maximizing value for all its stakeholders.

**2. BOARD OF DIRECTORS**

**(i) Composition of Board, Directorships and Committees position held in other Companies as at 31<sup>st</sup> March 2012.**

Directors	Executive / Non-Executive/ Independent	No. of outside Directorship Held	Outside As Chairman	Committees# As member
Shri Rajkumar Agarwal	Non Executive	9	None	None
Shri Pawan Kumar Agarwal	Non Executive	8	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 2011-2012.**

Sr. No.	Nature & date of meetings	Name of Directors			
		R.K.Agarwal	P.K.Agarwal	S.S.Gupta	S.R.Agarwal
1	Board on 27.05.2011	Present	Present	Present	Present
2	Board on 08.06.2011	Present	Present	Present	Present
3	Board on 15.07.2011	Present	Present	Absent	Present
4	Board on 09.08.2011	Present	Present	Present	Present
5	Board on 21.10.2011	Present	Present	Present	Present
6	Board on 14.11.2011	Present	Present	Absent	Present
7	Board on 09.12.2011	Present	Present	Absent	Present
8	Board on 01.02.2012	Absent	Present	Present	Present
9	AGM on 23.09.2011	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 two independent Directors. During the financial year ended 31.03.2012, Five Committee Meetings were held on 27<sup>th</sup> May, 2011, 8<sup>th</sup> June, 2011, 9<sup>th</sup> August, 2011, 21<sup>st</sup> October, 2011 & 1<sup>st</sup> February, 2012. 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>	5
2	Dr. Sheoram Agarwal	5
3	Shri. Pawan Kumar Agarwal	5

(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 23<sup>rd</sup> September, 2011 and provided clarifications to 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 three decades of running business.

(vi) An Audit Committee meeting was held on 8<sup>th</sup> June, 2011 where the Annual Financial Statements for the year ended 31<sup>st</sup> March, 2011 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.

Financial Reporting	Date of Approval by Audit Committee
Quarter ended 31 <sup>st</sup> March, 2011	27 <sup>th</sup> May, 2011
Quarter ended 30 <sup>th</sup> June, 2011	9 <sup>th</sup> August, 2011
Quarter/Half Year ended 30 <sup>th</sup> Sept. 2011	21 <sup>st</sup> October, 2011
Quarter ended 31 <sup>st</sup> December, 2011	1 <sup>st</sup> February, 2012

**4. REMUNERATION COMMITTEE**

Since the Company has not paid any remuneration to the members of Board, constitution of Remuneration Committee is not required.

**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 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, Director to specifically look into redressing of Shareholders' and Investors' complaints. It met 3 times during the year 2011-2012.

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 : One
- 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
16 <sup>th</sup>	06-08-2009	Vill: Mouje-Kashal	2.30 p.m.
17 <sup>th</sup>	31-08-2010	Vill: Mouje-Kashal	2.00 p.m.
18 <sup>th</sup>	23-09-2011	Vill: Mouje-Kashal	2.00 p.m.

(ii) No Postal Ballot was put through during the year 2011-12 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

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management or relatives etc. during the year, that may have potential conflict with the interests 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

Reconciliation of Share Capital 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 generally 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
25-09-2012	2.00 p.m.	Vill.Mouje-Kashal Taluka- Maval. Wadgaon Dist.- Pune.

(ii) Financial Calendar (tentative) for year 2012-13 :  
Financial Reporting Date of submission to stock exchange

For the quarter ending	30 <sup>th</sup> June, 2012	4 <sup>th</sup> week of July, 2012
For the quarter/half year ending	30 <sup>th</sup> Sept., 2012	4 <sup>th</sup> week of Oct. 2012
For the quarter ending	31 <sup>st</sup> Dec., 2012	4 <sup>th</sup> week of Jan. 2013
For the year ending	31 <sup>st</sup> March, 2013	4 <sup>th</sup> week of April 2013

(iii) Next Dates of Book Closure 21<sup>st</sup> September 2012 to 25<sup>th</sup> September, 2012(both days inclusive)

(iv) **Code of Conduct:**

The Board of Directors has laid down the Code of Conduct applicable to all Board Members and Senior Executives of the Company. All Board Members and Senior Executives have affirmed compliance of the Code of Conduct. A declaration by CEO/ Director to this effect is given in this report.

(v) Dividend Payment Date Not Applicable

(vi) Listing on Stock Exchanges The Shares of the Company are listed at Bombay Stock Exchange Limited, Mumbai - 400 001.

(vii) Stock Code 526473

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

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

**(x) Stock Market Data**

Month	High	Low
April, 2011	9.90	6.40
May, 2011	9.10	7.26
June, 2011	9.08	6.50
July, 2011	9.20	7.15
August, 2011	8.47	6.76
September, 2011	9.40	7.21
October, 2011	8.90	7.33
November, 2011	8.29	4.73
December, 2011	7.54	5.70
January, 2012	8.70	6.32
February, 2012	8.27	6.20
March, 2012	7.31	6.15

**(xi) 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.

**(xii) 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 month. 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.

**(xiii) Registrar and Transfer Agent**

**SHAREX DYNAMIC (INDIA) PVT. LTD.**

Unit - 1, Luthra Ind.Premises, Safed Pool,  
Andheri Kurla Road, Andheri (East),  
Mumbai - 400 072

(xiv) DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2012 :

(a) According to Category holdings :

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of shares
Promoters (Individual)	15	0.28	1360083	6.80
FI(s) Bank & Mutual Fund	3	0.06	38500	0.19
Individual	5102	97.70	16764828	83.82
Corporate Bodies	95	1.82	1826057	9.13
NRI/OCB	4	0.08	3270	0.02
Clearing Members	3	0.06	7262	0.04
<b>Total</b>	<b>5222</b>	<b>100.00</b>	<b>20000000</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	1275	24.42	118907	0.59
101-200	826	15.82	164067	0.82
201-500	1769	33.88	797423	3.99
501-1000	749	14.34	659041	3.30
1001-5000	430	8.23	1003054	5.02
5001-10000	60	1.15	467493	2.34
10001-100000	56	1.07	1813173	9.06
100001 & above	57	1.09	14976842	74.88
<b>Total</b>	<b>5222</b>	<b>100.00</b>	<b>20000000</b>	<b>100.00</b>

(xv) Dematerialization of Shareholding and liquidity 90.33% Company's Equity shares are Dematerialized as on 31.03.2012

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

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

(xviii) Address for Correspondence  
The shareholders may address their communications/suggestions/grievances/queries to our share transfer agent

**SHAREX DYNAMIC (INDIA) PVT. LTD.**

Unit - 1, Luthra Ind.Premises, Safed Pool,  
Andheri Kurla Road, Andheri (East), Mumbai - 400 072

**Declaration under Clause 49 of the Listing Agreement:**

I, Confirm that the Company has, in respect of the year ended 31<sup>st</sup> March, 2012, received from the members of the Board and Senior Management Personnel of the Company, a declaration of compliance with the code of conduct as applicable to them.

