

NEHA INTERNATIONAL LIMITED

BOARD OF DIRECTORS

Chairman & Managing Director

Shri G. Vinod Reddy

Directors

Dr. G. Pramod

Shri Anil G. Nair

Shri P. Sarath Kumar

Chief Financial Officer

N. Sridhar V Rao

Company Secretary

V S Venkatesh

Auditors

M/s. Mathesh & Ramana

Chartered Accountants

3-6-145, Himayathnagar, Hyderabad 500 029

Bankers

IndusInd Bank, Secunderabad Branch, Hyderabad
Union Bank of India, S.D. Road Branch, Secunderabad
Bank of Maharashtra, Khairatabad Branch, Hyderabad

Regd. Office

No. 6-3-1090 / A/12 & 13,
501, Manbhumi Jade Towers, Rajbhavan Road, Somajiguda,
Hyderabad - 500 082, India. Tel : 040-66134759, Fax : 040 - 66136435

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NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the members of Neha International Limited will be held on Tuesday **31st December 2013 at 11.00 a.m.** at Bhaskara Auditorium B.M. Birla Science Centre, Adarshnagar, Hyderabad 500063 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at June 30, 2013 and the Statement of Profit and Loss for the year ended as on that date together with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. P. Sarath Kumar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. Mathesh & Ramana, Chartered Accountants, Hyderabad, having firm Regn No.0020205 as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT M/s. Mathesh & Ramana, Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next annual general meeting at such remunerations as may be determined by the Board of Directors".

Place : Hyderabad
Date : 05-12-2013

For and on behalf of the Board
For **NEHA INTERNATIONAL LIMITED**
Sd/-
G. Vinod Reddy
Chairman & Managing Director

NOTES:

1. **A MEMBER ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY, PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE.**
2. Members are requested to bring their copies of Annual report to the Annual General Meeting.
3. The register of Member's and Share transfer books of the Company will be closed from 29th December, 2013 to 31st December 2013 (both the days inclusive)
4. Members holding shares in physical form are requested to inform any change in address immediately to the Company's Registrar and Transfer Agents, M/s XL Softech Systems Limited, # 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad 500034. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant and not to the Company or the Company's Register and Share Transfer Agents.



5. Members who hold the shares in dematerialized form are requested to write their Client ID and DPID on the attendance slip for easy identification of attendance at the meeting.
6. The relevant details as required by Clause 49 of the Listing agreement entered with Stock Exchange of persons seeking appointment / re-appointment as Directors under Item No.2 above are annexed.
7. Important Communication to Members: The Ministry of Corporate affairs has introduced a "Green Initiative in the Corporate Governance" vide its circulars dated 21.04.2011 and 29.04.2011 by allowing the Companies to service the notices / documents including Annual Report by way of e-mail to its members. This initiative is a step towards protection of environment and enabling faster communication with the members.

Accordingly the Company has proposed to serve all the documents to e-mail addresses of the members in coming years. The members are requested to support the green initiative of the Government by registering / updating their e-mail address with their concerned Depository Participants (DP) to get the Annual Report and other documents on such e-mail address. Members holding shares in physical form are also requested to send their e-mail address to the Company either through e-mail at complianceofficer@nehainternational.com or by sending the communication to the registered office of the Company. If any member is interested to receive such documents in physical form, a communication in this regard may be made to the Company.

INFORMATION AS REQUIRED IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT PARTICULARS OF DIRECTORS WHO ARE PROPOSED TO BE RE-APPOINTED AT THIS MEETING.

Mr. P. Sarath Kumar, Director of the Company retires by rotation and being eligible, offers himself for re-appointment. Mr. P. Sarath Kumar is a Practicing Chartered accountant with an experience of about 3 decades. He is appointed as an independent Director of the Company with effect from 06-06-2005 and he is well experienced in Financial, strategy, risk management and Administrative matters.

Yours Directors recommend this resolution for your approval

Brief write upon the appointee:

Mr. P. Sarath Kumar is a Chartered Accountant by profession and training. Mr. Sarath Kumar also has a Bachelor of Law degree and is a certified Fraud Examiner (CFE) from USA. He is an expert in Investigation Audits and is visiting faculty at S.V.P. National Police Academy, National Academy of Direct Taxes, A.P. Judicial Academy and also at the Andhra Pradesh Police Academy delivering lectures on White Collar Crimes and Forensic Accounting. He is advisor to various central and state investigating agencies."

Other Directorships of Mr. P. Sarath Kumar :

- | | |
|---|----------|
| 1. M/s. Shreyas Management & Services Pvt Ltd | Director |
| 2. M/s. Vigilance India Consultants Pvt Ltd | Director |
| 3. Sarath & Associates Chartered Accountants | Partner |

Place : Hyderabad
Date : 05-12-2013

For and on behalf of the Board
For **NEHA INTERNATIONAL LIMITED**

Sd/-

G . Vinod Reddy
Chairman & Managing Director

DIRECTORS' REPORT

Dear Stakeholders,

The Directors take great pleasure in presenting the twentieth Annual Report to the Members together with the audited financial statements for the period ended 30th June, 2013.

Financial Results: Consolidated		(₹ in lakhs)	
	Particulars	2012-13	2011-12
1	Net Sales & Income	11401.10	7846.10
2	Increase/(Decrease) in stock	(16.99)	34.16
3	Total Expenditure	11014.25	6723.29
4	Interest	378.36	346.04
5	Profit before depreciation & Exceptional Items	(8.50)	810.92
6	Depreciation	141.33	159.16
7	Less: Minority interest	1.24	(28.77)
8	Less: Provision for tax (Net)	11.68	46.95
9	Profit/Loss carried to Balance Sheet	(162.75)	633.59

Financial Results: Standalone		(₹ in lakhs)	
	Particulars	2012-13	2011-12
1	Net Sales & Income	10138.75	5146.25
2	Increase/(Decrease) in stock	(16.99)	34.16
3	Total Expenditure	9726.41	4874.04
4	Interest	279.44	187.69
5	Profit before depreciation & Exceptional Items	115.91	118.68
6	Depreciation	15.39	14.58
7	Less: Provision for tax (Net)	19.15	18.29
8	Profit/Loss carried to Balance Sheet	81.37	85.81

OPERATIONS

The Standalone revenues increased to ₹ 10138.75- lakhs for the year ended 30.06.2013. The Company achieved a standalone operational profit of ₹ 81.37 lakhs. The Directors did not recommend any dividend for the period ended 30th June, 2013 keeping in mind the fund requirements for the working Capital requirements of the Company.

The Company recorded revenue of ₹ 11401.10 lakhs in consolidated financials for the year ended 30th June, 2013.

FINANCIAL YEAR

Your company closed its accounts as on 30th June, 2013 for a period of twelve months.



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LISTING

The securities of your company are listed at Bombay and Madras Stock Exchanges and also trades in National Stock Exchange Ltd. Listing fee/ issuer fee has been paid for both the exchanges and depositories up to 31st March, 2014.

DIRECTORS

In terms of the provisions of section 255 and 256 of the Companies Act, 1956, Shri P.Sarath Kumar retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

AUDIT COMMITTEE

The Audit Committee of the Board consists of the three Non whole time Directors, Viz., Dr.G.Pramod, Non- executive Director, Shri Anil G. Nair, Independent Director and Shri P.Sarath Kumar Independent Director. Shri G.Anil Nair is the Chairman of the Audit Committee.

AUDITORS

Statutory Auditors of the Company M/s Mathesh & Ramana, Chartered Accountants are retiring at the conclusion of this Annual General Meeting. The Company has received a certificate from the Auditors to the effect that their appointment, if made would be within the limits prescribed under section 224(1B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

SUBSIDIARY COMPANIES

The Company has four subsidiary Companies M/s Globeagre Holdings, Mauritius, M/s Dream Flowers PLC, Ethiopia, M/s Neha Agricorp Pte Ltd and M/s Neha Agri Service Pte Ltd, Singapore, and nine step down subsidiaries: M/s Alliance Flowers PLC, Ethiopia, M/s Oromia Wonders PLC, Ethiopia M/s Holetta Roses PLC, Ethiopia M/s Ninit Agri PLC, Ethiopia, Neha Agri Tanzania Ltd, Tanzani, M/s Neha Agri Ventures (U) Ltd, Uganda, M/s Neha Agri Zambia, M/s Neha Agri Senegal, SUARL, M/s Neha Agri Services, FZE, (UAE)

As per Section 212 of the Companies Act, 1956, we are required to attach the Director's Report, Balance Sheet, and Profit and Loss account of our subsidiaries. The Ministry of Corporate Affairs, Government of India vide its circular No 2/2011 dated February 8, 2011 has granted a general exemption to companies from complying with Section 212, subject to fulfillment of conditions mentioned therein. Accordingly, the Annual Report 2012-13 does not contain the financial statements of our subsidiaries. The gist of financial performance of the subsidiary companies is contained in the report. The audited annual accounts and related information of our subsidiaries, where applicable, will be made available upon request by any member of the company or to any investor of its subsidiary companies who may be interested in obtaining the same. These documents will also be available for inspection during business hours at our registered office, The same will also be published on our website. www.nehainternational.com

A statement pursuant to section 212 of the Companies Act, 1956, containing details of subsidiary companies is annexed.

CONSOLIDATED FINANCIAL STATEMENTS

In terms of Clause 32 of the Listing Agreement with the Stock Exchange and as prescribed by Accounting Standard 21 notified by the Government of India under section 211(3C) of the Companies Act, 1956, the Audited consolidated financial statements for the period ended 30th June, 2013 are annexed and forms part of the annual Report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, the applicable accounting standards have statement, it is hereby confirmed.

- a. That the preparation of the accounts for the year ended 30th June, 2013, the applicable accounting standards have been followed and there were no material departures.
- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates which are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

- c. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That the Directors have prepared the accounts for the financial year ended 30th June, 2013 on a going concern basis.

MANAGEMENT'S RESPONSE ON AUDITORS COMMENT ON FOREIGN SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS:

The Management has taken reasonable steps for the maintenance of Fixed Assets Register, providing for bad debts, reconciliation of difference in Cash Balances, verification of Stock account balances, etc.

During the year operational expenses in trial period was charged to Profit & Loss Account in Neha Agri Senegal Suarl. Due to this there was a loss during the year which reflected as erosion of networth by more than 50%. The management has taken various steps to improve the networth and is confident of improving in the coming financial year.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement on Corporate Governance: (a) Management Discussion and Analysis Report (b) The Report on the Corporate Governance and (c) Certificate from the Auditors of the Company regarding compliance of mandatory requirements of the Corporate Governance are attached to and form part of this Report.

FIXED DEPOSITS

The Company has not invited / accepted deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

CASH FLOW STATEMENT

As required under clause 32 of the Listing Agreement with the Stock Exchanges, a Cash Flow Statement is attached to the Balance Sheet along with Auditor's Certificate.

PERSONNEL

Employee relations continue to be cordial information on particulars of Employees Remuneration required as per Section 217(2A) read with Companies (Particulars of Employees) Rules 1975 is NIL.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988, requiring disclosures of particulars with respect to conservation of energy, technology absorption and foreign exchange are given in Annexure I, which forms part of this report.

ACKNOWLEDGEMENTS

Your Directors wish to thank the Central and State Governments, Banks, Suppliers, Customers and Employees for their support and assistance to the Company. The Company wishes to thank the shareholders for their continued support.

Place : Hyderabad
Date : 05-12-2013

For and on behalf of the Board
For **NEHA INTERNATIONAL LIMITED**
Sd/-
G. Vinod Reddy
Chairman & Managing Director

ANNEXURE I

ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) rules, 1988 and forming part of Director's Report.

