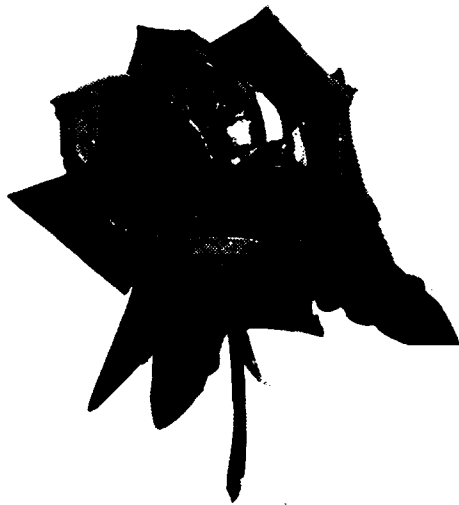


# **ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED**



**18TH ANNUAL REPORT 2010-11**

**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 18<sup>th</sup> Annual General Meeting of Elegant Floriculture and Agrotech (India) Limited will be held on Friday 23<sup>rd</sup> September, 2011 at 2.00 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 31<sup>st</sup> March, 2011, the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011 together with report of the Directors' and Auditors' thereon.

2. To appoint Director:

To appoint a Director in place of SHRI SURENDRA GUPTA 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 : 8th June, 2011

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 19-09-2011 to 23-09-2011 (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 : 8th June, 2011

Sd/-  
(PAWAN KUMAR AGARWAL)  
Director

## **DIRECTORS' REPORT**

To The Members,

The Directors have pleasure in submitting the 18<sup>th</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2011.

### **DIVIDEND**

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

### **OPERATIONS**

During the year under consideration the Company could not perform to its expectations. Although the Company has earned Total Income of Rs. 597.85 lacs in comparison to Rs. 104.16 lacs in the previous year but the Company has incurred net loss of Rs. 6.87 lacs in comparison to net profit of Rs. 1.21 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 Surendra Gupta, 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. 1109177/- (Previous Year Rs. 2026832/-) 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 : 8th June, 2011

Sd/-  
(PAWAN KUMAR AGARWAL)  
Chairman

## REPORT ON CORPORATE GOVERNANCE

### 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 stakeholders' 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 2011.

Directors	Executive / Non-Executive/ Independent	No. of outside Directorship Held	Outside As Chairman	Committees# As member
Shri Rajkumar Agarwal	Non Executive	6	None	None
Shri Pawan Kumar Agarwal	Non Executive	6	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 2010-2011.

Sr. No.	Nature & date of meetings	Name of Directors			
		R.K.Agarwal	P.K.Agarwal	S.S.Gupta	S.R.Agarwal
1	Board on 30.04.2010	Present	Present	Present	Present
2	Board on 10.05.2010	Present	Present	Absent	Present
3	Board on 15.06.2010	Present	Present	Present	Present
4	Board on 16.06.2010	Present	Present	Absent	Present
5	Board on 28.07.2010	Present	Present	Present	Present
6	Board on 30.10.2010	Present	Present	Present	Present
7	Board on 10.02.2011	Present	Present	Present	Present
8	EGM on 31.05.2010	Present	Present	Present	Present
9	AGM on 31.08.2010	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 31.03.2011, five Committee Meetings were held on 30<sup>th</sup> April, 2010, 15<sup>th</sup> June, 2010, 28<sup>th</sup> July, 2010, 30<sup>th</sup> October, 2010 & 10<sup>th</sup> February, 2011. 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 31<sup>st</sup> August, 2010 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 two and half decade of running business.

(vi) An Audit Committee meeting was held on 15<sup>th</sup> June, 2010 where the Annual Financial Statements for the year ended 31<sup>st</sup> March, 2010 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 31 <sup>st</sup> March, 2010	30 <sup>th</sup> April 2010
2)	Quarter ended 30 <sup>th</sup> June, 2010	28 <sup>th</sup> July, 2010
3)	Quarter/Half Year ended 30 <sup>th</sup> Sept. 2010	30 <sup>th</sup> October, 2010
4)	Quarter ended 31 <sup>st</sup> December, 2010	10 <sup>th</sup> February, 2011

**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 11 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 3 times during the year 2010-2011.

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
15th	24-09-2008	Vill: Mouje-Kashal	2.30 p.m.
16th	06-08-2009	Vill: Mouje-Kashal	2.30 p.m.
17th	31-08-2010	Vill: Mouje-Kashal	2.00 p.m.