Place : Mumbai  
Dated : 30-05-2012

Sd/-  
**Pawankumar Agarwal**  
CFO/Director

**Chief Executive Officer and Chief Financial Officer Certificate:**

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

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2012 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) 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 violative of the Company's Code of Conduct.
- (c) I have reviewed the internal controls 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 changes 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.

Place : Mumbai  
Dated : 30-05-2012

Sd/-  
**Pawankumar Agarwal**  
CFO/Director

**MANAGEMENT DISCUSSION AND ANALYSIS**

The Company is engaged in the business of floriculture and is trying to achieve the desired growth. The Company is in the business of cultivation of cut-flowers mainly roses for export purpose which is mainly done under U. V. Polyfilm covered area in Green Houses. The Company's project site is situated at Village Kashal, Vadgaon, Dist: Pune, which has best soil suited for cultivation of roses and plenty of water supply and low cost labour. Presently Company is growing 4 varieties of roses which have demand throughout of the year. The Company is exploring new foreign markets to augment the exports for better realization

**AUDITORS COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To the members of Elegant Floriculture & Agrotech (I) 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, 2012 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.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance in all material respect as stipulated in the above mentioned listing agreement.

We state that there are no investor grievance(s) pending for a period exceeding one month against the company as per the report given by the Registrars of the Company and placed before the Investor 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 **SHIV PAWAN & COMPANY**

Sd/-

**S. H. GARG**

(Partner)

Membership No. 85517

Place : Navi Mumbai.

Date : 30-05-2012

**AUDITORS REPORT**

**AUDITORS REPORT TO THE MEMBERS OF ELEGANT FLORICULTURE & AGROTECH (I) LIMITED**

We have audited the attached Balance Sheet of ELEGANT FLORICULTURE & AGROTECH (I) LIMITED, MUMBAI, as at 31st March, 2012, and the Profit and Loss Account of the Company for the year ended on that date, both annexed thereto. 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.

- 1 We conducted our audit in accordance with auditing standards generally accepted in India. These 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.
- 2 As required by 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 enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the Company.
- 3 Further to our comments in the Annexure referred to in paragraph 2 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 accounts as required by law have been kept by the Company so far as it appears from our examination of the books;
  - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the above books of accounts;
  - (d) In our opinion, the Profit and Loss Account and Balance Sheet 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 written presentations received from directors as on 31st March, 2012 and taken on records by the Boards of Directors, we report that none of the Directors are disqualified as on 31st March, 2012 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, 2012.

- (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 in conformity with the accounting principles generally accepted in India :
- i) insofar as it relates to the Balance Sheet, of the state of affairs of the company as at 31st March, 2012, and
  - ii) insofar as it relates to the Profit & Loss account, of the Profit of the company for the year ended on that date.
  - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For Shiv Pawan & Company**  
Chartered Accountants

Partner

**(S. H. Garg)**

Membership No. : 085517

Firm Regn. No. : 120121W

Place : Navi Mumbai  
Date : 30th May, 2012

**ANNEXURE TO THE AUDITOR'S REPORT OF EVEN DATE**

**(Referred to in paragraph 3 thereof)**

- i) 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.
  - c) The Company has not disposed any Fixed Assets during the year into consideration.
- ii) In respect of Inventories:
  - a) The physical verification of inventory has been conducted at regular intervals by the management.
  - b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The company has been maintaining proper records of the inventory and no material discrepancies were noticed.
- iii) 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/taken loans to/from companies, firms or other parties covered in the register mentioned in Section 301 of the Act as per point 13 of Note No. '22' of the Balance Sheet.
  - b) The terms and conditions of the loans granted and the rate of interest are prima facie prejudicial to the interest of the company.
  - c) According to the information provided to us, the loans given would be repayable on demand basis.
  - d) According to the information provided to us, in cases where the amounts involved are more than ₹1 lac, reasonable steps are being taken for the recovery of the principal and interest.

- iv) In our opinion and according to the information and explanation 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.
- v) 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) The company has not entered into transactions with parties mentioned in the register maintained in pursuance of Section 301.
- vi) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits covered under section 58A and 58AA of the Act during the year. Hence, the question of compliance with the provisions of Section 58A and 58AA of the Act does not arise.
- vii) The Company has an internal audit system commensurate with its size and nature of the business.
- viii) The Central Government has not prescribed maintenance of cost records for the Company under section 209(1)(d) of the Act.
- ix) According to the information and explanation given to us in respect of statutory and other dues:
  - a) The Company is generally regular in depositing undisputed statutory dues including, Income-tax, Sales-tax, Customs Duty and other statutory dues with appropriate authorities when applicable subject to point no. 5 of the Note No. 22. According to information and explanations given to us, provision of the statutes relating to ESIC and Provident Fund are not applicable to the company.
  - b) There are no disputed statutory dues.
- x) According to the information and explanation given to us, the Company has been registered for more than five years.
  - a) The Company does not have any accumulated Loss at the end of the financial year into consideration.
  - b) The company has not incurred the cash losses during the financial year into consideration.
  - c) The company has not incurred the cash losses during the financial year immediately preceding the financial year into consideration.
- xi) The Company has not defaulted on repayment of dues to any bank or financial institution. The company has not issued any debentures.