Form A

Form for disclosure of particulars with respect to conservation of energy

(₹ in lakhs)

A	Power and Fuel Consumption ****	Current Period	Previous Period
		01.07.2012 to	01.07.2011 to
		30.06.2013	20.06.2012
I	Electricity:		
a)	Purchased Units	NA	NA
	Total Amount	NA	NA
	Rate/ Unit	NA	NA
b)	Own Generation:	NA	NA
	Through Diesel Generator (Units)	NA	NA
	Cost/Unit	NA	NA
B	Consumption per Unit of Production	NA	NA
	Electricity (No. of Units)	NA	NA
C	Foreign Exchange Earnings and Outgo		
i)	Foreign Exchange Earned	5561.56	418.40
ii)	Foreign Exchange used:		
i.	Raw Materials (Merchandise flower purchase)	49.85	332.39
iii	Foreign Travel (Others)	10.87	8.26
iii)	Handling charges	263.12	148.33

**** During the year the Company has not undertaken any manufacturing activity

Form B

Form for disclosure of particulars with respect to absorption

1.	Research and Development	Nil
2.	Technology absorption, adaptation and innovation	Nil

Foreign Exchange Earnings and outgo:

	Current Year	Previous Year
1. Earnings	5561.56 lakhs	418.40 lakhs
2. Outgo	--	--
a. Handling Charges / Others	263.12 lakhs	146.33 lakhs
b. Raw Materials (Merchandise flower purchased)	49.85 lakhs	332.39 lakhs

ANNEXURE - II

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(Forming Part of Directors' Report)

COMPANY OVERVIEW

Floriculture: Neha is a premium grower of cut roses from Ethiopia with over 20 years of experience in the field of floriculture. It is recognized as one of the top growers in the highlands of Africa - roses are cultivated at 8500 feet above sea level in Ethiopia. The company made substantial investments in Ethiopia to build state of the art growing and propagation facilities. Production and post harvest operations have been stabilized and emphasis is placed on introducing new varieties of roses with higher yields while maintaining the reputation of supplying quality products to international flower markets. Most of the produce is exported to Netherlands, Norway, Italy, Germany, Japan and Middle East.

Agriculture: Neha made its foray into agriculture over the last three years. Global food shortages and the spike in food prices create the opportunity to produce food crops on a large scale. Africa with its virgin soils, congenial climate, and abundant resources has a great potential to be the world's breadbasket. As part of the existing operations in Ethiopia, Neha acquired 4,000 hectares of arable land in Bako region of Ethiopia.

The company built the required infrastructure in Ethiopia: a 13 km approach road has been constructed from the highway to the agricultural site; land has been cleared of trees and bushes; internal roads and irrigation facilities are being developed. Neha sourced equipment from world class manufacturers - Tractors and Implements from CLAAS and Amazone in Germany, and Excavators from Doosan of South Korea. State of the art rice mill and seed processing unit - the biggest in Ethiopia, along with ware house and DG Sets are installed for post harvest operations. The company has cultivated 750 acres of Maize and Niger oil seed during the monsoon season of 2013. There are plans to cultivate vegetables in the dry season by installing irrigation facilities.

Neha's agriculture business is a Hub-and-Spoke model - cultivate at a place (Hub) and market the produce in the host country and the neighboring markets (Spokes).

Local farming communities would be engaged in an out grower model by providing the seeds and technical know-how with access to the processing facilities and markets with efficient supply chain processes. While maize is being cultivated in the first phase, lentils and oil seeds will be grown in the following phases as part of crop rotation and soil quality improvements to increase the soil organic content.

The company holds its floriculture assets in Ethiopia through its Wholly Owned Subsidiary (WOS) in Mauritius and its agriculture assets in different countries of Africa through its WOS in Singapore.

Neha's Human Resources comprise of eminent Agronomists, Agriculture scientists, Chartered accountants and Managers with years of experience in Africa.

Trading: Neha started trading in agricultural commodities in the year 2008. While the trading activity increased steadily over the years, its exports have increased at a faster pace in the recent past. This is due to Neha's strong supplier network supplying quality product and satisfied buyers giving not only repeated orders but asking for increasing volumes. Neha has also, over the years, developed a good network of logistic providers.

Neha's current trade primarily comprises of export of Maize - there is of course a small portion of trade in other



commodities and imports. Going forward, Neha is planning to export rice to Africa and import timber and cashew from Africa. Further, there are plans to procure and store maize during the harvesting season to take advantage of lower prices.

CORPORATE SOCIAL RESPONSIBILITY

Unrestrained production and indiscriminate growth without concern for the environment would put the lives of our future generation in jeopardy. At Neha, agriculture is practiced while nurturing the environment. Various methods like integrated nutrition management, pest and disease management, usage of bi-fertilizers and bio-pesticides, composting methods would be integrated to not only maintain but also improve soil texture. Water, being the foremost elements in agriculture, would be conserved through effective water management techniques like reduction of outflow, rainwater harvesting and judicious usage.

Neha International believes in sustained growth by involving the local communities in farming operations and also allocates revenues towards their development.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Proactive governments in Eastern Africa, huge markets for grains like rice within Africa and a possibility of exporting them to Middle Eastern Markets seems to be a viable alternative. Production costs can be minimized by using state of art infrastructure and an integrated approach to agriculture using biological inputs for nurturing the environment.

Soil dynamics, suitability of germ plasm, rainfall patterns, pest incidence, and climatic variations are few parameters that might pose a risk to crop yields. The Company is taking all possible measures for mitigating the perceivable risk. Few steps for risk mitigation include performing field trials prior to scaling up, assessment of land fertility, presence of water resources, and access to agricultural workforce before land acquisition.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Internal Control System comprises of exercising controls at various stages and is established in order to provide reasonable assurance for:

- Safeguarding Assets and their Usage,
- Maintenance of Proper Accounting Records and
- Adequacy and Reliability of the Information used for carrying on Business Operations.

The key elements of the system are as follows:

- a) Existence of clearly defined Organizational Structure and Authority.
- b) Existence of Corporate Policies for Financial Reporting and Accounting
- c) Existence of Management Information System updated from time to time as may be required.
- d) Existence of Annual Budgets and Long Term Business Plans.
- e) Periodical Review of Opportunities and Risk Factors depending on the Global/Domestic Scenario and to undertake measures as may be necessary.

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company continued with its policy of Human Resources Development and retention in all its units located at various destinations of the world. To enrich the skills of employees and enrich their experience, the Company invites experts in the field of Production, pest control, post harvest management, packing etc., and provide in-house training to the employees in their respective & allied operational areas. The Company is maintaining good employee relations and no man-days are lost during the period due to employee's unrest. The Company continues to provide with welfare activities such as canteen Facility, Medical Aids, Transport Facility, uniforms etc.

FINANCIAL PERFORMANCE**SHARE CAPITAL AND RESERVES AND SURPLUS**

During the period the authorized capital of the company stands at ₹ 4,000.00 lakhs and Reserves & Surplus of ₹ 20146.20 lakhs and Paid-up capital of the Company was ₹ 2837.956 lakhs.

MINORITY INTEREST

Minority interest as at 30th June, 2013 is ₹ 1.24 lakhs

LOAN FUNDS

The Subsidiaries of the Company M/s Alliance Flowers PLC and M/s Holetta Roses PLC, NINT Agri Plc & Dream Flowers PLC., have the loans from the Bank at Ethiopia amounting to ₹ 1793.35 lakhs

GOODWILL

Goodwill as at 30th June, 2013 is ₹ 3807.94 lakhs

FIXED ASSETS

The Company has purchased fixed assets and net increase in gross fixed assets during the year is ₹ 252.82 Lakhs.

CURRENT ASSETS, LOANS AND ADVANCES AND CURRENT LIABILITIES AND PROVISIONS.

The Company has Rs. 135.88 lakhs of inventories of Fertilizers, Pesticides, Chemicals, and packing materials as at 30th June, 2013. Its debtors as on 30th June, 2013 are ₹ 4227.80 lakhs. These debtors are considered good and realizable.

Cash balance represents balance in cash with the company to meet its various cash expenditure. The bank balance in overseas current accounts are maintained to meet the expenditure of the overseas subsidiaries. The cash and Bank balances, including Margin Money kept with banks as at 30th June, 2013 was ₹ 671.62 lakhs.

Loans and Advances as at 30th June, 2013 was ₹ 12620.24 lakhs. Significant items of loans and advances include advances towards capital expenditure, Expense, security deposits for rental premises, pre-paid expenses.

Current liabilities as at 30th June, 2013 were ₹ 5093.54 lakhs.

RESULTS OF OPERATIONS

During the period ended 30th June, 2013 the company recorded a turnover of ₹ 11401.10 lakhs. The company incurred a loss of ₹ 162.75 lakhs during this period.

Financial Results: Consolidated		(₹ in lakhs)	
	Particulars	2012-13	2011-12
1	Net Sales & Income	11401.10	7846.10
2	Increase/(Decrease) in stock	(16.99)	34.16
3	Total Expenditure	11014.25	6723.29
4	Interest	378.36	346.04
5	Profit before depreciation & Exceptional Items	(8.50)	810.92
6	Depreciation	141.33	159.16
7	Less: Minority interest	1.24	(28.77)
8	Less: Provision for tax (Net)	11.68	46.95
9	Profit/Loss carried to Balance Sheet	(162.75)	633.59

Financial Results: Standalone		(₹ in lakhs)	
Particulars	2012-13	2011-12	
1 Net Sales & Income	10138.75	5146.25	
2 Increase/(Decrease) in stock	(16.99)	34.16	
3 Total Expenditure	9726.41	4874.04	
4 Interest	279.44	187.69	
5 Profit before depreciation & Exceptional Items	115.91	118.68	
6 Depreciation	15.39	14.58	
7 Less: Provision for tax (Net)	19.15	18.29	
8 Profit/Loss carried to Balance Sheet	81.37	85.81	

REVENUE BASED ON GEOGRAPHY

Geographical Revenues: Consolidated		(in ₹)	
Geographical Segment	Revenue		
	Current Year	Previous Year	
Netherlands	130,703,955	198,447,858	
India	990,516,139	463,912,604	
Japan	5,969,479	35,375,155	
Greece	-	832,462	
Ethiopia	-	4,952,467	
Italy	3,593,589	10,396,781	
Dubai	-	69,785,745	
Total	1,130,783,202	783,703,072	

Segment wise Revenues- Operation wise			(In ₹)
Revenue	Merchandising	Trading Sales	Total
Current period	9,563,068	990,516,139	1,000,079,207
Previous period	46,572,860	463,944,142	510,517,002

Geographical Revenues: Stand alone		(in ₹)	
Geographical Segment	Revenue		
	Current Year	Previous Year	
India	990,516,139	463,912,604	
Japan	5,969,479	35,375,155	
Greece	-	832,462	
Italy	3,593,589	10,396,781	
Total	1,000,079,207	510,517,002	

REPORT ON CORPORATE GOVERNANCE

I. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Neha International Limited does believe and Practice Good Corporate Governance. The Company's essential character is shaped by the very value of transparency, customer satisfaction, integrity, professionalism and accountability. The Company Continuously endeavors to improve on these aspects. The management follows the principle of fair representation and full disclosure in all its dealings and communications. The Board view Corporate Governance in its widest sense. The main objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness and to develop capabilities to attain the goal of sustainable value creation.

2. BOARD OF DIRECTORS

(a) Composition of the Board

The Company's Board consists of four directors.

Sl.No	Name of the Director	No.of shares Held	Executive/Non- Promoter/Independent/ Executive Director/Nominee Director
1	Sri G.Vinod Reddy	10,647	Chairman & Managing Director Promoter Director
2	Dr. G.Pramod	2,604	Non-Executive Promoter Director
3	Sri Anil G Nair	Nil	Independent Director
4	Sri P.Sarath Kumar	Nil	Independent Director

(b) Attendance of each Director at Board Meetings and the last Annual General Meeting (AGM)

Sl. No.	Name of the Director	Category of Director	No. of Board Meetings held during the last financial year	No. of Board Meetings Attended	No. of Memberships in other Public Companies	Boards	Commi-tees	Attendance at the last AGM
1	G.Vinod Reddy	Chairman & Managing Director	6	6	-	-	-	Yes
2	G. Pramod	Non executive Director	6	6	-	-	-	Yes
3	Anil G. Nair	Independent Director	6	5	-	-	-	Yes
4	P.Sarath Kumar	Independent Director	6	6	-	-	-	Yes

Note: Date of last Annual General Meeting (AGM) held on 31st December, 2012

(c) Pecuniary relationship or transactions of the non-executive Directors vis-avis the Company.