- (ii) No Postal Ballot was put through during the year 2010-11 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
23-09-2011	2.00 p.m.	Vill.Mouje-Kashal Taluka- Maval. Wadgaon Dist.- Pune.

**(ii) Financial Calendar (tentative) for year 2011-12 :  
 Financial Reporting Date of submission to stock exchange**

For the quarter ending	30th June, 2011	4th week of July, 2011
For the quarter/half year ending	30th Sept., 2011	4th week of Oct. 2011
For the quarter ending	31st Dec., 2011	4th week of Jan. 2012
For the year ending	31st March, 2012	4th week of April 2012

**(iii) Next Dates of Book Closure** 19<sup>th</sup> September 2011 to 23<sup>rd</sup> September, 2011  
 (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,	2010	7.65	5.65
May,	2010	8.93	6.01
June,	2010	11.05	7.47
July,	2010	9.71	7.10
August,	2010	8.69	7.05
September,	2010	9.20	7.51
October,	2010	9.65	7.11
November,	2010	11.85	7.40
December,	2010	9.95	8.00
January,	2011	8.90	6.77
February,	2011	8.39	6.00
March,	2011	8.44	5.91

**(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, 2011 :

(a) According to Category holdings :

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of shares
Promoters	19	0.36	1309454	6.55
FI(s) Bank & Mutual Fund	3	0.06	38500	0.19
Individual	5204	97.40	16641186	83.21
Corporate Bodies	106	1.98	1998115	9.99
NRI/OCB	4	0.07	3295	0.01
Clearing Members	7	0.13	9450	0.05
<b>Total</b>	<b>5343</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	1296	24.26	121146	0.61
101-200	841	15.74	166832	0.83
201-500	1801	33.71	811341	4.06
501-1000	769	14.39	675754	3.38
1001-5000	459	8.59	1084925	5.42
5001-10000	54	1.01	419049	2.10
10001-100000	65	1.22	2057744	10.29
100001 & above	58	1.09	14663209	73.32
<b>Total</b>	<b>5343</b>	<b>100.00</b>	<b>20000000</b>	<b>100.00</b>

(xv) Dematerialization of Shareholding and liquidity **90.26% Company's Equity shares are Dematerialized as on 31.03.2011**

(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, 2011, 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 : 08-06-2011

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, 2011 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 : 08-06-2011

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 3 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, 2011 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**  
Chartered Accountants

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

Membership No. 85517

Place : Navi Mumbai.  
Date : 08-06-2011.

**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, 2011, 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, 2011 and taken on records by the Boards of Directors, we report that none of the Directors are disqualified as on 31st March, 2011 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, 2011.

- (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, 2011, and
  - ii) insofar as it relates to the Profit & Loss account, of the Loss 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

Sd/-  
(S.H.GARG)  
Partner

Place : Navi Mumbai  
Date : 8th June, 2011



**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) *A substantial part of fixed assets have not been disposed of 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 6 of Schedule 'N' of the Balance Sheet.
  - b) The terms and conditions of the loans granted/taken and the rate of interest are not prima facie prejudicial to the interest of the company.
  - c) According to the information provided to us, the payment schedule for the loans appears to be reasonably regular.
  - 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 entered in to transactions with parties mentioned in the register maintained in pursuance of Section 301. The company has maintained the necessary records for the same.
  - b) According to the information provided to us, the company has entered in the transaction which are reasonable and at prevailing market prices.
- 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 of the Act during the year. Hence, the question of compliance with the provisions of Section 58A 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. 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 in respect of Loss :
  - a) The Company has accumulated losses at the end of the financial year into consideration is ₹ 6,87,308/-.
  - 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 has not obtained any term loans 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 made preferential allotment of shares during the year as mentioned in Point no. 11 of 'Schedule M' of the Balance Sheet.
- xix) No debentures have been issued by the Company during the year.
- xx) During the year, the Company has allotted 46,35,000 Equity Shares of ' 10/- each to the persons other than promoters. The price at which the said equity shares have been issued is not prejudicial to the interest of the Company.
- 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  
Date : 8th June, 2011