- xii) 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.
- xiii) As per information and explanations given to us, the nature of the Company's activities during the year under review is such that the provisions of any special statute applicable to chit fund are not applicable to the Company.
- xiv) As per information and explanations given to us, the Company is dealing or trading in shares, securities, debentures and other investments. The proper records are maintained of the transactions and contracts by company and timely entries have been made therein. The shares, securities, debenture and other securities have been held by the company, in its own name except to the extent of the exemption, if any, granted under section 49 of the Act.
- xv) As per information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) As per information and explanations given to us, the company obtained the Term Loan and the same was utilised for the purpose for which the Term Loan was obtained during the year.
- xvii) According to the information and explanations given to us, no funds has been raised on short-term basis.
- xviii) The Company has not made preferential allotment of shares to parties & Companies covered in the register maintained under section 301 of the Act during the year .
- xix) No debentures have been issued by the Company during the year.
- xx) During the year, 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  
Partner  
**(S. H. Garg)**

Membership No. : 085517  
Firm Regn. No. : 120121W

Place : Navi Mumbai  
Date : 30th May, 2012

## BALANCE SHEET AS AT 31ST MARCH 2012

PARTICULARS	Note No.	Current Year 31/03/2012 ₹	Previous Year 31/03/2011 ₹
<b>A EQUITY &amp; LIABILITIES</b>			
<b>1 SHAREHOLDERS' FUNDS :</b>			
a) Share Capital	1	199,671,500	199,671,500
b) Reserves & Surplus	2	2,129,753	1,930,649
c) Money received against share warrant		0	0
		<u>201,801,253</u>	<u>201,602,149</u>
<b>2 SHARE APPLICATION MONEY PENDING ALLOTMENT</b>		0	0
<b>3 NON - CURRENT LIABILITIES</b>			
a) Long Term Borrowings	3	4,037,229	1,341,141
b) Deferred Tax Liabilities (Net)		1,968,211	1,939,300
c) Other Long Term Liabilities		0	0
d) Long Term Provisions		0	0
		<u>6,005,440</u>	<u>3,280,441</u>
<b>4 CURRENT LIABILITIES</b>			
a) Short Term Borrowings	4	2,611,815	3,371,484
b) Trade Payables		990,549	446,591
c) Other Current Liabilities	5	60,555	140,422
d) Short Term Provisions	6	17,794	0
		<u>3,680,713</u>	<u>3,958,497</u>
Total (1+2+3+4)...		<u>211,487,406</u>	<u>208,841,087</u>
<b>B ASSETS</b>			
<b>1 NON - CURRENT ASSETS</b>			
a) Fixed Assets	7		
i) Tangible Assets		32,329,427	33,229,086
ii) Intangible Assets		0	0
iii) Capital Work-In-Progress		0	0
iv) Intangible Assets under Development		0	0
b) Non-Current Investments	8	0	874,699
c) Deferred Tax Assets (Net)		0	0
d) Long Term Loans and Advances	9	151,217,500	157,865,637
e) Other Non- Current Assets	10	94,265	0
		<u>183,641,192</u>	<u>191,969,422</u>
<b>2 CURRENT ASSETS</b>			
a) Current Investments		0	0
b) Inventories	11	11,940,021	11,958,274
c) Trade Receivables	12	216,626	1,516,006
d) Cash and Cash Equivalents	13	1,568,426	1,937,340
e) Short Term Loans and Advances	14	14,121,141	1,460,045
f) Other Current Assets	15	0	0
		<u>27,846,214</u>	<u>16,871,665</u>
Total (1+2)...		<u>211,487,406</u>	<u>208,841,087</u>

Notes to Accounts

22

The Schedules &amp; Notes referred to above form 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 Date : 30h May, 2012

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2012**

PARTICULARS	Notes No.	Current Year ended 31-03-2012 ₹	Previous Year ended 31-03-2011 ₹
I Revenue from Operations	16	12,043,287	58,858,992
II Other Income	17	2,253,617	926,432
<b>III Total Revenue (I+II)</b>		<u>14,296,904</u>	<u>59,785,424</u>
IV Expenses :			
a) Cost of Materials Consumed	18	6,951,586	51,685,629
i) Purchases of Stock-in-Trade			
ii) Change in Inventories of Finished Goods Work-in-Progress & Stock-in-Trade			
b) Employees Benefits Expenses	19	862,445	828,971
c) Finance Costs	20	454,685	413,804
d) Depreciation & Amortization Expenses		3,151,178	3,044,231
e) Other Expenses	21	2,631,201	4,711,894
<b>Total Expenses</b>		<u>14,051,095</u>	<u>60,684,529</u>
<b>V Profit/(Loss) Before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<u>245,809</u>	<u>(899,105)</u>
VI Exceptional Items		0	0
<b>VII Profit/(Loss) Before Extraordinary Items and Tax (V-VI)</b>		<u>245,809</u>	<u>(899,105)</u>
VII Extraordinary Items		0	0
<b>IX Profit/(Loss) before tax (VII- VIII)</b>		245,809	(899,105)
X Tax Expense:			
1) Current tax		17,794	0
2) Deferred tax		28,911	(211,797)
<b>XI Profit/(Loss) for the period from continuing operations (IX-X-XIV)</b>		<u>199,104</u>	<u>(687,308)</u>
XII Profit/(Loss) from discontinuing operations		0	0
XIII Tax expense of discontinuing operations		0	0
<b>XIV Profit/(Loss) from Discontinuing operations (after tax) (XII-XIII)</b>		0	0
<b>XV Profit/(Loss) for the period (XI + XIV)</b>		<u>199,104</u>	<u>(687,308)</u>
XVI Earnings per equity share:			
1) Basic		0.01	(0.03)
2) Diluted		0.01	(0.03)

Notes to Accounts

22

The Schedules & Notes referred to above form 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  
Date : 30h May, 2012

## NOTES &amp; PROFIT AND LOSS ACCOUNT

Notes Annexed to and forming part of Balance Sheet as on 31st March, 2012

PARTICULARS	Current Year 31-03-2012 ₹	Previous Year 31-03-2011 ₹
<b>NOTE NO. '1':</b>		
<b>SHARE CAPITAL</b>		
<u>Authorized Capital</u>		
200,00,000 (200,00,000) Equity Share of ₹ 10/- (₹10/-) each	200,000,000	200,000,000
	<u>200,000,000</u>	<u>200,000,000</u>
<u>Issued, Subscribed &amp; Paid Up Capital</u>		
200,00,000 (200,00,000) Equity Shares of ₹ 10/- (₹ 10/-) each fully paid up	200,000,000	200,000,000
Less : Calls unpaid by other than Directors	(328,500)	(328,500)
	<u>199,671,500</u>	<u>199,671,500</u>
<b>NOTE NO. '2':</b>		
<b>RESERVES &amp; SURPLUS</b>		
a) <u>Capital Reserve</u>		
Opening Balance	2,658,179	2,658,179
Add : Current Year Transfer	-	-
Less : Written Back in Current Year	-	-
Closing Balance.....(a)	<u>2,658,179</u>	<u>2,658,179</u>
b) <u>Surplus</u>		
Opening Balance	(727,530)	(40,222)
(+) Net Profit/(Net Loss) For the current year	199,104	(687,308)
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance.....(b)	<u>(528,426)</u>	<u>(727,530)</u>
Total.....(a) + (b)	<u>2,129,753</u>	<u>1,930,649</u>