The Company's non-executive Directors do not have any pecuniary relationship or transactions with the Company.



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(d) Number of board Meetings held during the financial year and the dates of the Board meetings.

6 (six) Board Meetings were held during the period 2012-2013 (1st July 2012 to 30th June 2013). The time gap between any two Board Meetings did not exceed by more than four months.

The dates on which the said Board Meetings were held are as follows:

The dates on which the said Board Meetings were held are as follows:

1st Board Meeting	:	14th August, 2012
2nd Board Meeting	:	14th November, 2012
3rd Board Meeting	:	5th December, 2012
4th Board Meeting	:	23rd January, 2013
5th Board Meeting	:	14th February, 2013
6th Board Meeting	:	15th May, 2013

3. AUDIT COMMITTEE

In compliance with Section 392A of the Companies Act, 1956, your Directors has constituted the Audit Committee comprising of majority of the Independent Directors as its members. The following are the members of the Committee.

- (1) **Sri. Anil G Nair** - Chairman
- (2) **Sri. G. Pramod** - Member
- (3) **Sri. P. Sarath Kumar** - Member

BRIEF DESCRIPTION OF TERMS OF REFERENCE

- 1) Oversight of Company's financial reporting process and disclosure of financial information.
- 2) Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment for any other services
- 3) Review with the management of annual financial statements before submission to the Board for approval
- 4) Review of changes in accounting policies
- 5) Review of quarterly financial statements before submission to Board
- 6) Review of adequacy of internal control systems and internal audit functions
- 7) Review of Company's financial and risk management policies

The Audit committee met 4 times during the year under review on 14th August, 2012, 14th November, 2012, 14th February, 2013, 15th May, 2013.

4. REMUNERATION/COMPENSATION COMMITTEE

The Compensation committee devises policies for compensation and benefits to Executive Directors, other Director's and Senior Management personnel. The Committee consists of the following directors.

1. **Sri P. Sarath Kumar**, Chairman
2. **Sri G. Pramod**, Member
3. **Sri Anil G. Nair**, Member

The Remuneration / Compensation Committee met once on 05/12/2012

5. SHAREHOLDERS/INVESTORS GRIEVANCES COMMITTEE

The Board of Directors constituted a shareholder / investors Grievance Committee as a measure of good corporate governance and so strengthen the investor relations. The Committee looks into redressal of grievances pertaining to Share transfer, non-receipt of share certificates, issue of duplicate share certificates and responsible for formulation of procedures in line with the statutory guidelines.

The Committee consists of the following directors as members of committee, majority of them being Independent Directors:

- 1) **Sri.G. Pramod**, Chairman
- 2) **Sri P. Sarath Kumar**, Member
- 3) **SriAnil G. Nair**, Member
- (a) Name and Designation of Compliance Officer:
Mr. V. S. Venkatesh, Company Secretary is the Compliance Officer of the Company.
- (b) Status of Investor Complaints are being handled by our Registrar & Share Transfer agent. M/s XL Softech Systems Ltd in consultation with the Company.

DETAILS OF COMPLAINTS

Nature of Complaint	Received	Resolved
Non receipt of share certificates	10	10
Change of Address	-	-
Non-receipt of duplicate share certificates	-	-
Non-receipt of Annual Report	-	-
Request for stop transfer	-	-
De-mat request pending	-	-
Other complaints	-	-
Total	10	10

Note: The Company attends the shareholders/Investor grievances / correspondence generally within a period of 15 days except in cases where constraints by disputes or legal impediments.

- (c) Number of pending share transfers

There are no valid share transfer requests pending as at the end of the financial year.

6. GENERAL BODY MEETINGS

(a) Details of the location and time of the last three Annual General Meetings of the Company are as follows:

Date of the meeting	AGM held relating to accounting year ended	Special Resolutions Passed	Venue of the Meeting	Time of Meeting.
31st December, 2012	2011-12	Yes	Bhaskara Auditorium, BM Birla Science Centre, Adarshnagar, Hyderabad 500063	11.00AM
31st December 2011	2010-11	Nil	Bhaskara Auditorium, BM Birla Science Centre, Adarshnagar, Hyderabad 500063	11.00AM
31st December 2010	2009-10	Nil	Bhaskara Auditorium, BM Birla Science Centre, Adarshnagar, Hyderabad 500063	11.00AM

**7. DISCLOSURES**

There were no 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. The related party transactions are duly disclosed in the Notes to Accounts to the Balance Sheet.

There were no cases of non-compliance by the Company, penalties, strictures imposed on Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

8. MEANS OF COMMUNICATION

Quarterly and Half yearly Report/Result.	Published in English and Regional News papers apart from furnishing to the Stock Exchanges for displaying on their websites for the benefit of the investors at large
Website where quarterly results are displayed	The Results are displayed in Company's website: www.nehainternational.com
Management Discussion and Analysis Report	Form part of the Director's Report

9. WHISTLE BLOWER POLICY

The Company has adopted a whistle blower policy in which all the employees of the Company are entitled to approach the audit committee (in respect of unethical or improper practice) without informing their superiors. The Company has not denied any personal access to the audit committee of the company and it has a policy to provide protection to "Whistle Blowers" from unfair termination and other unfair or prejudicial employment practices.

10. CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company. CEO declaration to this effect forms part of this annual report.

11. CEO/CFO CERTIFICATION

CEO /CFO certification by Mr. G.Vinod Reddy, Chairman & Managing Director & Mr. Sridhar V Rao, CFO (Chief Financial Officer) as stipulated by Clause 49 of the Listing Agreement was placed before the Board of Directors at its meeting held on 5th December, 2013.

12. GENERAL SHAREHOLDER INFORMATION

a) The Company's Annual General Meeting will be held on **31st December 2013 at 11.00 a.m.** at Bhaskara Auditorium, B.M.Birla Science Centre, Adarshnagar, Hyderabad-500 063

(b) Financial Calendar for the year 2013 -2014

Results as on	To be announced on/before
1st quarter results as on 30-09-2013	14.11.2013
2nd quarter results as on 31-12-2013	14.02.2014
3rd quarter results as on 31-03-2014	15.05.2014
4th quarter results as on 30-06-2014	30.08.2014

c) The shares of the Company are listed on Bombay Stock Exchange Limited (BSE) (Code 519560), Madras Stock Exchange Limited (MSE) and also traded in National Stock Exchange (NEHAINTL). The company has paid listing fees/ issuer fee for the year 2013-14.

(d) Stock Code

Scrip Code - **BSE:519560**Scrip Code - **NSE:NEHAINT EQ**

e) Stock Data

Average monthly High and Low Stock prices of Neha International Limited at the Bombay Stock Exchange Limited (BSE) for the year ended 30th June, 2013 are furnished here under:

Month	BSE		Volume	NSE		Volume
	Share Price			Share Price		
	High (₹)	Low (₹)		High (₹)	Low (₹)	
Jul-12	38.20	28.00	26209060	36.95	28.00	13446600
Aug-12	30.75	16.25	17106371	29.85	16.20	28179000
Sep-12	23.45	16.80	27827526	23.40	16.70	30828000
Oct-12	22.45	16.50	15710737	22.35	16.40	14718000
Nov-12	19.10	13.75	14228334	19.00	13.80	15096000
Dec-12	17.50	14.50	5984774	17.95	14.50	5241000
Jan-13	17.93	13.50	13218558	17.65	13.30	13741000
Feb-13	14.05	7.40	5706120	14.00	7.60	3677000
Mar-13	9.48	6.04	12608676	9.40	6.60	4818000
Apr-13	9.00	6.05	1620362	8.95	6.35	1201000
May-13	8.45	5.47	3042768	8.65	5.75	3157000
Jun-13	8.65	6.60	986831	8.45	6.50	691000

* Source: www.bseindia.com & www.nseindia.com

f) Share Transfer System

The Company attends to the Shareholders / investors grievances / correspondence generally within a period of 15 days except in cases where constraints by disputes or legal impediments.

g) Registrar & Share Transfer Agents

M/s. XL Softech Systems Limited, # 3, Sagar Society, Road No.2,
Banjara Hills, Hyderabad, Tel. No. 23545913/14. Fax No. 23553214

h) Distribution of Shareholding

(i) (i) Equity Share Holding Break up (% of Total Equity) as on 30.06.2013

No. of Equity Shares Held	No. of Share Holders	% of Shares Held	No. of Shares Held	% of Share Holding
Upto - 5,000	6131	80.27	654886	2.31
5001 - 10,000	528	6.91	433688	1.53
10,001 - 20,000	369	4.83	581447	2.05
20,001 - 30,000	135	1.77	352090	1.24
30,001 - 40,000	67	0.88	239557	0.84
40,001 - 50,000	76	1.00	356021	1.25
50,001 - 1,00,000	127	1.66	922303	3.25
1,00,001 and above	205	2.68	24839576	87.53
Total	7638	100	28379568	100



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(ii) (i) Share Holding Pattern as at 30th June, 2013

Category		No. of Share held	Percentage of Share holding
A. Promoter's Holding			
1.	Promoters:	4010647	14.14%
2.	Persons acting in Concert	10687	0.03%
Sub Total (1+2)		4021334	14.17%
B. Non-Promoters Holding (3+4)			
3.	Institutional Investors		
a.	Mutual Funds and UTI	-	-
b.	Banks, Financial Institutions, Insurance Companies Central / State Govt. Institutions / Non Government Institutions	-	-
c.	FII's	8476	0.03
Sub Total (3)			
4. Others			
a.	Private Corporate Bodies	6045517	21.30
b.	Indian Public	12049223	42.45
c.	FII's	-	-
d.	NRI's / Foreign Company	5894031	20.77
e.	Any Other (Please Specify) Trusts/Clearing Members	360987	1.28
f.	Shares held by custodians against which Depository receipts have been issued	-	-
Sub Total (4)		24349758	85.80
GRAND TOTAL (A+B)		28379568	100

i) Dematerialization of Shares

Equity Shares of the Company are admitted for dematerialization by both the depositories namely 1) National Securities Depository Limited (NSDL), 2) Central Depository Services (India) Limited (CDSL). The International Securities Identification Numbers (ISIN) allotted to the Company's scrip in INE874D01022. As on 30th June, 2013, 28146852, Shares, being 99.18% of the subscribed and paid-up capital are dematerialized with NSDL & CDSL.

Address of Registrars for Dematerialization & Physical Transfer of Shares:

M/s. XL Softech Systems limited,

3, Sagar Society, Road No.2, Banjara Hills, Hyderabad, Tel.No. 23545913/14, Fax No.23553214

j) Outstanding GDRs/ADRs/Warrants or any other convertible instruments, conversion date and likely impact on equity

Employee Stock Options. The Company has earmarked 700000 Equity Shares under the Neha Employees Stock Option Plan 2007 (NEHA ESCOP 2007). The Compensation committee has granted 5,00,000 options to its eligible employees on 7th August, 2009, out of which as on 30th June, 2013 2,48,750 options remains unexercised.

k) Address for correspondence

Neha International limited,

Building No.6-3-1090/A/12&13, 501, Manbhumi Jade Towers

Rajbhavan Road, Somajiguda, Hyderabad - 500082, Tel No: 040-66134759, Fax No: 040-66136435

CEO Declaration

I, G.Vinod Reddy, Managing Director of Neha International Limited declare that Board Members and Senior Management Personnel affirmed compliance with the Code of Conduct laid down by the Board of Directors.

Place: **Hyderabad**

Date : **05.12.2013**

Sd/-

G. Vinod Reddy

Chairman & Managing Director



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AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of **NEHA INTERNATIONAL LIMITED**

We have examined the compliance of conditions of Corporate Governance by NEHA INTERNATIONAL LIMITED, for the year ended June 30, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company is with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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 **Mathesh & Ramana**
Chartered Accountants
Firm Regn. No.002020S

Place: Hyderabad
Date: 05.12.2013

Sd/-
B. V. Ramana Reddy
Partner
M.No. 026967

Dear Shareholder,

Please find below the Managing Director certificate as per Clause 49(V) of the Listing Agreement:

MANAGING DIRECTOR CERTIFICATE

I, **G Vinod Reddy**, Managing Director of M/s **Neha International Limited** certify that:

1. We have reviewed the financial statements for the year and that to the best of our knowledge and believe
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) These statements present a true and fair view of the state of affairs of the Company and of the results of the operations and cash flows. The financial statements have been prepared in conformity. In all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions, entered into by the Company during the year which are fraudulent, illegal or in violation of Company's code of conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control systems for financial reporting and evaluating the effectiveness. Internal Audit function monitors the internal control systems for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
4. We indicate to the Auditors and to the Audit Committee:
 - a) Significant changes internal controls over financial reporting during the year:
 - b) Significant changes in the accounting policies during the year:
 - c) No instances of significant fraud of which we have become aware of and which involve the management or other employees who have significant role in the Company's internal control system over financial reporting

However, during the year there were no such changes and instances.