**BALANCE SHEET AS AT 31ST MARCH 2011**

PARTICULARS	Schedule No.	Current Year ended 31-03-2011 ₹	Previous Year ended 31-03-2010 ₹
<b>SOURCES OF FUND :</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
a) Share Capital	A	199,671,500	153,321,500
b) Capital Reserves		<u>2,658,179</u>	<u>2,658,179</u>
		<u>202,329,679</u>	<u>155,979,679</u>
<b>2. SECURED LOANS</b>	B	4,312,817	5,717,498
<b>3. UNSECURED LOAN</b>	C	399,808	-
<b>3. DEFERRED TAX LIABILITY</b>	D	<u>1,939,300</u>	<u>2,151,097</u>
<b>TOTAL (1+2+3)</b>		<u><u>208,981,604</u></u>	<u><u>163,848,274</u></u>
<b>APPLICATION OF FUNDS :</b>			
<b>4. FIXED ASSETS</b>			
a) Net Block	E	<u>33,229,086</u>	<u>35,653,317</u>
<b>5. INVESTMENTS</b>			
a) Fixed Deposits		874,699	816,013
<b>6. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a) Sundry Debtors	F	1,516,006	1,933,742
b) Cash & Bank Balances	G	1,937,340	2,198,471
c) Loans & Advances	H	159,325,682	121,084,693
d) Closing Stock (Shares)		<u>11,958,274</u>	<u>592,890</u>
		<u>174,737,302</u>	<u>125,809,796</u>
Less : Current Liabilities & Provisions	I	<u>587,013</u>	<u>1,003,857</u>
		<u>174,150,289</u>	<u>124,805,939</u>
<b>7. MISCELLANEOUS EXPENDITURE</b>			
Miscellaneous Expenditure to the extent w/off or adjusted	J	-	2,532,783
<b>8. PROFIT &amp; LOSS ACCOUNT</b>			
		<u>727,530</u>	<u>40,222</u>
<b>TOTAL (4+5+6+7+8)</b>		<u><u>208,981,604</u></u>	<u><u>163,848,274</u></u>
Notes to Accounts	N		

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 : 8th June, 2011

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	Schedule No.	Current Year ended 31-03-2011 ₹	Previous Year ended 31-03-2010 ₹
<b>INCOME :</b>			
Sales & Other Income	K	59,785,424	10,415,949
<b>TOTAL...</b>		<u><b>59,785,424</b></u>	<u><b>10,415,949</b></u>
<b>EXPENDITURE :</b>			
Purchases & Consumables	L	50,710,615	2,737,196
Administrative & Other Expenses	M	6,515,879	3,962,362
Interest paid		413,804	436,700
Depreciation		3,044,231	3,011,686
<b>TOTAL...</b>		<u><b>60,684,529</b></u>	<u><b>10,147,944</b></u>
<b>Net Profit before Income-tax/Adjustment</b>		<b>(899,105)</b>	<b>268,005</b>
Less: Provision for Income-tax		-	64,555
Less/(Add) : Deferred Tax Liabilities/(Assets)		(211,797)	82,813
<b>Net Profit/(Loss) After Income-tax</b>		<u><b>(687,308)</b></u>	<u><b>120,637</b></u>
Balance Brought Forward		(40,222)	(160,859)
<b>Balance Carried Forward to Balance Sheet</b>		<u><b>(727,530)</b></u>	<u><b>(40,222)</b></u>

Notes to Accounts

N

The Schedules & Notes referred to above form an integral parts 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 : 8th June, 2011

## SCHEDULES

Schedules Annexed to and forming part of Balance Sheet as on 31st March, 2011

PARTICULARS	Current Year ended 31-03-2011 ₹	Previous Year ended 31-03-2010 ₹
<b>SCHEDULE 'A':</b>		
<b>SHARE CAPITAL</b>		
Authorised Capital 2,00,00,000 (2,00,00,000) Equity Shares of ₹ 10/-(10/-)each	<u>200,000,000</u>	<u>160,000,000</u>
Issued, Subscribed & Paid Up Capital 2,00,00,000 (1,53,65,000) Equity Shares of ₹10/- each fully paid up	200,000,000	153,650,000
Less: Calls unpaid by other than Directors	<u>328,500</u>	<u>328,500</u>
	<u>199,671,500</u>	<u>153,321,500</u>
<b>SCHEDULE 'B':</b>		
<b>SECURED LOANS</b>		
Bank of Maharashtra (Secured against hypothecation of shed, flowers, dried irrigation set, stock of pesticide & land and personal guarantee of one of the directors of company)	2,971,676	3,790,826
Bank of Maharashtra (Secured loan against Cold Storage)	424,023	759,000
HDFC Bank (Secured loan against Refrigerated Van)	281,274	387,666
HDFC Bank (Secured loan against Motor Car)	635,844	780,006
	<u>4,312,817</u>	<u>5,717,498</u>
<b>SCHEDULE 'C':</b>		
<b>UNSECURED LOAN</b>		
Surajbhan Rajkumar Pvt. Ltd	<u>399,808</u>	-
	<u>399,808</u>	-
<b>SCHEDULE 'D':</b>		
<b>DEFERRED TAX LIABILITY</b>		
Opening Balance b/f	2,151,097	2,068,284
Add: During the year	<u>(211,797)</u>	<u>82,813</u>
	<u>1,939,300</u>	<u>2,151,097</u>