**NOTES (Contd....)**

PARTICULARS	Current Year 31-03-2012 ₹	Previous Year 31-03-2011 ₹
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**NOTE NO. '3' :**

**Long Term Borrowings**

1) **Secured**

**Term Loan**

a) From Bank of Maharashtra (Secured loans against cold storage)	-	424,023
b) From HDFC Bank (Secured loans against Refrigerated Van)	160,814	281,274
c) From HDFC Bank (Secured loans against Motor Car)	476,415	635,844
d) From Bank of Maharashtra Secured against hypothecation of standing crop, equipment & other movable assets, agricultural land in gat no. 358 admeasuring 4.91 and personal guarantee of one of the Directors of the Company	3,400,000	-

Total.....(1)

4,037,229

1,341,141

2) **Unsecured**

Total.....(2)

-

-

Total.....(1) + (2)

4,037,229

1,341,141

**NOTE NO. '4' :**

**Short Term Borrowings**

1) **Secured**

**Other Loans & Advances**

a) From Bank of Maharashtra Secured against hypothecation of shed, flower, irrigation set, stock of pesticide & land and personal guarantee of one of the Directors of the Company	2,611,815	2,971,676
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Total.....(1)

2,611,815

2,971,676

## NOTES (Contd....)

PARTICULARS	Current Year 31-03-2012 ₹	Previous Year 31-03-2011 ₹
<b>2) Unsecured</b>		
<b><u>From Related Parties repayable on demand</u></b>		
a) From Surajbhan Rajkumar Pvt. Ltd.	-	399,808
Total.....(2)	-	399,808
Total.....(1) + (2)	<u>2,611,815</u>	<u>3,371,484</u>

**NOTE NO. '5' :****Other Current Liabilities****Other Payables**

i) T. D. S. Payable on Legal & Professional Fess	3,309	6,319
ii) T. D. S. Payable to Contractors & Sub-Contractors	4,214	4,529
iii) T. D. S. Payable on Interest	-	4,979
iv) Interest on T. D. S. Payable	-	136
v) Profession Tax (Staff)	1,800	10,475
vi) Service Tax Payable	24	58,225
vii) Audit Fees Payable	17,100	17,100
viii) Tax Audit Fees Payable	23,933	23,494
ix) Legal & Professional Fees Payable	10,175	15,165
Total.....	<u>60,555</u>	<u>140,422</u>

**NOTE NO. '6' :****Short Term Provisions****A) Provision for Employee Benefits****B) Others**

i) Provision for Income-Tax A.Y. 2012-13	17,794	-
Total.....(A) + (B)	<u>17,794</u>	<u>-</u>

**NOTE NO. 7 :**

**Depreciation Chart as per Straight Line Method (in the books of accounts) for the year ended on 31/03/2012**  
**Disclosure pursuant to Note No. 6(I)(i), 6(I)(ii) and 6(I)(iii); Note no. J(i), J(ii) and J(iii) of Part I of Schedule VI to the Companies Act, 1956**

Amount in ₹

PARTICULARS	Gross Block				ACCUMULATED DEPRECIATION				Net Block	
	Gross Value as on 01/04/2011	Addition during the year	Disposals during the year	Gross Value as on 31/03/2012	Op. Balance As on 01/04/11	Depreciation during the year	On Disposals during the year	Balance as on 31/03/2012	Bal. As on 31/03/2011	Bal. As on 31/03/2012
<b>(A) Tangible Assets</b>										
1 Land	430,627	0	0	430,627	0	0	0	0	430,627	430,627
2 Building	9,659,801	0	0	9,659,801	1,625,487	157,455	0	1,782,942	8,034,314	7,876,859
3 Plant & Machinery	46,033,451	2,087,821	0	48,121,272	28,028,698	2,285,760	0	30,314,458	18,004,753	17,806,814
4 Furniture & Fixtures	67,836	0	0	67,836	24,319	4,294	0	28,613	43,517	39,223
5 Planting Material	7,700,905	117,198	0	7,818,103	4,680,581	371,360	0	5,051,941	3,020,324	2,766,162
6 Motor Car	1,028,971	0	0	1,028,971	145,496	72,748	0	218,244	883,475	810,727
7 Tools & Equipment	399,271	0	0	399,271	127,284	18,965	0	146,249	271,987	253,022
8 Two wheeler ( Scooter)	23,000	0	0	23,000	8,130	1,626	0	9,756	14,870	13,244
9 Electrical Instrument	2,916,094	0	0	2,916,094	1,766,347	188,514	0	1,904,861	1,149,747	1,011,233
10 Computers	27,000	0	0	27,000	4,377	4,377	0	8,754	22,623	18,246
11 Cold Storage Unit	648,713	0	0	648,713	61,628	30,814	0	92,442	587,085	556,271
12 Refrigerated Van	891,876	0	0	891,876	126,112	63,056	0	189,168	765,764	702,708
13 Air Conditioner	0	46,500	0	46,500	0	2,209	0	2,209	0	44,291
<b>SUB TOTAL....I</b>	<b>69,827,545</b>	<b>2,251,519</b>	<b>0</b>	<b>72,079,064</b>	<b>36,598,459</b>	<b>3,151,178</b>	<b>0</b>	<b>39,749,637</b>	<b>33,229,086</b>	<b>32,329,427</b>
<b>(B) Intangible Assets</b>										
<b>SUB TOTAL....II</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(C) Capital Work In Progress</b>										
<b>SUB TOTAL....III</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(D) Intangible assets under Development</b>										
<b>SUB TOTAL....IV</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL (I+II+III+IV)</b>	<b>69,827,545</b>	<b>2,251,519</b>	<b>0</b>	<b>72,079,064</b>	<b>36,598,459</b>	<b>3,151,178</b>	<b>0</b>	<b>39,749,637</b>	<b>33,229,086</b>	<b>32,329,427</b>
<b>PREVIOUS YEAR TOTAL</b>	<b>69,207,545</b>	<b>620,000</b>	<b>0</b>	<b>69,827,545</b>	<b>33,554,228</b>	<b>3,044,231</b>	<b>0</b>	<b>36,598,459</b>	<b>35,653,317</b>	<b>33,229,086</b>