Sd/-

G. Vinod Reddy

Chairman & Managing Director

Place: Hyderabad

Date: 05.12.2013

ANNEXURE III
STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN FOR THE YEAR FROM 1ST JULY 2012 TO 30TH JUNE 2013

Particulars	Globeagro Holdings	Alliance Flowers	Oromia Wonders	Hoiletta Roses	Dream Flowers	Neha Agri corp Pte Ltd	NINT Ethiopia	Nehaagri Tanzania	Nehaagri Zambia	Nehaagri Senegal	Nehaagri Uganda	Neha Agri Services	Neha Agri services FZE - UAE
	30.06.2013	30.06.2013	30.06.2013	30.06.2013	30.06.2013	30.06.2013	30.06.2013	30.06.2013	30.06.2013	30.06.2013	30.06.2013	30.06.2013	30.06.2013
1 The Financial year of the Subsidiary companies ended on	30.06.2013	30.06.2013	30.06.2013	30.06.2013	30.06.2013	30.06.2013	30.06.2013	30.06.2013	30.06.2013	30.06.2013	30.06.2013	30.06.2013	30.06.2013
2 Date from which they became Subsidiary companies	07.02.2008	07.02.2008	07.02.2008	07.02.2008	07.09.2009	17.02.2010	03.06.2010	14.05.2010	07.03.2011	19.04.2011	27.09.2010	17.02.2010	27.02.2011
3 Country of incorporation	Mauritius	Ethiopia	Ethiopia	Ethiopia	Ethiopia	Singapore	Ethiopia	Tanzania	Zambia	Senegal	Uganda	Singapore	UAE
Number of shares held by Neha International Ltd and/or its nominees in the subsidiaries as on 30.06.2013	11815735	12999	130000	34999	6500	23,943,430	49999	99	99000000	250	99	10	1
b Extent of interest of Neha International Ltd (holding company) in the Subsidiaries as on 30.06.2012	100%	99.99%	99.99%	99.99%	50%	100%	99.99%	99.99%	99.00%	100.00%	99.00%	100%	100%
5 The net aggregate amount of the Profits/(losses) of the subsidiaries So far as it concerns the members of Neha International Ltd and is not Dealt with in the accounts of Neha International Ltd.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a For the financial year ended 30.06.13	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b For the previous financial years of the Subsidiary since it became a subsidiary	Nil	1642975	5946733	9723846	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6 The net aggregate amount of the Profits/(losses) of the subsidiaries So far as it concerns the members of Neha International Ltd Dealt With or provided for in the accounts of Neha International Ltd.													
a For the financial year ended 30.06.11	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
For the previous financial years of the Subsidiary since it became a subsidiary (30.06.2012)													

FINANCIAL INFORMATION OF THE SUBSIDIARIES FOR THE PERIOD ENDED 30TH JUNE 2013

Particulars	Globeagro Holdings	Alliance Flowers	Oromia Wonders	Holeita Roses	Dream Flowers	Neha Agri corp Pte Ltd	NINT Agri Ethiopia	Nehaagri Tanzania	Nehaagri Zambia	Nehaagri Senegal	Nehaagri Uganda	Neha Agri Services	Neha Agri-services FZE - UAE
Paid-up Share Capital	704,182,359	31,773,831	56,331,509	63,160,085	40,761,500	1,426,956,598	269,281,346	358	1,191,940	297,985	2,383,880	417	567,781
Reserves and Surplus	(94,079,884)	242,827,920	66,835,650	(10,520,706)	(66,455,330)	(113,633,659)	-	(270,451)	(4,018,274)	(18,096,297)	(1,515,552)	68,420,276	71,315,809
Total Assets	7,814,365,672	315,245,227	137,127,766	170,012,523	68,510,531	1,722,763,208	484,710,135	179	171	3,018,561	1,755,728	83,493,609	83,493,178
Total Liabilities (Excluding Capital and Reserves)	7,204,263,197	40,643,477	13,960,607	117,373,144	94,204,360	409,440,270	215,428,789	270,273	2,826,505	20,816,872	887,399	15,072,916	11,609,589
Investments (Excluding Investment in subsidiaries)	156,740	-	-	156,740	-	-	-	-	-	-	-	-	-
Total Income	113,431,983	44,231,229	54,704,115	38,783,855	36,015,149	-	-	-	-	-	-	-	-
Profit before tax	(14,602,159)	(3,285,888)	2,292,464	(17,521,914)	(913,167)	(12,514,595)	-	(6,139)	(52,445)	(3,659,642)	(4,013)	1,290,331	(616,691)
Provision for taxation	(956,830)	-	68,852	-	-	-	-	-	-	-	-	-	-
Profit after tax	(15,558,989)	(3,285,888)	2,223,612	(17,521,914)	(913,167)	(12,514,595)	-	(6,139)	(52,445)	(3,659,642)	(4,013)	1,290,331	(616,691)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

NEHA INTERNATIONAL LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of Neha International Limited which comprise the Balance Sheet as at June 30, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2013; and
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.
- (c) in the case of the cash flow statement, of the Cash Flows, for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, and Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, and Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection(3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on June 30,, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **MATHESH & RAMANA**
Chartered Accountants
Firm. Reg. No. 0020205

Place : Hyderabad
Dated : 29.08.2013

Sd/-
B.V.RAMANA REDDY
M. No. 026967, PARTNER

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Re: NEHA INTERNATIONAL LIMITED

Referred to in Paragraph 3 of our Report of even date.

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off a major part of its Fixed Assets.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were properly dealt with in the books of account.
- (iii) (a) The company has taken loans from one party covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The company has granted loan during the previous year to one company covered in the register maintained under section 301 of the Companies Act, 1956. The amount involved during the year was Rs. 153.66 lakhs and the year-end balance of loans from such parties was Rs. 128.04 lakhs.
- (c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken/granted from the parties listed in the register maintained under section 301 of the Companies Act are not, prima-facie, prejudicial to the interest of the company.
- (d) The company is regular in repaying/recovering the principal amounts as stipulated and has been regular in the payment/receiving of interest.
- (e) There was no overdue amount of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.

- (vii) In our opinion, the company has formal internal audit system and the company's internal control procedures together with the internal checks conducted by the management staff during the year can be considered as adequate systems commensurate with the size and nature of its business.
- (viii) As informed the maintenance of cost records has not been prescribed by the Central Government under section 209 (I) (d) of the Companies Act, 1956 for the activities of the company.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Tax Deducted at Source, Employee's provident fund and other statutory dues and there is no amount outstanding for a period of more than six months.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, other taxes and duties which have not been deposited on account of any dispute.
- (x) In our opinion, the company did not have the accumulated loss exceeding 50% of its net-worth at the end of year. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks.
- (xii) We are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence no need to maintain the said records.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion, the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) According to the information and explanations given to us. the company has not raised any fresh share capital by way of public issue or by any other mode during the financial year. Hence, the question of preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act does not arise.
- (xix) According to the information and explanations given to us, the company has not issued any debentures in the history of the company. Hence the creation of securities does not arise.
- (xix) According to the information and explanation given to us during the year the company has not raised money by way of public issues, hence the verification of end use of money does not arise.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **MATHESH & RAMANA**
Chartered Accountants
Firm. Reg. No. 002020S

Place : Hyderabad
Dated : 29-08-2013

Sd/-
B.V.RAMANA REDDY
M. No.026967, PARTNER



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BALANCE SHEET AS AT 30TH JUNE , 2013

PARTICULARS	Note No.	As at 30.06.2013 in ₹	As at 30.06.2012 in ₹
I EQUITY AND LIABILITIES			
I Shareholder's Funds			
Share Capital	2	283,795,680	283,795,680
Reserves and Surplus	3	1,501,034,350	1,495,650,009
Money received against share warrants	4	-	-
2 Share application money pending allotment		-	-
3 Non-Current Liabilities			
Long-term borrowings	5	118,506	366,585
Deferred tax liabilities (Net)	6	455,772	455,772
Other Long term liabilities		-	-
Long term provisions	7	2,210,962	607,970
4 Current Liabilities			
Short-term borrowings	8	134,502,702	140,474,416
Trade payables	9	253,188,450	79,323,827
Other current liabilities	10	2,267,910	2,506,092
Short-term provisions	11	13,980,634	13,560,655
Total		2,191,554,966	2,016,741,006
II Assets			
I Non-current assets			
Fixed assets	12		
Tangible assets		71,752,558	51,535,983
Intangible assets		-	906,422
Capital work-in-progress		-	-
Intangible assets under development		-	-
Non-current investments	13	1,641,154,421	1,630,590,004
Deferred tax assets (net)		-	-
Long term loans and advances		-	-
Other non-current assets	14	2,076,845	1,490,975
2 Current assets			
Current investments		-	-
Inventories	15	1,717,415	3,416,300
Trade receivables	16	247,734,194	150,520,585
Cash and cash equivalents	17	62,901,972	14,952,461
Short-term loans and advances	18	114,046,529	147,318,959
Other current assets	19	50,171,032	16,009,317
Total		2,191,554,966	2,016,741,006

As per our Report of even Date

For **Mathesh & Ramana**

Chartered Accountants

Firm Reg. No. 0020205

B.V. Ramana Reddy

Partner

M.No.026967

Place : Hyderabad

Date : 29.08.2013

G. Pramod

Director

N.Sridhar V Rao

Chief Financial Officer

For **Neha International Limited****G.Vinod Reddy**

Managing Director

V.S. Venkatesh

Company Secretary

PROFIT AND LOSS FOR THE YEAR ENDED 30TH JUNE, 2013

PARTICULARS	Note No	As on 30.06.2013 in ₹	As on 30.06.2012 in ₹
INCOME			
Revenue from operations	20	1,000,079,207	510,517,002
Other Income	21	13,796,093	4,107,643
TOTAL REVENUE (I)		1,013,875,300	514,624,645
EXPENSES			
Cost of materials consumed		-	-
Purchases	22	923,466,308	454,332,434
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	1,698,886	(3,416,300)
Employee benefit expense	24	12,073,721	9,124,535
Financial costs	25	27,944,150	18,768,663
Depreciation and amortization expense	12	1,539,422	1,457,875
Other expenses	26	37,100,342	23,947,440
TOTAL EXPENSES (II)		1,003,822,829	504,214,647
Profit before exceptional and extraordinary items and tax (I-II)		10,052,471	10,409,998
Exceptional Items		-	-
Profit before extraordinary items and tax		10,052,471	10,409,998
Extraordinary Items		-	-
Profit before tax		10,052,471	10,409,998
Tax expense:			
Current tax		3,424,862	3,148,920
Deferred tax		-	10,000
MAT Tax Credit		(1,509,364)	(1,329,990)
Profit(Loss) from the period from continuing operations		8,136,973	8,581,068
Profit/(Loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit/(Loss) from Discontinued operations		-	-
Profit/(Loss) for the period		8,136,973	8,581,068
Earning per equity share:			
(1) Basic		0.29	0.30
(2) Diluted		0.29	0.29