SCHEDULE E: SCHEDULE OF FIXED ASSETS											
DEPRECIATION CHART AS PER STRAIGHT LINE METHOD FOR THE YEAR ENDED ON 31ST MARCH, 2011											
Amount in ₹											
PARTICULARS	RATE %	GROSS BLOCK					DEPRECIATION			NET BLOCK	
		Gross Value as on 01/04/2010	Addition during the year	Sale during the year	Gross Value as on 31/03/2011	Depreciation up to 31/03/2010	Depreciation during the year	Total UPTO 31-03-2011	AS ON 31-03-2011	AS ON 31-03-2010	
Land	0	430,627	-	-	430,627	-	-	-	430,627	430,627	
Building	1.63	9,659,801	-	-	9,659,801	1,468,032	157,455	1,625,487	8,034,314	8,191,769	
Plant & Machinery	4.75	45,440,451	593,000	-	46,033,451	25,842,109	2,186,589	28,028,698	18,004,753	19,598,342	
Planting Material	4.75	7,700,905	-	-	7,700,905	4,314,788	365,793	4,680,581	3,020,324	3,386,117	
Electrical Inst.	4.75	2,916,094	-	-	2,916,094	1,627,833	138,514	1,766,347	1,149,747	1,288,261	
Furniture & Fixture	6.33	67,836	-	-	67,836	20,025	4,294	24,319	43,517	47,811	
Tools & Equipments	4.75	399,271	-	-	399,271	108,319	18,965	127,284	271,987	290,952	
Two Wheeler (Scooter)	7.07	23,000	-	-	23,000	6,504	1,626	8,130	14,870	16,496	
Cold Storage Unit	4.75	648,713	-	-	648,713	30,814	30,814	61,628	587,085	617,899	
Motor Car	7.07	1,028,971	-	-	1,028,971	72,748	72,748	145,496	883,475	956,223	
Refrigerated Van	7.07	891,876	-	-	891,876	63,056	63,056	126,112	765,764	828,820	
Computer	16.21	-	27,000	-	27,000	-	4,377	4,377	22,623	-	
<b>Total</b>		<b>69,207,545</b>	<b>620,000</b>	-	<b>69,827,545</b>	<b>33,554,228</b>	<b>3,044,231</b>	<b>36,598,459</b>	<b>33,229,086</b>	<b>35,653,317</b>	
<b>Previous Year Total</b>		<b>65,318,185</b>	<b>3,889,360</b>	-	<b>69,207,545</b>	<b>30,542,542</b>	<b>3,011,686</b>	<b>33,554,228</b>	<b>35,653,317</b>	<b>34,775,643</b>	

**SCHEDULES (Contd....)**

PARTICULARS	Current Year ended 31-03-2011 ₹	Previous Year ended 31-03-2010 ₹
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**SCHEDULE 'F':**

**SUNDRY DEBTORS (unsecured, considered good)**

Debts outstanding over six months	546,709	132,052
Debts outstanding less than six months	969,297	1,801,690
	<u>1,516,006</u>	<u>1,933,742</u>

**SCHEDULE 'G':**

**CASH & BANK BALANCES**

Cash in hand (Certified by Director)	570,438	300,438
Balance with Schedule Banks in Current Account	1,366,902	1,898,033
	<u>1,937,340</u>	<u>2,198,471</u>

**SCHEDULE 'H':**

**LOANS AND ADVANCES**

Advances recoverable in cash or kind for value to be received.	150,400,000	117,200,000
Loans and Advances to corporate and others	7,458,137	2,180,000
Deposits	7,500	7,500
Income Tax for the A. Y. 2006-2007	-	118,894
Income tax for the A. Y. 2008-2009	607,248	607,248
Income tax for the A. Y. 2009-2010	-	472,879
Income tax for the A. Y. 2010-2011	390,662	432,070
Income tax for the A. Y. 2011-2012	342,495	-
Staff Advance	-	4,088
F. B. T. for A. Y. 2008-09	1,080	1,080
VAT Refundable for F. Y. 2008-09	17,328	17,328
VAT Refundable for F. Y. 2009-10	43,606	43,606
VAT Refundable for F. Y. 2010-11	35,050	-
Prepaid Insurance	22,576	-
	<u>159,325,682</u>	<u>121,084,693</u>