## NOTES (Contd....)

PARTICULARS	Current Year 31-03-2012 ₹	Previous Year 31-03-2011 ₹
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**NOTE NO. '8' :****Non Current Investments**

A) Trade Investments	-	-
Total.....(A)	-	-
B) <u>Other Investments</u>		
Fixed Deposits	-	874,699
Total.....(B)	-	874,699
Total.....(A) + (B)	-	874,699

**NOTE NO. '9' :****Long-Term Loans and Advances**

A) <u>Security Deposits</u>		
1) Secured, considered good	-	-
2) Unsecured, considered good	-	-
3) Doubtful	-	-
4) Less: Provision for doubtful advances	-	-
Total.....(A)	-	-
B) <u>Other Loans and Advances</u>		
1) Secured, considered good	-	-
2) <u>Unsecured, considered good</u>		
Advances recoverable in cash or kind for value to be received.	151,210,000	150,400,000
Loan Given to Bodies Corporate & Others	-	7,458,137
Sundry Deposits	7,500	7,500
3) Doubtful	-	-
4) Less : Provision for Doubtful	-	-
Total.....(B)	151,217,500	157,865,637
Total.....(A) + (B)	151,217,500	157,865,637

**NOTE NO. '10' :****Other Non-Current Assets**

a) Long Term Trade Receivables (including Trade Receivables on Deferred credit terms)		
1) Secured, considered good	-	-
2) Unsecured, considered good	-	-
3) <u>Doubtful</u>	-	-
Indiflora Ltd.	94,265	-
4) Less : Provision for Doubtful	-	-
Total.....	94,265	-

NOTES (Contd....)

PARTICULARS	Current Year 31-03-2012 ₹.	Previous Year 31-03-2011 ₹.
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**NOTE NO. '11' :**

**Inventories**

a) Closing Stock of Shares	11,940,021	11,958,274
Total.....	<u>11,940,021</u>	<u>11,958,274</u>

**NOTE NO. '12' :**

**A) Trade Receivables outstanding for a period less than six months from the date they are due for payment**

1) Secured, considered good	-	-
2) <u>Unsecured, considered good</u>		
Floralux Holland BV	203,294	246,371
Deccan Florabase Ltd.	-	161,762
Tulip Garden Nursery	13,332	-
Perfect Carbouys Pvt. Ltd.	-	561,164
3) Unsecured, considered doubtful	-	-
4) Less: Provision for doubtful debts	-	-
Total.....(A)	<u>216,626</u>	<u>969,297</u>

**B) Trade receivables outstanding for a period exceeding six months from the date they are due for payment**

1) Secured, considered good	-	-
2) <u>Unsecured, considered good</u>		
Global Flower Services	-	458,108
Indiflora Ltd.	-	88,601
3) Unsecured, considered doubtful	-	-
4) Less: Provision for doubtful debts	-	-
Total.....(B)	<u>-</u>	<u>546,709</u>
Total.....(A) + (B)	<u>216,626</u>	<u>1,516,006</u>

**NOTE NO. '13' :**

**Cash and Cash Equivalents**

A) <u>Balances with banks</u>		
Bank of Maharashtra Wadeshwar Br.	1,332,279	1,331,772
Central Bank of India	10,776	14,414
IDBI Bank	88,666	20,717
B) Cash on hand	136,705	570,437
Total.....	<u>1,568,426</u>	<u>1,937,340</u>

**NOTES (Contd....)**

PARTICULARS	Current Year 31-03-2012 ₹	Previous Year 31-03-2011 ₹
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**NOTE NO. '14' :**

**Short-Term Loans and Advances**

A) To Related Parties

1) Secured, Considered Good	-	-
2) <u>Unsecured, Considered Good</u>		
Surajbhan Rajkumar Pvt. Ltd.	10,970,138	-
3) Doubtful	-	-
4) Less Provision for Doubtful Loans & Advances	-	-
Total.....(A)	<u>10,970,138</u>	<u>-</u>

B) Others

1) Secured, considered good	-	-
2) <u>Unsecured, considered good</u>		
a) Advances to Staff	35,000	-
b) Income-Tax A. Y. 2011-12	342,495	342,495
c) Income-Tax A. Y. 2012-13	326,404	-
d) Income-Tax A. Y. 2008-09	3,072	607,248
e) Income-Tax A. Y. 2010-11	-	390,662
f) Vat Refundable for F.Y. 2008-09	17,328	17,328
g) VAT Refundable for F. Y. 2009-10	43,606	43,606
h) VAT Refundable for F. Y. 2010-11	35,050	35,050
i) F. B. T. for A. Y. 2008-09	1,080	1,080
j) VAT Refundable for F. Y. 2011-12	19,586	-
k) Prepaid Insurance	27,382	22,576
l) Flora Sujjwala	800,000	-
m) Flora Agro	1,500,000	-
3) Doubtful	-	-
4) Less Provision for Doubtful Loans & Advances	-	-
Total.....(B)	<u>3,151,003</u>	<u>1,460,045</u>
Total.....(A) + (B)	<u>14,121,141</u>	<u>1,460,045</u>

**NOTE NO. '15' :**

**Other Current Assets**

**Miscellaneous Expenditure**

(to the extent not w/off or adjusted)

A) Issue Expenses	-	1,972,383
Less: W/off during the year	-	(1,972,383)
Total.....(A)	<u>-</u>	<u>-</u>
B) Deferred Revenue Expenditure	-	560,400
Less: W/off during the year	-	(560,400)
Total.....(B)	<u>-</u>	<u>-</u>
Total.....(A) + (B)	<u>-</u>	<u>-</u>

NOTES (Contd....)