As per our Report of even Date

For **Mathesh & Ramana**

Chartered Accountants

Firm Reg. No. 0020205

B.V. Ramana Reddy

Partner

M.No.026967

Place : Hyderabad

Date : 29.08.2013

G. Pramod

Director

N. Sridhar V Rao
Chief Financial OfficerFor **Neha International Limited****G. Vinod Reddy**

Managing Director

V.S. Venkatesh
Company Secretary



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS**2. SHARE CAPITAL**

PARTICULARS	As at 30.06.2013		As at 30.06.2012	
	Number of Shares	₹	Number of Shares	₹
Authorised				
Equity shares of Rs.10 each with voting rights	40,000,000	400,000,000	40,000,000	400,000,000
Issued				
Equity shares of Rs.10 each with voting rights	28,379,568	283,795,680	28,379,568	283,795,680
Subscribed & Fully Paid Up				
Equity shares of Rs.10 each with voting rights	28,379,568	283,795,680	28,379,568	283,795,680

a) A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	No. of Shares	As at 30.06.2013	No. of Shares	As at 30.06.2012
Equity Shares of Rs.10 each, Fully paid up :				
At the beginning of the reporting period	28,379,568	283,795,680	24,783,318	247,833,180
Issued during the period - Bonus Issue	-	-	-	-
Issued during the period- Cash Issue	-	-	3,530,000	35,300,000
Issued during the period- ESOP	-	-	66,250	662,500
Forfeited / Bought Back during the year	-	-	-	-
Outstanding at the end of the reporting period	28,379,568	283,795,680	28,379,568	283,795,680

b) Details of Shareholder holding more than 5% shares of the company

NAME OF THE SHARE HOLDERS	As at 30.06.2013		As at 30.06.2012	
	Number of Shares	% Share Holding	Number of Shares	% Share Holding
Equity Shares of ₹ 10 each Held By				
MVR Projects Private Limited	4,000,000	13.97%	4,700,000	16.56%
The Bank of Newyork Melon	4,620,000	16.28%	4,640,000	16.35%

3 RESERVES AND SURPLUS

PARTICULARS	As at 30.06.2013 in ₹	As at 30.06.2012 in ₹
RESERVES AND SURPLUS		
a) Capital reserve		
As at the commencement of the year	43,170,000	18,420,000
Add: Additions during the year	-	24,750,000
Less: Utilised during the year	-	-
	43,170,000	43,170,000
b) Securities Premium Reserve		
As at the commencement of the year	1,425,867,858	1,266,644,820
Add: Shares premium on shares allotment	-	159,512,500
Less: Utilised for Capital raising expenses during the year	-	289,462
	1,425,867,858	1,425,867,858
c) Surplus :		
i) Opening Balance - Profit and Loss Account	26,612,151	18,031,083
Add: Transfer from Profit & Loss Account	8,136,973	8,581,068
Less: Adjustment of Mat Credit	2,752,632	-
	31,996,492	26,612,151
Total Reserves and Surplus	1,501,034,350	1,495,650,009

4 MONEY RECEIVED AGAINST SHARE WARRANTS

Opening Balance as on 1st July	-	78,375,000
Add; Share Warrants Money Received	-	140,525,000
	-	218,900,000
Converted in to Share Capital -3530000		
Shares in 2012	-	35,300,000
	-	183,600,000
Share Premium Account	-	158,850,000
	-	24,750,000
Share Warrant Money Refund	-	-
	-	24,750,000
Share Warrant Money Forfieted	-	24,750,000
Closing Balance as on 30th June	-	-



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	PARTICULARS	As at 30.06.2013 in ₹	As at 30.06.2012 in ₹
5	LONG TERM BORROWINGS		
	Vehicle Loans:		
	From banks:		
	Secured	118,506	366,585
	(Secured by Hypothecation of Vehicles)		
	Total Long Term Borrowings	118,506	366,585
6	DEFERRED TAX LIABILITIES (NET)		
	Opening Deferred tax Liability	455,772	445,772
	Add: Deferred Tax Liability for the year (Due to SLM and WDV Difference)	-	10,000
	Deferred Tax Liability/ (Asset) - Net	455,772	455,772
7	LONG TERM PROVISIONS		
	Provisions for employee benefits		
	Provision for Gratuity	2,210,962	607,970
	Total Long Term Provisions	2,210,962	607,970
8	SHORT TERM BORROWINGS		
	Loans repayable on demand:		
	From banks		
	Secured	43,984,440	27,581,709
	(Cash credit from M/s Union Bank of India is secured by the collateral property and personal guarantee of the Promoter Directors)		
	From other parties		
	Unsecured	77,714,355	104,500,000
	Loans and advances from Related parties		
	Unsecured	12,803,907	8,392,707
	Total short term borrowings	134,502,702	140,474,416
9	TRADE PAYABLES		
	Trade Payables	253,188,450	79,323,827
	Total Trade Payables	253,188,450	79,323,827
10	OTHER CURRENT LIABILITIES		
	Current maturities of long term debt	248,079	486,261
	Other Payables - Investments payable	2,019,831	2,019,831
	Total other current liabilities	2,267,910	2,506,092
11	SHORT TERM PROVISIONS		
	Provisions for employee benefits		
	Salaries Payable	1,133,838	764,013
	Others (Specify the nature)		
	Tax Deducted at source	3,625,170	3,893,349
	Provision for Expenses	9,221,626	8,903,294
	Total short term provisions	13,980,634	13,560,656

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTE NO. 12 - TANGIBLE ASSETS & INTANGIBLE ASSETS

Particulars	Gross Block				Depreciation / Amortisation				Net Block				
	As at 01/07/2012	Additions during the year	Additions through Business acquisitions	Capitalised during the year	Sale / Deletions during the year	As on 30.06.2013	Rate of Depreciation	Dep.As on 01.07.2012	Dep. For the year 2012-2013	Impairment Loss/ Reversal of Impairment Loss for the year	Total Depreciation	Net Block as on 30.06.2013	Net Block as on 30.06.2012
Tangible Assets:													
1 LAND	46,527,310	20,849,575	-	-	-	67,376,885	0.00	-	-	-	-	67,376,885	46,527,310
2 BUILDING	-	-	-	-	-	-	3.34%	-	-	-	-	-	-
3 PLANT & MACHINERY	-	-	-	-	-	-	4.75%	-	-	-	-	-	-
4 ELECTRICAL EQUIPMENT	-	-	-	-	-	-	4.75%	-	-	-	-	-	-
5 LABORATORY EQUIPMENT	-	-	-	-	-	-	4.75%	-	-	-	-	-	-
6 OFFICE EQUIPMENT	2,243,191	-	-	-	-	2,243,191	4.75%	1,039,665	106,552	-	1,146,217	1,096,974	1,203,526
7 COMPUTERS	1,084,230	-	-	-	-	1,084,230	16.21%	785,448	60,480	-	845,928	238,302	298,782
8 FURNITURE	2,687,542	-	-	-	-	2,687,542	6.33%	1,427,399	170,120	-	1,597,519	1,090,023	1,260,143
9 VEHICLES	2,640,468	-	-	-	-	2,640,468	9.50%	551,742	250,844	-	802,586	1,837,882	2,088,726
10 PATENTS AND TRADEMARKS	225,000	-	-	-	-	225,000	20.00%	67,504	45,004	-	112,508	112,492	157,496
Total	55,407,741	20,849,575	-	-	-	76,257,316		3,871,758	633,000	-	4,504,758	71,752,558	51,535,983
Intangible Assets:													
11 INTANGIBLE FIXED ASSETS	4,623,016	-	-	-	-	4,623,016	20.00%	3,716,594	906,422	-	4,623,016	-	906,422
TOTAL	4,623,016	-	-	-	-	4,623,016		3,716,594	906,422	-	4,623,016	-	906,422
Depreciation & Amortization Expenses									1,539,422				

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	PARTICULARS	As at 30.06.2013 in ₹	As at 30.06.2012 in ₹
13	NON- CURRENT INVESTMENTS		
	Investment in Subsidiaries		
	Equity Shares		
	in M/s Globeagro Holdings with 100% of holding	519,363,704	519,363,704
	in M/s Neha Agricorp Pte Ltd with 100% of holding	1,098,895,387	1,088,330,970
	in M/s Neha Agriservices Pte Ltd with 100% of holding	330	330
	in M/s Dream Flowers PLC with 50% of holding	22,895,000	22,895,000
		<u>1,641,154,421</u>	<u>1,630,590,004</u>
	Total Non Current Investments	1,641,154,421	1,630,590,004
	Less: Provision for Diminution in Investments	-	-
	Total Non - Current Assets (Net)	<u>1,641,154,421</u>	<u>1,630,590,004</u>
14	OTHER NON - CURRENT ASSETS		
	Interest Accrued on Deposits	987,141	401,271
	Deposits	1,089,704.	1,089,704
	Miscellaneous Expenditure (to the extent not written off)	-	-
	Total other non current assets	<u>2,076,845.00</u>	<u>1,490,975.00</u>
	Less : Provision for Bad and Doubtful debts	-	-
	Total non - current assets(net)	<u>2,076,845.00</u>	<u>1,490,975.00</u>
15	INVENTORIES		
	Stock - in - trade (in respect of goods acquired for trading)	1,717,415	3,416,300
	Total Inventories	<u>1,717,415</u>	<u>3,416,300</u>
16	TRADE RECEIVABLES		
	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, Considered Good	29,157,489	-
		<u>29,157,489</u>	<u>-</u>
	Other Receivables:		
	Unsecured, Considered Good	218,576,705	150,520,585
		<u>218,576,705</u>	<u>150,520,585</u>
	Total trade receivable	<u>247,734,194</u>	<u>150,520,585</u>
	Less : Allowance for bad & doubtful debts	-	-
	Total Trade Receivables(net)	<u>247,734,194</u>	<u>150,520,585</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	PARTICULARS	As at 30.06.2013 in ₹	As at 30.06.2012 in ₹
17	CASH AND BANK BALANCES		
	Cash and cash equivalents :		
	Balances with banks :		
	On Current Accounts	103,477	4,680,016
	Margin Money	62,386,220	10,108,438
	Cash on hand	412,275	164,007
	Total Cash and Cash Equivalents	62,901,972	14,952,461
18	SHORT TERM LOANS AND ADVANCES		
	Loans and advances to related parties (giving details thereof)		
	Unsecured - Loan & Advance to Subsidiaries	92,196,986	133,498,950
	Other loans And advances (Specify the nature)		
	Advance for Expenses	2,598,000	1,673,000
	Advance to staff	-	260,061
	Advance to Suppliers	8,428,526	5,599,883
	Advance to Capital works	7,419,850	457,350
	Prepaid Expenses	81,865	87,757
	TDS Receivable	331,976	-
	MAT Credit	2,989,326	5,741,958
	Total short term loans & advances	114,046,529	147,318,959
	Less : Provision for Doubtfull Debts	-	-
	Total short term loans & advances(net)	114,046,529	147,318,959
19	OTHER CURRENT ASSETS		
	Other Current Assets	50,171,032	16,009,317
	Total other current Assets	50,171,032	16,009,317
20	REVENUE FROM OPERATIONS		
	Merchandising Sales (Flowers)	9,563,068	46,572,860
	Local Sales (Agricultural Items)	386,721,495	463,912,604
	Export Sales (Machinery)	603,794,644	31,538
	Total Revenue from Operations	1,000,079,207	510,517,002
21	OTHER INCOME		
	Interest income (Other than a finance company)	4,767,760	3,993,715
	Other Income	9,028,333	113,928
	Total Other Income	13,796,093	4,107,643
22	PURCHASES - TRADING		
	Merchandising Purchases (Flowers)	4,984,935	21,412,055
	Local Purchases (Agricultural Items)	909,617,872	421,092,943
	Purchases - Import (Cashew Nuts)	8,863,501	11,827,436
	Total Trade Purchases	923,466,308	454,332,434