**SCHEDULE 'I':**

**CURRENT LIABILITIES & PROVISIONS**

**A) Statutory Liabilities**

Service Tax Payable	58,225	51,258
T.D.S. Payable on Legal & Professional Fess	6,319	8,296
T.D.S. Payable to Contractors & Sub-Contractors	4,529	-
T.D.S. Payable on Interest	4,979	-
Profession Tax (Staff)	10,475	5,895
Interest on T.D.S. Payable	136	115
	<u>84,663</u>	<u>65,564</u>



**SCHEDULES (Contd....)**

PARTICULARS	Current Year ended 31-03-2011 ₹	Previous Year ended 31-03-2010 ₹
<b>B) Other Current Liabilities</b>		
Sundry Creditors	446,591	698,884
Audit Fees Payable	22,090	19,532
Legal & Professional Fees Payable	33,669	28,469
Advance received from Debtors	-	150,000
Provision for I. T. A. Y. 10-11	-	41,408
	502,350	938,293
<b>Total (A+B)</b>	587,013	1,003,857

**SCHEDULE 'J':**

**MISCELLANEOUS EXPENDITURE**

(to the extent not w/off or adjusted)

Issue Expenses	1,972,383	2,085,543
Less: W/off during the year	1,972,383	113,160
	-	1,972,383
Deferred Revenue Expenditure	560,400	630,450
Less: W/off during the year	560,400	70,050
	-	560,400
	-	2,532,783

**SCHEDULE 'K':**

**SALES & OTHER INCOMES**

Sales of Floriculture	2,765,401	1,757,948
Sales of Floriculture [Export]	1,109,177	2,026,832
Sales of Shares	51,913,035	2,072,538
Brokerage & Commission	3,071,379	2,323,696
Interest Received	671,611	2,168,649
Dividend Received	66,460	-
Profit on Sale of Shares (Speculation Business)	103,772	7,763
Miscellaneous Income	4,333	-
Discount	-	14,917
Set off of VAT	35,050	43,606
Foreign Exchange Fluctuation	45,206	-
	59,785,424	10,415,949

**SCHEDULE 'L':**

**PURCHASES & CONSUMABLES**

Opening Stock	592,890	-
Add: Purchases of Shares	60,789,530	2,551,128
	61,382,420	2,551,128
Less: Closing Stock of Shares	11,958,274	592,890
	49,424,146	1,958,238
Consumable Stores	1,286,469	778,958
	50,710,615	2,737,196

## SCHEDULES (Contd....)

PARTICULARS	Current Year ended 31-03-2011 ₹	Previous Year ended 31-03-2010 ₹
<b>SCHEDULE 'M':</b>		
<b>A) ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Wages & Labour	466,189	384,379
Packing Charges	89,536	76,097
Electricity Expenses	26,819	41,792
Repair & Maintenance (Plant & Machinery)	414,355	156,023
	996,899	658,291
<b>B) OTHER EXPENSES</b>		
<u>Payment to &amp; Provisions made for employees</u>		
i) Salaries & Leave wages	702,814	568,460
ii) Bonus	80,159	59,213
Staff Welfare	45,998	33,236
Printing & Stationery	127,553	129,096
Telephone Expenses	30,645	38,049
Postage & Stamps	23,158	22,150
Conveyance Charges	111,229	74,400
Travelling Expenses	128,417	166,188
<u>Payment to Statutory Auditors</u>		
i) as Statutory Auditors	17,100	15,565
ii) in Other Capacity	13,000	17,360
Tax Audit Fees	23,494	21,354
Advertisement Expenses	12,686	13,119
Legal & Professional Charges	264,963	140,576
Bank commission	8,816	17,809
Miscellaneous Expenses	15,763	20,913
Profession Tax (Company)	2,500	2,500
Vehicle Expenses	113,503	64,634
Issue Expenses w/off	1,972,383	113,160
Annual Fees	100,020	49,635
Annual General Meeting Expenses	22,640	19,850
Bad Debts	50,944	-
Share Transfer Expenses	11,582	18,207
Service Tax Paid	286,810	216,991
<u>Repairs &amp; Maintenance</u>		
i) On Building	105,661	346,445
ii) On Others	17,174	44,576
Clearing & Forwarding Charges	226,459	685,771
Demat Charges	4,387	1,206
Insurance Charges	45,781	80,310
Rates & Taxes	73,506	100,551
ROC Fees	280,000	-
Deferred revenue expenditure w/off	560,400	70,050