PARTICULARS	Current Year 31-03-2012 ₹	Previous Year 31-03-2011 ₹
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**NOTE NO. '16' :**

**Revenue From Operation**

a) Sale of Products	5,109,893	3,874,578
b) Sale of Services (Brokerage & Commission)	1,540,821	3,071,379
c) <u>Other Operating Revenues</u>		
Sales of Shares	5,392,573	51,913,035
d) Less : Excise Duty	-	-
Total.....	<u>12,043,287</u>	<u>58,858,992</u>

**NOTE NO. '17' :**

**Other Income**

a) Interest Income	1,971,938	671,611
b) Dividend	152,425	66,460
c) Net Gain/(Loss) on sale of Investment	-	-
d) Other Non-Operating Income (net of expenses directly attributable to such income)		
i) Foreign Exchange Fluctuation	70,074	45,206
ii) Set off of VAT	19,586	35,050
iii) Miscellaneous Income	19,801	4,333
iv) Profit on Sale of Shares (Speculation Business)	19,793	103,772
Total.....	<u>2,253,617</u>	<u>926,432</u>

**NOTE NO. '18' :**

**Cost of Materials Consumed**

1) Opening Stock of Flowers	-	-
2) Purchases of Flowers	428,858	-
Total.....	428,858	-
3) Less: Closing Stock of Flowers	-	-
Total.....	428,858	-
4) Opening Stock of Shares	11,958,274	592,890
5) Purchases of Shares	5,031,117	60,789,530
Total.....	16,989,391	61,382,420
6) Less: Closing Stock of Shares	(11,940,021)	(11,958,274)
Total.....	5,049,370	49,424,146
7) Consumable Stores	890,849	1,286,469
8) Wages & Labours	355,109	466,189
9) Packing Charges	50,030	89,536
10) T.O. Paid on Shares	411	4,934
11) Repairs & Maintenance (Plant & Machinery)	168,234	414,355
12) Chemicals & Fertilizers	8,725	-
Total.....	<u>6,951,586</u>	<u>51,685,629</u>

## NOTES (Contd....)

PARTICULARS	Current Year 31-03-2012 ₹	Previous Year 31-03-2011 ₹
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**NOTE NO. '19' :****Employee Benefits Expense**

a) Salaries and incentives	708,935	702,814
b) Staff welfare expenses	36,698	45,998
c) Bonus to Staff	98,312	80,159
d) Leave Wages	18,500	-
Total.....	862,445	828,971

**NOTE NO. '20' :****Finance Costs**

a) Interest Expense	336,848	413,804
b) <u>Other Borrowing Costs</u>		
Loan Processing Fees	117,837	-
Total.....	454,685	413,804

**NOTE NO. '21' :****Other Expenses**

i) Payment to Auditor		
a) Statutory Audit Fees	17,100	17,100
b) In any Other Manner	-	13,000
ii) Power & Fuel	-	-
iii) Rent	-	-
iv) <u>Repairs &amp; Maintenance</u>		
1) Building	15,840	105,661
2) Others	27,630	17,174
v) Insurance Charges	69,812	45,781
vi) <u>Rates &amp; Taxes</u>		
1) Sales Tax / VAT	-	-
2) Service Tax Paid	143,883	286,810
3) Service Tax Paid on Shares	1,657	17,444
4) Professional Tax (Company)	2,500	2,500
5) Stamp Duty Paid on Shares	1,051	11,383
6) Others	-	73,506
7) Interest on TDS & Service Tax	181	-

**NOTES (Contd....)**

PARTICULARS	Current Year 31-03-2012 ₹	Previous Year 31-03-2011 ₹
vii) <i>Misc. Expenses</i>		
1) Vehicle Expenses	186,593	113,503
2) Discount	156,697	-
3) Advertisements	14,494	12,686
4) Tax Audit Fees	23,933	23,494
5) Telephone Expenses	29,700	30,645
6) Books & Periodicals	233	499
7) Business Promotion	29,299	5,175
8) Travelling Expenses	6,170	128,417
9) Subscription & Membership Fees	20,410	-
10) Conveyance Exp.	96,977	111,229
11) Legal & Professional Charges	257,445	264,963
12) Annual Fees	110,300	100,020
13) Issue Expenses w/off	-	1,972,383
14) Postage & Stamp	24,090	23,158
15) Printing & Stationery Expenses	134,375	127,553
16) Miscellaneous Expenses	2,161	15,763
17) Annual General Meeting Expenses	24,360	22,640
18) Bad Debts	462,727	50,944
19) Share Transfer Expenses	57,129	11,582
20) Clearing & Forwarding Charges	680,234	226,459
21) Demat Charges	1,661	4,387
22) ROC Fees	4,500	280,000
23) Deferred Revenue Expenditure w/off	-	560,400
24) Electricity Expenses	6,424	26,819
25) Foreign Exchange Fluctuation	-	-
26) Bank Charges	21,285	8,816
27) Filing Fees	350	-
<b>Total.....</b>	<b><u>2,631,201</u></b>	<b><u>4,711,894</u></b>

**NOTE '22'****NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2012**

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

Particulars	CURRENT YEAR			
	Equity Shares		Preference Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	20,000,000	200,000,000	0	0
Shares Issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	20,000,000	200,000,000	0	0

Particulars	PRECEDING YEAR			
	Equity Shares		Preference Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	20,000,000	200,000,000	0	0
Shares Issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	20,000,000	200,000,000	0	0

- 2) Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)

There are no shareholders in the company who holds more than 5% shares of the company during the year

**3) Disclosure pursuant to Note no. 6(T) of Part I of Schedule VI to the Companies Act, 1956**

Contingent liabilities and commitments (to the extent not provided for)	As at 31/03/2012 ₹	As at 31/03/2011 ₹
<b>i) Contingent Liabilities</b>		
a) Claims against the company not acknowledged as debt	-	-
b) Guarantees	-	-
c) Other money for which the company is contingently liable	-	-
Total.....(i)	-	-
<b>ii) Commitments</b>		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
b) Uncalled liability on shares and other investments partly paid	-	-
c) Other commitments	-	-
Total.....(ii)	-	-
<b>TOTAL . . . (i) + (ii)</b>	-	-

**4) Disclosure pursuant to Note no. 6(W) of Part I of Schedule VI to the Companies Act, 1956.**

In the opinion of the Board, all assets other than fixed assets and non current investments, have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.