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	PARTICULARS	As at 30.06.2013 in ₹	As at 30.06.2012 in ₹
23	CHANGE IN INVENTORIES & WIP.		
	Stock in trade at the beginning of the year	3,416,300	-
	Less : Stock in trade at the end of the year	1,717,414	3,416,300
		1,698,886	(3,416,300)
	(Increase) / Decrease in Inventories	1,698,886	(3,416,300)
24	EMPLOYEE BENEFIT EXPENSES		
	Salaries & Wages	7,433,400	6,088,262
	Staff Welfare Expenses	37,329	36,273
	MD's Remuneration	3,000,000	3,000,000
	Gratuity	1,602,992	-
	Total Employee Benefit Expenses	12,073,721	9,124,535
25	FINANCE COST		
	Bank Charges	7,798,958	2,085,161
	Interest on ICD's	13,856,541	16,230,942
	Interest on Cash Credit	6,226,728	382,889
	Interest on Hire Purchase	61,923	69,671
	Total Finance Cost	27,944,150	18,768,663
26	OTHER EXPENSES		
	Insurance	145,006	57,785
	Listing Fee and Annual Registration Fee	401,248	365,185
	Share Transfer Expenses	88,438	77,214
	Repairs and Maintenance	74,303	7,264
	Office Maintenance	164,742	425,866
	Miscellaneous Expenses Written Off	-	99,043
	Transportation Charges	-	-
	Rent	1,956,768	1,951,044
	Rates & Taxes (excluding Income Tax)	83,837	92,963
	Advertisement Expenses	124,354	90,956
	Payment to Auditors:		
	As Auditor	207,866	185,394
	Miscellaneous Expenditure	424,629	904,059
	Telephone, Postage and Others	589,957	527,335
	Conveyance	1,748,499	2,322,891
	Printing & Stationery Expenses	88,935	46,058
	Professional Consultancy fee	795,912	332,930
	Director Sitting Fee	50,000	25,000
	Interest on taxes Payable	894,874	659,454
	Selling Expenses		
	Handling charges (Export)	25,910,742	15,000
	Packing Material consumed	-	-
	Merchandising sales expenses	3,350,232	14,832,740
	Carriage outwards - Exports	-	-
	Carriage outwards - Local	-	594,146
	Business Promotion	-	-
	Commission & Brokerage	-	335,113
	Total Other expenses	37,100,342	23,947,440

SCHEDULES FORMING PART OF THE ACCOUNTS

I. Significant Accounting Policies and notes to accounts forming part of the accounts for the year ended 30th June 2013.

A. ACCOUNTING POLICIES

1. The accounts are prepared on the historical cost convention and on the accounting principle of a going concern. The accounts are prepared to comply in all material aspects with the applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies act, 1956 of India.
2. All Income and expenses to the extent considered receivable and payable unless specifically stated to be otherwise are accounted for on accrual basis.
3. Fixed assets are stated at cost less accumulated depreciation. The expenses related to, and incurred during implementation period have been capitalized under the appropriate heads. The original cost of fixed assets is inclusive of Freight, duties, taxes, incidental expenses relating to the acquisition, cost of installation/erection etc.
4. Depreciation on Fixed assets have been charged on straight-line method at the rates and in the manner specified in Schedule XIV to the Companies act, 1956.
5. Miscellaneous expenditure: Expenses incurred for the acquisition of subsidiaries has been capitalized and will be written off in equal installments over a period of five years.
6. **Inventories:** Raw materials and consumable stores are valued at cost on FIFO basis. Finished goods are valued on the lower of cost or net realizable value.
7. **Intangible Assets:** The expense incurred on the development of overseas markets has been recognized as Intangible Assets and will be amortized over a period of five years. The company is following the practice of writing off the Deferred Revenue charges over a period of five years and the same accounting treatment is consistently followed for the current year also. Any new deferred revenue expenditure incurred will be written off in the year of such expenditure as per Accounting Standard 28.
8. **Gratuity:** Provision for Gratuity liability has been made for eligible employees basing on actuarial valuation carried out by M/s. K. A. Pandit Consultants & Actuaries as per the Accounting Standard AS 15 issued by the Institute of Chartered Accountants of India.
9. **Leave Encashment:** Leave encashment will be accounted for as and when payments are made.
10. **Provident Fund:** Contributions to appropriate Authorities is charged to Profit and Loss Account.
11. **Lease Rentals:** Lease rentals in respect of operating lease accrue as per the Lease agreement and are charged to Profit and Loss account.
12. **Deferred Tax:** Deferred tax charge reflects the tax effects of timing difference between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.
13. Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Net exchange gain or loss resulting in respect of foreign exchange transactions settled during the period is recognized in the profit and loss account except for the net exchange gain or loss on account of imported Fixed assets, which is



adjusted in the carrying amount of the related fixed assets. Foreign Currency Denominated current assets and current liabilities at period end are translated at the period end exchange Rates and the resulting net gain or loss is recognized in the profit and loss account, except for exchange Differences related to acquisition of fixed assets purchased from foreign countries is adjusted in the Carrying amount of the related fixed assets.

B. Notes to Accounts:

- The Company has prepared its financial statements for a period of twelve months i.e. from 1st July 2012 to 30th June 2013.
- In the view of Management, no event has taken place to trigger the need for testing its assets for impairment. Accordingly, as per the management's assessment, the carrying values of its assets as at the Balance sheet date are not higher than their corresponding recoverable amounts.

3. EARNING PER SHARE (EPS)

Particulars	Year Ended 30.06.2013	Year Ended 30.06.2012
Profit attributed to the Equity Shareholders ₹ (A)	8,136,973	8,581,068
Weighted average number of Equity Shares		
Outstanding during the year (B)	28,379,568	28,379,568
Face Value of Equity Shares ₹	10/-	10/-
Basic Earning per share ₹ (A/B)	0.29	0.30
Diluted Earning per Share ₹ (A/B)	0.29	0.29

4. SEGMENT REPORTING AS 17

Business Segment: Since the company is into merchandising, trading in flowers, Machinery and other Agri products in addition to growing of flowers, the revenues from each operation is also given below.

Geographical Segment: Geographical Segment of the company are India, Japan, Greece & Italy, as the company is engaged in business with these countries.

Revenue from these segments is as follows.

Segment wise Revenues - Product wise:

(in ₹)

Revenue	Cut Flowers	Export Sales	Outsourcing	Total
Current Year	9,563,068	603,794,644	386,721,495	1,000,079,207
Previous Year	46,572,860	31,538	463,912,604	510,517,002

Segment wise Revenues - Operation wise:

(In ₹)

Revenue	Farm	Merchandising	Tradings Sales	Total
Current Year	-	9,563,068	990,516,139	1,000,079,207
Previous Year	-	46,572,860	463,944,142	510,517,002

GEOGRAPHICAL REVENUES

(in ₹)

Geographical Segment	REVENUE	
	Current Period	Previous Period
India	990,516,139	463,912,604
Japan	5,969,479	35,375,155
Greece	-	832,462
Italy	3,593,589	10,396,781
Total	1,000,079,207	510,517,002

5. RELATED PARTY DISCLOSURE: Information regarding Related Party Transactions as per Accounting Standard 18 issued by the ICAI

A. Related Party and their Relationship**I. (A) Subsidiaries (Direct Holding)**

- M/s Globe agro Holdings, Mauritius
- M/s Dream Flowers PLC, Ethiopia
- M/s NehaAgricorp PTE Ltd, Singapore
- M/s Neha Agriservices PTE Ltd, Singapore

(B) Step Subsidiaries (Indirect Holding)

- a. M/s Alliance Flowers PLC, Ethiopia
- b. M/s Holetta Roses PLC, Ethiopia
- c. M/s Oromia Wonders PLC, Ethiopia.
- d. M//s NINTAgri PLC, Ethiopia.
- e. M/s Neha AgriTanzania Ltd, Tanzania
- f. M/s Neha Agri Ventures (U) Ltd, Uganda
- g. M/s Neha Agri Zambia Ltd., Zambia
- h. M/s Neha Agri Senegal SUARL, Senegal
- i. M/s Neha Agriservices FZE, UAE

B. Transactions with Related Parties (Amount in Lakhs)

Particulars	Alliance Flowers	Dream	Holetta	Oromia	NehaAgricorp
Purchase of Goods	---	22.19	17.01	10.65	---
Payments against material	10.20	---	13.26	---	---
Sale of Goods	---	---	---	---	---
Receipts against material	---	---	---	---	---

Name of the Company or Party	Relationship	Nature of Transaction	Amount ₹ in lakhs	Outstanding amounts carried in the Balance Sheet (₹ in lakhs)
Mr. Vinod Reddy G.	Managing Director	Obtained/re paid Unsecured Loan	153.66	128.04

- 6) In compliance with Accounting Standard AS 19 "Lease", the following are the Disclosures: The Company has entered into an operating lease agreement for its office premises for a period of 24 months renewable at the option of the lesser and lessee. Total lease payments for the period charged to P&L account is ₹ 16,90,788/- (Previous Year - ₹ 15,99,891/-)
- 7) The Company has recognized MAT Credit of ₹ 2989326/- in the books in accordance with 115JAA of the Income tax act, as there is a reasonable certainty of future taxable profits against which MAT credit can be realized. The company has recognized deferred tax liability of ₹ Nil in the books in accordance with AS-22 "Accounting for taxes on income"



- 8) **Contingent Liabilities:** During the year, the company utilized Stand by Letter of Credit facility of USD 919,000 from State Bank of Mauritius for securing the working capital facilities of NINT AGRI PLC., Ethiopian based step subsidiary of the company.
- 9) Confirmation of balances has not been received from some of the Creditors, Debtors and for Loans & Advances, which are subject to reconciliation. Provision for doubtful debts, if any, in respect of the above and the consequential adjustment, if any, whether of revenue nature or otherwise, will be dealt accordingly.

10) MANAGERIAL REMUNERATION

Particulars	30.06.2013	30.06.2012
Salaries and Allowances	3,000,000	3,000,000
Contribution towards Retirement benefits	Nil	Nil
Perquisites	Nil	Nil
Total	3,000,000	3,000,000

11) Auditors Remuneration:	2012-13	2011-12
Audit Fees	₹ 165,000	₹ 145,000
Tax Audit	₹ 20,000	₹ 20,000

Exclusive of service tax & out of pocket expenses

- 12) No amounts are due to SSI units beyond the prescribed limit as on 30th June 2013.
- 13) The members of the Company at their Annual General Meeting held on 10th October, 2007 had approved granting of a maximum of 700000 Options to its eligible employees by special resolution. Pursuant to this approval, the Compensation committee at its meeting held on 7th August, 2009 had granted 500000 options to the eligible employees of the company and its overseas subsidiaries and the same shall be exercised within five years from the date of vesting as per NEHA ESOP-2007.
- 14) The Parent company has further invested US\$ 0.1915 Million (₹10,564,417/-) in its 100% wholly owned subsidiary M/s Neha Agricorp PTE Ltd
- 15) Additional information pursuant to part II of schedule VI of the Companies Act, 1956. Quantitative and other details: Current year the company has not undertaken any manufacturing activity in India. Hence it is not applicable.
- 16) In compliance with Accounting Standard (AS 22) "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India, the company Provided for deferred taxes on timing differences in the books.

Deferred Tax Liability on Fixed Assets	2012-13 ₹	2011-12 ₹
- Opening Balance	4,55,772	4,45,772
- During the Year	-	10,000
Deferred Tax Asset	4,55,772	4,55,772

17) CIF Value of Imports (In ₹)	Current Year	Previous Year
a) Capital Equipment's	Nil	Nil
b) Purchase of Flowers for trading	49.85 Lakhs	332.39 Lakhs
c) Expenditure in Foreign Currency:		
Handling & Freight	263.12 Lakhs	148.33 Lakhs
Foreign Travel	10.87 Lakhs	8.26 Lakhs
Earning in Foreign Currency : (FOB Value of Exports)	5561.56 Lakhs	418.40 Lakhs
d) Raw Materials	Nil	Nil

- 18) During the year, the company got the sanction of USD. 919,000 Stand by Letter of Credit(SBLC) from State Bank of Mauritius Limited and Letter of Credit facility of Rs. 1000 Lakhs from Bank of Maharashtra. These limits are secured by way of cash margin, hypothecation of Immovable properties of Neha International Limited, and personal guarantee of promoter Directors
- 19) Previous year's figures have been regrouped, rearranged and reclassified, wherever necessary to match with the current year's figures.
- 20) Figures have been rounded off to the nearest rupee.