## SCHEDULES (Contd....)

PARTICULARS	Current Year ended 31-03-2011 ₹	Previous Year ended 31-03-2010 ₹
Business Promotion Exp.	5,175	22,814
Service Tax Paid on Shares	17,444	745
Stamp Duty Paid on Shares	11,383	485
T. O. Charges Paid on Shares	4,934	237
Books & Periodicals	499	-
Foreign Exchange Fluctuation	-	128,416
	<u>5,518,980</u>	<u>3,304,071</u>
Total (A+B)..	<u>6,515,879</u>	<u>3,962,362</u>

**SCHEDULE 'N':**

**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2011**

- 1 Contingent Liability not acknowledged as Debt is ' Nil (Nil).
- 2 In the opinion of the Board of Directors, the Current assets, loans and advances have a value which on realisation in the ordinary course of Business would be at least equal to the amount stated in the Balance Sheet.
- 3 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.
  - (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.

- 4 Income Tax :  
Income taxes are accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Taxes comprise both current and deferred tax.

Current tax is measured at amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax assets or liability.

They are measured using the substantively enacted rates and tax regulations.

Sr. No.	Particulars	Closing Balance as on 31.03.2011 ₹ Dr / (Cr.)	Maximum amount due during the year ₹ Dr / (Cr.)
1.	Loans & Advances to a Company in which key management person or his relatives have substantial interest (Note 1): Surajbhan Rajkumar Pvt. Ltd.	(399,808)	3,075,000

**Note 1 :**

There are no repayment schedule for the loans and advances to the companies in which key management person or his relatives have substantial interest, as mentioned above, as these are in the nature of current account and repayable on demand.

**SCHEDULE 'N':**

**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2011**

6 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 taken or granted by the Company which is covered under section 370(1-B) 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 Rs.

Sr. No.	Nature of Transaction	Current Year			Preceeding Year		
		Loan Given	Loan Taken	Closing Balance (Dr.)	Loan Given	Loan Taken	Closing Balance (Dr.)
1	Loan Transactions	9,229,979	9,629,787	(399,808)	53,806,386	53,806,386	-
2	Interest Received	49,787			-		

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

Particulars	Floriculture	Trading in Shares	Brokerage	Total
<b>REVENUE</b>				
Local sales	2,765,401	51,913,035	-	54,678,436
Export	1,109,177	-	-	1,109,177
Total sales	3,874,578	51,913,035	-	55,787,613
<b>Other Income</b>				
Interest Received	671,611	-	-	671,611
Profit on Sale of Shares	-	103,772	-	103,772
Vat refundable	35,050	-	-	35,050

<b>Particulars</b>	<b>Floriculture</b>	<b>Trading in Shares</b>	<b>Brokerage</b>	<b>Total</b>
Closing stock of Shares	-	11,958,274	-	11,958,274
Subsidy Income	4,333	-	-	4,333
Dividend Received	-	66,460	-	66,460
Foreign Exchange Fluctuation	45,206	-	-	45,206
Brokerage & Commission	-	-	3,071,379	3,071,379
<b>Total Revenue</b>	<b>4,630,778</b>	<b>64,041,541</b>	<b>3,071,379</b>	<b>71,743,698</b>
<b>EXPENDITURE</b>				
Purchases	-	60,789,530	-	60,789,530
Consumable Stores	1,286,469	-	-	1,286,469
Demat Charges	-	4,387	-	4,387
Service Tax	-	17,444	286,810	304,254
Stamp Duty & T. O. T charges	-	16,317	-	16,317
Other Expenses	9,828,042	-	-	9,828,042
<b>Total Expenditure</b>	<b>11,114,511</b>	<b>60,827,678</b>	<b>286,810</b>	<b>72,228,999</b>
<b>SEGMENT RESULT</b>				
<b>Operating Profit</b>	<b>(6,483,733)</b>	<b>3,213,863</b>	<b>2,784,569</b>	<b>(485,301)</b>
Interest Expenses	413,804	-	-	413,804
Deferred Tax Liability	(211,797)	-	-	(211,797)
<b>Net profit</b>	<b>(6,685,740)</b>	<b>3,213,863</b>	<b>2,784,569</b>	<b>(687,308)</b>
<b>OTHER INFORMATION</b>				
<b>Segment assets</b>				
Fixed Assets	33,229,086	-	-	33,229,086
Loans & Advances	157,889,293	-	-	157,889,293
Investments	874,699	-	-	874,699
Sundry Debtors	1,516,006	-	-	1,516,006
Cash in hand	570,438	-	-	570,438
Bank A/c	1,366,902	-	-	1,366,902
VAT refundable	95,984	-	-	95,984
I. T. refundable	1,340,405	-	-	1,340,405
Closing Stock	-	11,958,274	-	11,958,274
Profit & Loss A/c	6,685,740	-	-	6,685,740
<b>Total assets</b>	<b>203,568,553</b>	<b>11,958,274</b>	<b>-</b>	<b>215,526,827</b>
<b>Segment liabilities</b>				
Bank O/D	2,971,676	-	-	2,971,676
Secured Loan	1,341,141	-	-	1,341,141
Unsecured Loan	399,808	-	-	399,808
Sundry Creditors	446,591	-	-	446,591