**5) Disclosure pursuant to Note no. 5(i)(g) of Part II of Schedule VI to the Companies Act, 1956.**

Payments to the auditor as	Current Year 31/03/2012	Previous Year 31/03/2011
a) Auditor	17,100	17,100
b) for taxation matters	-	-
c) for company law matters	-	-
d) for management services	-	-
e) for other services	-	13,000
f) One of the Partner in the Auditors firm has Charged the Fees in his proprietorship capacity during the year into consideration	23,933	23,494
<b>TOTAL</b>	<b>41,033</b>	<b>53,594</b>

- 6) Additional information pursuant to the point no. 5(viii) of the General Instruction for preparation of Statement of Profit and Loss of Part II of Schedule VI of the Companies Act, 1956.

Expenditure/Income in Foreign Currency	Current Year 31/03/2012 ₹	Previous Year 31/03/2011 ₹
Expenditure in Foreign Currency	-	-
Income in Foreign Currency	2,142,872	1,109,177

- 7) Significant Accounting Policies :-

(A) The Company generally follows mercantile method of accounting except the following which are accounted on cash basis.

- i) Gratuity and incentives to employees
- ii) Income from investment
- iii) Claims and interest due on overdue bills.
- iv) Closing Stock valued at cost.

(B) Depreciation on fixed assets have been provided on straight line method as per schedule XIV of the Companies Act, 1956, on Single Shift Basis.

- 8) In the opinion of the Board of Directors, the current assets, loans and advances have a value which on realization in the ordinary course of Business would be at least equal to the amount stated in the Balance Sheet.

- 9) Figures in brackets represent the figures of the previous year and have been regrouped / rearranged wherever necessary.

- 10) Pursuant to compliance of Accounting Standard (AS) 20 "Earnings per Share", the relevant information is provided here below :

Particulars	Amount (₹)
a) Net profit / (loss) after tax as per Profit & Loss A/c	199,104
b) No. of Equity shares of ₹ 10/- during the year	20,000,000
c) Earnings/(Loss) per equity share of ₹10/- Each Basic/Diluted (1)/(2) (EPS)	0.01

- 11) Quantitative details of Flowers

Opening Stock, Purchases, Sales & Closing Stock (Flowers)				
Particulars	Current Year Quantity	Previous Year Quantity	Current Year (₹)	Previous Year (₹)
Opening Stock	NIL	NIL	NIL	NIL
Purchases	47,908	NIL	428,858	NIL
Production	1,161,885	1,187,745	N. A.	N. A.
Sales	1,209,793	1,187,745	5,109,893	3,874,578
Closing Stock	NIL	NIL	NIL	NIL

**NOTE NO. '22':**

**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2012**

- 12) Pursuant to compliance of Accounting Standard (AS) 18 'Related Party Disclosures', provisions of section 301 of the Companies Act, 1956, as per Point (iii)(a) of the Annexure to the Companies (Auditor's Report) Order, 2003 and also the loans granted by the Company which is covered under section 372A of the Companies Act, 1956, the relevant information is provided hereunder:

A) Related Parties where control exists

Sr. No.	Name of Party	Relationship
1	Rajkumar B. Agarwal	Key Management Personnel
2	Pawankumar B. Agarwal	Key Management Personnel

- B) The details of the related parties with whom transactions have taken place in the current and the preceeding year.

Name of the Party - Surajbhan Rajkumar Private Limited (A Company in which key management person or his relatives have substantial interest/significant influence)

Amount in ₹

Sr. No.	Nature of Transaction	Current Year			Preceeding Year		
		Loan Given	Loan Taken	Closing Balance (Dr.)	Loan Given	Loan Taken	Closing Balance (Cr.)
1	Loan Transactions	15,140,829	4,170,691	10,970,138	9,229,979	9,629,787	399,808
2	Interest Received			408,829			-
3	Interest Paid			-			49,787

- C) The details of the party to whom the loans were given and covered u/s. 372A(3) of the Companies Act, 1956.

Sr. No.	Nature of Transaction	Current Year			Preceeding Year		
		Loan Given	Loan Taken	Closing Balance (Dr.)	Loan Given	Loan Taken	Closing Balance (Cr.)
1	Saraswati Silk Mills Pvt. Ltd.	15,000,000	-	15,000,000	1,500,000	-	1,500,000
2	Interest Received			900,000			-

**NOTE NO. '22':**

13) Pursuant to compliance of Accounting Standard (AS) 17 regarding "Segment Reporting" the relevant information is provided here below:

<b>Particulars</b>	<b>Floriculture</b>	<b>Trading In Shares</b>	<b>Brokerage</b>	<b>Total</b>
<b>REVENUE</b>				
Local sales	2,967,021	5,392,573	1,540,821	9,900,415
Export	2,142,872	-	-	2,142,872
<b>Total sales</b>	<b>5,109,893</b>	<b>5,392,573</b>	<b>1,540,821</b>	<b>12,043,287</b>
<b>Other Income</b>				
Interest Received	1,971,938	-	-	1,971,938
Profit on Sale of Shares	-	19,793	-	19,793
Vat refundable	19,586	-	-	19,586
Closing stock of Shares	-	11,940,021	-	11,940,021
Subsidy Income	19,801	-	-	19,801
Dividend Received	-	152,425	-	152,425
Foreign Exchange Fluctuation	70,074	-	-	70,074
Brokerage & Commission	-	-	-	-
<b>Total Revenue</b>	<b>7,191,292</b>	<b>17,504,812</b>	<b>1,540,821</b>	<b>26,236,925</b>
<b>EXPENDITURE</b>				
Opening Stock	-	11,958,274	-	11,958,274
Purchases	428,858	5,031,117	-	5,459,975
Consumable Stores	890,849	-	-	890,849
Demat Charges	-	1,661	-	1,661
Service Tax	-	1,657	143,883	145,540
Stamp Duty & T. O. T charges	-	1,462	-	1,462
Foreign Exchange Fluctuation	-	-	-	-
Other Expenses	7,078,489	-	181	7,078,670
Unallocated Expenses	-	-	-	-
<b>Total Expenditure</b>	<b>8,398,196</b>	<b>16,994,171</b>	<b>144,064</b>	<b>25,536,431</b>
<b>SEGMENT RESULT</b>				
<b>Operating Profit</b>	<b>(1,206,904)</b>	<b>510,641</b>	<b>1,396,757</b>	<b>700,494</b>
Interest Expenses	454,685	-	-	454,685
Prov. For Income-tax	17,794	-	-	17,794
Deferred Tax Liability	28,911	-	-	28,911
<b>Net profit</b>	<b>(1,708,294)</b>	<b>510,641</b>	<b>1,396,757</b>	<b>199,104</b>