Signature to Schedule I to 26**As per our report of even date**For **Mathesh & Ramana**

Chartered Accountants

Firm Regn No.002020S

B.V. Ramana Reddy

Partner

M.No.026967

For and on behalf of the Board

For Neha International Limited**G.Pramod**

Director

G. Vinod Reddy

Managing Director

N.Sridhar V Rao

Chief Financial Officer

V.S. Venkatish

Company Secretary

Place: Hyderabad

Date: 29.08.2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2013

PARTICULARS	Year ended 30.06.2013 (Rs. in lacs)	Year ended 30.06.2012 (Rs. in lacs)
Cash Flow from Operating Activities:		
Net Profit before Exceptional Item	100.52	104.10
Adjustment for:		
Interest Expenses	279.44	194.28
Depreciation	6.33	5.92
Miscellaneous Expenditure Written off	-	0.99
Provision for MAT (Net)	(46.68)	(18.19)
Operating Profit before working Capital Changes	339.61	287.10
Adjustment for:		
Debtors and other receivables	(1,319.61)	(492.77)
Increase/Decrease in Loans & Advance	332.72	(306.45)
Increase /Decrease in Inventories	16.99	(34.16)
Increase/Decrease in Creditors and other payables	1,756.49	351.73
Net Cash from operating Activities(A)	1126.21	(194.55)
Cash Flow from Investing Activities:		
Purchase of Fixed Assets (Net)	(208.50)	(473.96)
Additions/ Written off of in Intangible asset (Net)	9.06	8.66
Investments in subsidiary	(105.64)	(872.69)
Expenditure for Enhancement of Authorised share capital	-	-
Net Cash used in investing activities:(B)	(305.08)	(1338.00)
Cash Flow from Financing Activities:		
Proceeds from secured loan	161.55	278.64
Proceeds from unsecured loan	(223.74)	128.97
Issue of Equity Shares/Share application money	-	1,415.61
Interest paid	(279.44)	(194.28)
Net Cash used in Financing Activites (C)	(341.63)	1,628.93
Net Decrease/Increase in Cash and cash Equivalents:(A+B+C)	479.50	96.39
Cash and Cash equivalent at the beginning of the year	149.52	53.13
Cash and Cash equivalent at the end of the year	629.02	149.52

As per our Report of even Date

 For **Mathesh & Ramana**

Chartered Accountants

Firm Reg. No. 0020205

B.V. Ramana Reddy

Partner

M.No.026967

Place : Hyderabad

Date : 29.08.2013

G. Pramod
 Director

N.Sridhar V Rao
 Chief Financial Officer

 For **Neha International Limited**
G.Vinod Reddy
 Managing Director

V.S.Venkatish
 Company Secretary

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow statement of **NEHA INTERNATIONAL LIMITED**, Hyderabad for the period ended 30th June, 2013. The statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 with Bombay Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by report of 29th August, 2013 to the members of the Company.

For **MATHESH & RAMANA**
Chartered Accountants
Firm. Reg. No. 002020S

Place : Hyderabad
Dated 29.08.2013:

Sd/-
B.V.RAMANA REDDY
M. No.026967, PARTNER

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

I	REGISTRATION DETAILS			
	Registration No.	015987	State Code	01
	Balance Sheet Date	30th June, 2013		
II	CAPITAL RAISED DURING THE YEAR	₹ in 000's		₹ in 000's
	Public Issue	NIL	Rights Issue	NIL
	Bonus Issue	NIL	Private Placement	NIL
III	POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS	₹ in 000's		₹ in 000's
	Total Liabilities	2191554.966	Total Assets	2191554.966
	Sources of Funds			
	Paid up Capital	283795.680	Reserves & Surplus	1501034.350
	Non-Current Liabilities	2785.240	Current Liabilities	403939.696
	Application of Funds			
	Net Fixed Assets	71752.558	Non Current - Investments	1641154.421
	Other Non- Current Assets	2076.845	Current Assets	476571.142
	Accumulated Losses	NIL		
IV	PERFORMANCE OF COMPANY	₹ In 000's		₹ in 000's
	Turnover	1013875.300	Total Expenditure	1003822.829
	Loss/Profit before Tax & after extra ordinary item	10052.471	Profit/Loss after Tax & Extra ordinary item	8136.973
V	GENERIC NAMES OF PRINCIPAL PRODUCTS OF THE COMPANY			
	Product Description			
	CUT FLOWERS		060 -31000	

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
NEHA INTERNATIONAL LIMITED

Report on the Financial Statements:

We have audited the accompanying consolidated financial statements of Neha International Limited which comprise the Balance Sheet as at June 30, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a Summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We have not audited the financial statements of foreign subsidiaries, whose financial statements reflect total assets of INR 231.26 Crores as at June 2013, total revenue of INR 12.62 Crores and net cash inflows amounting to INR 42.60 Lakhs for the period ended was considered for the purpose of the financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us for the purpose of consolidation and our opinion in so far as it related to the amounts included in respect of the subsidiaries are based solely on the report of other auditors. In respect of audit reports of subsidiaries Alliance Flowers PLC, Dream Flowers PLC, Holleta Roses PLC, NintAgri PLC and Oromia Wonders PLC, the auditors have commented on the non maintenance of fixed assets register, non provision for bad debts of Birr 1,33,40,482 (INR 418.29 Lakhs), Cash difference of Birr 9,32,151 (INR 29.23 Lakhs), non verification of stock account balance of Birr 31,23,815 (INR 97.85 Lakhs), and not provided supporting documents for capital work in progress Birr 26,19,253 (INR 82.12 Lakhs) debtors and prepayments of Birr 8,55,862 (INR 26.83 Lakhs) and credit of capital receipt of Birr 4,48,068 (INR 14.05 Lakhs). In case of Neha Agri Senegal the auditor commented on erosion of capital by more than 50%.

We report that the consolidated financial statements have been prepared by the company's management in accordance with requirements of the Accounting Standard (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, except for the effects of the matters stated in the above paragraph and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2013; and
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.
- (c) in the case of the cash flow statement, of the Cash Flows, for the year ended on that date.

For **MATHESH & RAMANA**
Chartered Accountants

Sd/-

B.V.RAMANA REDDY
M. No.026967, PARTNER

Place : Hyderabad

Dated : 29.08.2013



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CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE , 2013

PARTICULARS	Note No.	As at 30.06.2013 in ₹	As at 30.06.2012 in ₹
I EQUITY AND LIABILITIES			
I Shareholder's Funds			
Share Capital	2	283,795,680	283,795,680
Reserves and Surplus	3	2,014,619,648	1,962,859,675
Money received against share warrants	4	-	-
2 Share application money pending allotment		-	-
3 Non-Current Liabilities			
Long-term borrowings	5	52,649,782	116,649,697
Deferred tax liabilities (Net)	6	455,772	455,772
Other Long term liabilities	7	-	2,059,824
Long term provisions	8	2,210,962	607,970
4 Current Liabilities			
Short-term borrowings	9	261,308,826	170,944,764
Trade payables	10	158,420,364	82,582,973
Other current liabilities	11	44,512,101	32,100,186
Short-term provisions	12	45,112,518	46,150,760
Total		2,863,085,653	2,698,207,301
II Assets			
I Non-current assets			
Fixed assets	13		
Tangible assets		397,035,222	386,669,381
Intangible assets		380,793,958	381,700,380
Capital work-in-progress		306,680,970	287,527,854
Intangible assets under development		-	-
Non-current investments	14	156,740	155,550
Deferred tax assets (net)		-	-
Long term loans and advances		-	-
Other non-current assets	15	2,441,100	1,852,386
2 Current assets			
Current investments		-	-
Inventories	16	13,587,870	16,039,823
Trade receivables	17	422,779,871	375,962,718
Cash and cash equivalents	18	67,162,064	45,177,129
Short-term loans and advances	19	1,262,024,146	1,196,065,465
Other current assets	20	10,423,712	7,056,614
Total		2,863,085,653	2,698,207,301

As per our Report of even Date

For **Mathesh & Ramana**

Chartered Accountants

Firm Reg. No. 0020205

B.V. Ramana Reddy

Partner

M.No.026967

Place : Hyderabad

Date : 29.08.2013

G. Pramod

Director

N.Sridhar V Rao

Chief Financial Officer

For **Neha International Limited****G.Vinod Reddy**

Managing Director

V. S. Venkatish

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30TH JUNE, 2013

PARTICULARS	Note No	As on 30.06.2013 in ₹	As on 30.06.2012 in ₹
INCOME			
Revenue from operations	21	1,130,783,202	783,703,072
Other Income	22	9,326,424	906,971
TOTAL REVENUE (I)		1,140,109,626	784,610,043
EXPENSES			
Cost of materials consumed	23	45,267,371	57,092,820
Purchase of Stock-in-Trade	24	935,443,317	483,084,598
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	1,698,886	(3,416,300)
Employee benefit expense	26	15,991,894	17,569,943
Financial costs	27	37,836,623	34,604,204
Other expenses	28	104,721,714	114,582,171
Depreciation and amortization expense	13	14,132,549	15,915,868
TOTAL EXPENSES (II)		1,155,092,354	719,433,304
Profit before exceptional and extraordinary items and tax (I-II)		(14,982,728)	65,176,739
Exceptional Items		-	-
Profit before extraordinary items and tax		(14,982,728)	65,176,739
Extraordinary Items		-	-
Profit before tax		(14,982,728)	65,176,739
Tax expense:			
Current tax		3,489,950	6,015,122
Deferred tax		-	10,000
MAT Tax Credit		(2,322,260)	(1,329,990)
Profit(Loss) from the period from continuing operations		(16,150,418)	60,481,607
Profit/(Loss) from discontinuing operations		-	-
Minority Interest		124,475	(2,877,466)
Profit/(Loss) from Discontinuing operations		-	-
Profit/(Loss) for the period		(16,274,893)	63,359,073
Earning per equity share:			
(1) Basic		-	2.23
(2) Diluted		-	2.22
Summary of Significant Accounting Policies	I		

As per our Report of even Date

For **Mathesh & Ramana**

Chartered Accountants

Firm Reg. No. 0020205

B.V. Ramana Reddy

Partner

M.No.026967

Place : Hyderabad

Date : 29.08.2013

G. Pramod

Director

N. Sridhar V Rao

Chief Financial Officer

For **Neha International Limited****G. Vinod Reddy**

Managing Director

V.S.Venkatish

Company Secretary



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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**2. SHARE CAPITAL**

PARTICULARS	As at 30.06.2013		As at 30.06.2012	
	Number of Shares	₹	Number of Shares	₹
Authorised				
Equity shares of Rs.10 each with voting rights	40,000,000	400,000,000	40,000,000	400,000,000
Issued				
Equity shares of Rs.10 each with voting rights	28,379,568	283,795,680	28,379,568	283,795,680
Subscribed & Fully Paid Up				
Equity shares of Rs.10 each with voting rights	28,379,568	283,795,680	28,379,568	283,795,680

a) A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	No. of Shares	As at 30.06.2013	No. of Shares	As at 30.06.2012
Equity Shares of Rs.10 each, Fully paid up :				
At the beginning of the reporting period	28,379,568	283,795,680	24,783,318	247,833,180
Issued during the period - Bonus Issue	-	-	-	-
Issued during the period- Cash Issue	-	-	3,530,000	35,300,000
Issued during the period- ESOP	-	-	66,250	662,500
Forfeited / Bought Back during the year	-	-	-	-
Outstanding at the end of the reporting period	28,379,568	283,795,680	28,379,568	283,795,680

b) Details of Shareholder holding more than 5% shares of the company

Name of the Share Holder	As at 30.06.2013		As at 30.06.2012	
	Number of Shares	% Share Holding	Number of Shares	% Share Holding
Equity Shares of ₹ 10 each Held By				
MVR Projects Private Limited	4,000,000	13.97%	4,700,000	16.56%
The Bank of Newyork Melon	4,620,000	16.28%	4,640,000	16.35%