<b>Particulars</b>	<b>Floriculture</b>	<b>Trading in Shares</b>	<b>Brokerage</b>	<b>Total</b>
Deferred Tax Liability	1,939,300	-	-	1,939,300
Profession Tax & T. D. S.	26,438	-	-	26,438
Service Tax	-	-	58,225	58,225
Provisions	55,759	-	-	55,759
Shareholders' Funds	199,671,500	-	-	199,671,500
Profit & Loss A/c	-	3,213,863	2,784,569	5,998,432
Unallocated Reserves & Surplus	-	-	-	2,617,957
<b>Total liabilities</b>	<b>206,852,213</b>	<b>3,213,863</b>	<b>2,842,794</b>	<b>215,526,827</b>
Capital Expenditure	593,000	-	-	593,000
Depreciation	3,044,231	-	-	3,044,231
Amortisation	2,532,783	-	-	2,532,783

**SCHEDULE 'N':****NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2011**

- 8 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.
- 9 Figures in brackets represent the figures of the previous year and have been regrouped / rearranged wherever necessary.
- 10 During the year the Company has created deferred tax asset of ₹ 2,11,797/-.
- 11 The Company has allotted 46,35,000 Equity Shares of ₹ 10/- each to the persons other than promoters.

12 Additional information pursuant to the provision of paragraph 3(x)(f), 4C and 4D of part II of Schedule VI of the Companies Act, 1956.

	Amount in ₹	Amount in ₹
a) <u>Amount paid / payable to auditors</u>		
i) Statutory Audit fees	17,100	15,565
ii) For Other Matters	13,000	17,360
iii) One of the Partner in the Auditors firm has charged the Fees in his proprietorship capacity during the year into consideration	23,494	21,354
b) <u>Expenditure / Income in Foreign Currency</u>		
Expenditure in Foreign Currency	NIL	(NIL)
Earnings in Foreign Currency	1,109,177	(2,026,832)
c) Quantitative details for Flowers :	<b>Current Year 31-03-2011</b>	<b>Previous Year 31-03-2010</b>
i) Licensed Capacity	Not Applicable	Not Applicable
ii) Installed Capacity	22.50 Lacs (Flowers)	22.50 Lacs (Flowers)
iii) Actual Production	11.87 Lacs (Flowers)	11.45 Lacs (Flowers)
iv) Opening Stock, Purchases, Sales & Closing Stock (Flowers)		

Particulars	Current Year (No. In Lacs)	Previous Year (No. In Lacs)	Current Year (in ₹. Lacs)	Previous Year (in ₹. Lacs)
Opening Stock	NIL	NIL	NIL	NIL
Production	11.87	11.45	N. A.	N. A.
Sales	11.87	11.45	38.74	37.84
Closing Stock	NIL	NIL	NIL	NIL

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

Particulars	Amount ₹
1 Net profit / (loss) after tax as per Profit & Loss A/c	(687,308)
2 No. of Equity shares of ₹10/- during the year	20,000,000
3 Earnings/(Loss) per equity share of ₹10/- Each Basic/Diluted (1)/(2) (EPS)	(0.03)



**SCHEDULE 'N':**

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2011

**14 Balance Sheet Abstract and Company's General Business Profile :****i. Registration Details :**

Registration No.	L01110MH1993PLC073872
State Code	11
Balance Sheet Date	31st March, 2011