<b>Particulars</b>	<b>Floriculture</b>	<b>Trading in Shares</b>	<b>Brokerage</b>	<b>Total</b>
<b><u>OTHER INFORMATION</u></b>				
<b><u>Segment Assets</u></b>				
Fixed Assets	32,329,427	-	-	32,329,427
<b><u>Loans &amp; Advances</u></b>				
Long Term Loans & Advances	151,217,500	-	-	151,217,500
Short Term Loans & Advances	13,333,600	-	-	13,333,600
<b><u>Investments</u></b>				
Non Current Investment	-	-	-	-
Current Investment	-	-	-	-
Sundry Debtors	310,891	-	-	310,891
Cash in hand	136,705	-	-	136,705
Bank A/c	1,431,721	-	-	1,431,721
VAT refundable	115,570	-	-	115,570
I. T. refundable	671,971	-	-	671,971
Closing Stock	-	11,940,021	-	11,940,021
Profit & Loss A/c	-	-	-	-
Unallocated Profit & Loss A/c	-	-	-	-
Unallocated assets	-	-	-	-
<b>Total Assets</b>	<b>199,547,385</b>	<b>11,940,021</b>	<b>-</b>	<b>211,487,406</b>
<b><u>Segment Liabilities</u></b>				
Bank O/D	2,611,815	-	-	2,611,815
<b><u>Long Term Borrowings</u></b>				
Secured	4,037,229	-	-	4,037,229
Unsecured	-	-	-	-
<b><u>Short Term Borrowings</u></b>				
Secured	-	-	-	-
Unsecured	-	-	-	-
Sundry Creditors	990,549	-	-	990,549
Deferred Tax Liability	1,968,211	-	-	1,968,211
Profession Tax & T. D. S.	9,323	-	-	9,323
Service Tax Payable	-	-	24	24
Other Current Liabilities	51,208	-	-	51,208
Provisions	17,794	-	-	17,794
Shareholders' Funds	199,671,500	-	-	199,671,500
Capital Reserve	2,658,179	-	-	2,658,179
Profit & Loss A/c	(2,435,824)	510,641	1,396,757	(528,426)
Unallocated Reserves & Surplus	-	-	-	-
<b>Total liabilities</b>	<b>209,579,984</b>	<b>510,641</b>	<b>1,396,781</b>	<b>211,487,406</b>
Capital Expenditure	2,134,321	-	-	2,134,321
Depreciation	3,151,178	-	-	3,151,178
Amortisation	-	-	-	-

**NOTE NO. '22':**

**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2012**

- 14) As per the information given by the Company, there are no suppliers who are covered under the Micro, Small and Medium Enterprises Development Act, 2006.
- 15) Figures in brackets represent the figures of the previous year and have been regrouped / rearranged wherever necessary.
- 16) During the year the Company has created Deferred Tax Liability of ₹ 28,911/-.

**Signature to Note '1' to '22'**

**As per our report of even date**

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  
Date : 30th May, 2012

**ANNEXURE TO CLAUSE - 32 OF THE LISTING AGREEMENT  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

<b>Particulars</b>		<b>₹ (In Lacs)</b>
<b>A.</b>	<b>Cash Flow from Operating Activities :</b>	
	Net Profit After tax and extraordinary items	1.99
	<u>Add:</u>	
	Depreciation	31.51
	Deferred Tax Liability during the year	0.29
	Provision for Tax during the year	0.18
	Issue Expenses Written Off	-
	Deferred Revenue Expenditure W/o during the year	-
	<u>Add:</u> Items considered separately	
	Interest Paid	3.37
	<u>Less:</u> Items considered separately	
	Dividend Received	(1.52)
	Interest Received	(19.72)
	<b>Operating Profit before Working Capital Changes</b>	<b>16.10</b>
	Changes in Working Capital	
	Decrease in Sundry Debtors	12.05
	Decrease in Other Current Assets	-
	Decrease in Closing Stock	0.18
	Increase in Short Term Loans & Advances	(126.61)
	Increase in Sundry Creditors	5.44
	Decrease in Short Term Borrowings	(7.60)
	Decrease in Other Current Liabilities	(0.80)
	Increase in Short Term Provision	0.18
	Net Changes in Working Capital	(117.34)
	Cash Flow from Operating Activities	(101.24)
	<u>Less:</u> Taxes Paid	
	<b>Net Cash Flow from Operating Activities</b>	<b>(101.24)</b>
<b>B.</b>	<b>Cash Flow from Investment Activities :</b>	
	Purchase of Fixed Assets	(22.52)
	Maturity of Investment (Fixed Deposit)	8.75
	Decrease in Loans & Advances	66.50
	Dividend Received	1.52
	Interest Received	19.72
	<b>Net Cash Flow from Investment Activities</b>	<b>73.97</b>
<b>C.</b>	<b>Cash Flow from Financing Activities :</b>	
	Proceeds from Issue of Equity Shares	-
	Increase in Capital reserve	-
	Increase in Long Term Borrowings	26.96
	Interest Paid	(3.37)
	<b>Net Cash Flow form Financing Activities</b>	<b>23.59</b>
	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(3.68)</b>
	Cash & Cash Equivalents as at 31st March, 2011	19.37
	<b>Cash &amp; Cash Equivalents as at 31st March, 2012</b>	<b>15.69</b>

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

Date : 30th May, 2012 Place : Navi Mumbai

**AUDITORS' CERTIFICATE**

We have audited the attached Cash Flow Statement of **ELEGANT FLORICULTURE & AGROTECH (I) LIMITED, MUMBAI**, as at 31st March, 2012. 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 dated 30th May, 2012, to the members of the Company.

For SHIV PAWAN & COMPANY  
*Chartered Accountants*

Sd/-

(S.H.GARG)

*Partner*

Membership No. : 085517

Firm Regn. : 120121W

Place : Navi Mumbai

Date : 30th May, 2012



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