**ii. Capital raised during the year : (₹ in Lacs)**

Public Issue	0.00
Rights Issue	0.00
Bonus Issue	0.00
Private Placement	463.50

**iii. Position of Mobilisation and Deployment of funds :**

Total Liabilities	2,095.69
Total Assets	2,095.69

**Sources of Funds :**

Paid up Capital	1,996.72
Reserves & Surplus	26.58
Secured Loans	43.13
Unsecured Loans	4.00
Deferred Tax Liability	19.39

**Application of Funds :**

Net Fixed Assets	332.29
Investment	8.75
Net Current Assets	1,741.50
Miscellaneous Expenditure	0.00
Accumulated Losses	7.28

**SCHEDULE 'N':**

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2011

<b>iv. Performance of the Company</b>	(₹ in Lacs)
Turnover/Income	597.85
Total Expenditure	606.85
Profit before Taxation	(9.00)
Less: Deferred Tax Liability	(2.12)
Less: Provision for Tax	0.00
Profit/(Loss) after tax	(6.88)
Earnings / (Loss) Per Share in`	(0.03)
Dividend Rate	0.00

**v. Generic Names of Principal Products / Services of the Company**

Item Code no.	:	
Product Description	:	Growing of Cut Flowers

Signature to Schedule 'A' to 'N'

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

*Chartered Accountants*

Sd/-  
(S.H.GARG)  
Partner

Sd/-  
(RAJ KUMAR AGARWAL)  
Director

For ELEGANT FLORICULTURE &  
AGROTECH (INDIA) LIMITED

Sd/-  
(PAWAN KUMAR AGARWAL)  
Director

Membership No. : 085517  
Firm Regn. : 120121W

Date : 8th June, 2011  
Place : Navi Mumbai

**ANNEXURE TO CLAUSE - 32 OF THE LISTING AGREEMENT  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

<b>Particulars</b>		<b>₹ (In Lacs)</b>
<b>A.</b>	<b>Cash Flow from Operating Activities</b>	
	Net Profit After tax and extraordinary items	(6.87)
	Add: Depreciation	30.44
	Deferred Tax Liability during the year	(2.12)
	Issue Expenses Written Off	19.72
	Deferred Revenue Expenditure W/o during the year	5.60
	Add: Items considered separately	
	Interest Paid	4.14
	Less: Items considered separately	
	Dividend Received	(0.66)
	Interest Received	(6.72)
	<b>Operating Profit before Working Capital Changes</b>	<b>43.53</b>
	<b>Changes in Working Capital</b>	
	Decrease in Sundry Debtors	4.18
	Decrease in Other Current Assets	2.37
	Increase in Closing Stock	(113.65)
	Decrease In Sundry Creditors	(2.52)
	Decrease in Short Term Borrowings	(10.05)
	Increase in Other Current Liabilities	(1.65)
	<b>Net Changes in Working Capital</b>	<b>(121.32)</b>
	<b>Cash Flow from Operating Activities</b>	<b>(77.79)</b>
	Less: Taxes Paid	-
	<b>Net Cash Flow from Operating Activities</b>	<b>(77.79)</b>
<b>B.</b>	<b>Cash Flow from Investment Activities :</b>	
	Purchase of Fixed Assets	(6.20)
	Investment in Fixed Deposit	(0.59)
	Increase In Loans & Advances	(384.77)
	Dividend Received	0.66
	Interest Received	6.72
	<b>Net Cash Flow from Investment Activities</b>	<b>(384.18)</b>
<b>C.</b>	<b>Cash Flow from Financing Activities :</b>	
	Proceeds from Issue of Equity Shares	463.50
	increase in Capital reserve	-
	Interest Paid	(4.14)
	<b>Net Cash Flow form Financing Activities</b>	<b>459.36</b>
	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(2.61)</b>
	Cash & Cash Equivalents as at 31st March, 2010	21.98
	Cash & Cash Equivalents as at 31st March, 2011	19.37

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

Sd/-  
(S.H.GARG)  
Partner

Date : 8th June, 2011 Place : Navi Mumbai

Sd/-  
(RAJ KUMAR AGARWAL)  
Director

For ELEGANT FLORICULTURE &  
AGROTECH (INDIA) LIMITED

Sd/-  
(PAWAN KUMAR AGARWAL)  
Director

**AUDITORS' CERTIFICATE**

We have audited the attached Cash Flow Statement of **ELEGANT FLORICULTURE & AGROTECH (I) LIMITED, MUMBAI**, as at 31st March, 2011. 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 8th June, 2011, 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 : 8th June, 2011

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