3 RESERVES AND SURPLUS

	As at 30.06.2013 in ₹	As at 30.06.2012 in ₹
RESERVES AND SURPLUS		
a) Capital reserve		
As at the commencement of the year	43,170,000	18,420,000
Add: Additions during the year	-	24,750,000
Less: Utilised during the year	-	-
	43,170,000	43,170,000
b) Securities Premium Reserve		
As at the commencement of the year	1,425,867,858	1,266,644,820
Add: Shares premium on shares allotment	-	159,512,500
Less: Utilised for Capital raising expenses during the year	-	289,462
	1,425,867,858	1,425,867,858
e) Foreign Currency exchange reserve	234,341,852	163,554,355
c) Surplus :		
i) Opening Balance - Profit and Loss Account	330,267,462	266,908,389
Add: Transfer from Profit & Loss Account	(16,274,893)	63,359,073
Less: Transfer To General Reserve	-	-
Less: Dividend	-	-
Less: Bonus shares	-	-
Less: Transfer to/from reservs.	2,752,632	-
	311,239,938	330,267,462
Total Reserves and Surplus	2,014,619,648	1,962,859,675

4 MONEY RECEIVED AGAINST SHARE WARRANTS

Opening Balance as on 1st July	-	78,375,000
Add; Share Warrants Money Received	-	140,525,000
	-	218,900,000
Converted in to Share Capital -3530000		
Shares in 2012	-	35,300,000
	-	183,600,000
Share Premium Account	-	158,850,000
	-	24,750,000
Share Warrant Money Refund	-	-
	-	24,750,000
Share Warrant Money Forfieted	-	24,750,000
Closing Balance as on 30th June	-	-



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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	PARTICULARS	As at 30.06.2013 in ₹	As at 30.06.2012 in ₹
5	LONG TERM BORROWINGS		
	Vehicle Loans:		
	From banks:		
	Secured	118,506	366,585
	(Secured by Hypothecation of Vehicles)		
	Term loans:		
	From banks:		
	Secured	52,531,276	116,283,112
	Notes :		
	The term loans have been taken in overseas subsidiaries and step down subsidiaries and the same have been secured by the assets of the respective subsidiary.	52,531,276	116,283,112
	Total long term borrowings	52,649,782	116,649,697
6	DEFERRED TAX LIABILITIES (NET)		
	Opening Deferred tax Liability	455,772	445,772
	Add: Deferred Tax Liability for the year (Due to SLM and WDV Difference)	-	10,000
	Deferred Tax Liability/ (Asset) - Net	455,772	455,772
7	OTHER LONG TERM LIABILITIES		
	Others (specify the nature)		
	Advance from Customers	-	2,059,824
	Total other long term liabilities	-	2,059,824
8	LONG TERM PROVISIONS		
	Provisions for employee benefits	-	-
	Provision for Gratuity	2,210,962	607,970
	Total Long Term Provisions	2,210,962	607,970

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	PARTICULARS	As at 30.06.2013 in ₹	As at 30.06.2012 in ₹
9	SHORT TERM BORROWINGS.		
I	Short term borrowings		
	a) Loans repayable on demand:		
	From banks		
	Secured	170,788,250	58,052,057
	From other parties		
	Unsecured	77,716,669	104,500,000
	c) Loans and advances from Related parties		
	Unsecured	12,803,907	8,392,707
	Notes :		
II	Cash credit from M/s Union Bank of India is secured by the collateral property of the Promoters	43,984,440	27,581,709
	Termloans at overseas subsidiaries payable in short term are secured by the assets of the respective subsidiaries and step subsidiaries	126,803,810	30,470,348
III	Cash credit from M/s Union Bank of India is Guaranteed by the two Promoter Directors	43,984,440	27,581,709
	Total short term borrowings	261,308,826	170,944,764
10	TRADE PAYABLES		
	Trade Payables	158,420,364	82,582,973
	Total Trade Payables	158,420,364	82,582,973
11	OTHER CURRENT LIABILITES		
	Current maturities of long term debt	248,080	486,261
	Other Payables - Investments payable	45,910,054	33,327,615
	- Minority Interest	(1,646,032)	(1,713,690)
	Total other current liabilities	44,512,101	32,100,186
12	SHORT TERM PROVISIONS		
	Provisions for employee benefits		
	Salaries Payable	1,133,838	1,234,800
	Others (Specify the nature)		
	Tax Deducted at source	-	-
	Provision for Expenses	43,978,680	44,915,960
	Total short term provisions	45,112,518	46,150,760

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
NOTE NO. 13 - TANGIBLE ASSETS & INTANGIBLE ASSETS

Description	Gross Block					Depreciation / Amortisation					Net Block	
	As at 1st July, 2012	Additions during the year	Deletions during the year	Exchange Fluctuation	As at 30th June 2013	As at 1st July, 2012	Charge for the Year	Deletions for the Year	Exchange Fluctuation	As at 30th June 2013	As at 30th June 2013	As at 30th June 2012
Tangible Assets:												
Land and Development	46,527,310	20,849,575	-	-	67,376,885	-	-	-	-	-	67,376,885	46,527,310
Patents & Trademarks	225,000	-	-	-	225,000	67,504	45,004	-	-	112,508	112,492	157,496
Buildings	23,514,522	-	-	179,847	23,694,370	2,257,718	365,183	-	38,303	2,661,204	21,033,165	21,256,804
Green Houses	130,707,287	1,917,785	-	1,118,163	133,743,235	34,225,811	6,005,228	-	611,282	40,842,320	92,900,914	96,481,476
Plant Materials	134,467,752	2,514,594	-	1,179,512	138,161,857	110,383,193	3,332,614	-	1,041,948	114,757,755	23,404,103	24,084,559
Furniture & Fixtures	2,687,542	-	-	-	2,687,542	1,427,399	170,120	-	-	1,597,519	1,090,023	1,260,143
Office Equipment	4,519,417	-	-	14,089	4,533,506	1,840,375	232,893	-	11,306	2,084,574	2,448,932	2,679,042
Computers	1,233,266	-	-	1,140	1,234,406	832,374	83,498	-	1,685	917,557	316,849	400,892
Vehicles	12,388,689	-	-	75,215	12,463,905	6,213,332	1,132,984	-	94,737	7,441,053	5,022,852	6,175,357
D.G Set	-	-	-	-	-	-	-	-	-	-	-	-
Plant and Machinery	207,595,716	-	-	1,924,109	209,519,825	19,949,445	5,734,681	-	506,693	26,190,818	183,329,007	187,646,271
Total	563,866,501	25,281,953	-	4,492,076	593,640,530	177,197,150	17,102,206	-	2,305,953	196,605,309	397,035,222	386,669,351
Previous year	432,531,009	53,406,805	-	77,928,693	563,866,507	134,054,191	17,808,145	-	25,334,790	177,197,126	386,669,381	298,476,818
Intangible assets												
Goodwill	380,793,958	-	-	380,793,958	-	-	-	-	-	-	380,793,958	380,793,958
Deferred charges	4,623,016	-	-	4,623,016	3,716,594	3,716,594	906,422	-	-	4,623,016	-	906,422
Total	385,416,974	-	-	385,416,974	3,716,594	3,716,594	906,422	-	-	4,623,016	380,793,958	381,700,380
Capital work in progress	287,527,854	19,153,116	-	306,680,970	-	-	-	-	-	-	306,680,970	306,680,970

Note: The depreciation at one of the step subsidiary M/s NINT Agri PLC to the extent of Rs. 29,69,656/- had been capitalized since the project has not yet come to operations.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	PARTICULARS	As at 30.06.2013 in ₹	As at 30.06.2012 in ₹
14	NON- CURRENT INVESTMENTS		
	Non- Current Assets		
l)	Investment in Subsidiaries		
a)	Equity Shares	156,740	155,550
		156,740	155,550
	Total Non Current Investments	156,740	155,550
	Less: Provision for Diminution in Investments	-	-
	Total Non - Current Assets (Net)	156,740	155,550
	Aggregate amount of Unquoted Investments;	156,740	155,550
15	OTHER NON - CURRENT ASSETS		
	Interest Accrued on Deposits	987,140	401,271
	Others (specify the nature)		
	Deposits	1,453,960	1,451,115
	Miscellaneous Expenditure (to the extent not written off)	-	-
	Total other non current assets	2,441,100	1,852,386
	Less : Provision for Bad and Doubtful debts	-	-
	Total non - current assets(net)	2,441,100	1,852,386
16	INVENTORIES		
	Inventories :		
a)	Raw materials		
	Material - Fertilizers, Chemicals and Pesticides	11,870,455	12,623,523
	Sub Total	11,870,455	12,623,523
b)	Work - in - progress	-	-
	Sub Total	-	-
c)	Finished goods		
	Sub Total	-	-
d)	Stock - in - trade (in respect of goods acquired for trading)		
	Type - Agri products	1,717,415	3,416,300
	Sub Total	1,717,415	3,416,300
	Total Inventories	13,587,870	16,039,823



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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	PARTICULARS	As at 30.06.2013 in ₹	As at 30.06.2012 in ₹
17	TRADE RECEIVABLES		
	Outstanding for a period exceeding six months from the date they are due for payment		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	195,420,759	161,506,102
	Doubtful	-	-
		195,420,759	161,506,102
	Other Receivables:		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	227,359,112	214,456,616
	Doubtful	-	-
		227,359,112	214,456,616
	Total trade receivable	422,779,871	375,962,718
	Less : Allowance for bad & doubtful debts	-	-
	Total Trade Receivables(net)	422,779,871	375,962,718
18	CASH AND BANK BALANCES		
	Cash and cash equivalents :		
a)	Balances with banks :		
	1) On Current Accounts	1,815,683	31,272,597
	2) Margin Money	62,386,220	10,108,438
b)	Cash on hand	2,960,162	3,796,094
	Total Cash and Cash Equivalents	67,162,064	45,177,129
19	SHORT TERM LOANS AND ADVANCES		
	Other loans And advances (Specify the nature)		
	Advance for Expenses	18,953,419	15,914,103
	Advance to staff	75,711	307,490
	Advance to Suppliers	42,372,843	54,549,814
	Advance to Capital works	1,196,707,002	1,119,018,911
	Prepaid Expenses	593,869	533,189
	TDS Receivable	331,976	-
	MAT Credit	2,989,326	5,741,958
	Total short term loans & advances(net)	1,262,024,146	1,196,065,465
20	OTHER CURRENT ASSETS		
	Other Current Assets	10,423,712	7,056,614
	Total Other Current Assets	10,423,712	7,056,614

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	PARTICULARS	As at 30.06.2013 in ₹	As at 30.06.2012 in ₹
21	REVENUE FROM OPERATIONS		
	Revenue from operations		
	Merchandising Sales (Flowers)	9,563,068	46,572,860
	Local Sales (Agricultural Items)	413,824,689	447,453,016
	Export Sales (Agricultural Items)	707,395,445	289,677,196
	Total Revenue from Operations	1,130,783,202	783,703,072
22	OTHER INCOME		
	Interest income (Other than a finance company)	-	793,043
	Other Income (Incentives Receivables)	9,326,424	113,928
	Total Other Income	9,326,424	906,971
23	Cost of Material Consumed		
	Raw Material Consumed	-	-
	Fertilisers, Chemicals & Pesticides	6,549,760	15,933,612
	Wages and Bonus	34,219,741	32,380,660
	Genset Maintenance	256,762	354,976
	Other Manufacturing Expenses	2,035,503	4,192,479
	Farm Maintenance	2,205,605	4,231,093
	Total Cost Of Contracts	45,267,371	57,092,820
24	PURCHASE OF STOCK IN TRADE		
	Merchandising Purchases (Flowers)	-	50,164,219
	Local Purchases (Agricultural Items)	935,443,317	421,092,943
	Purchases - (Cashew Nuts)	-	11,827,436
	Total Trade Purchases	935,443,317	483,084,598
25	CHANGE IN INVENTORIES & WIP.		
	Stock in trade		
	Stock in trade at the beginning of the year	3,416,300	-
	Less : Stock in trade at the end of the year	(1,717,414)	3,416,300
		1,698,886	(3,416,300)
	(Increase)/Decrease in Inventories	1,698,886	(3,416,300)
26	EMPLOYEE BENEFIT EXPENSES		
	Salaries & Wages	12,954,565	14,354,710
	Staff Welfare Expenses	37,329	215,233
	Managerial Remuneration	3,000,000	3,000,000
	Total Employee Benefit Expenses	15,991,894	17,569,943



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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 30.06.2013 in ₹	As at 30.06.2012 in ₹
27 FINANCE COST		
Bank Charges	7,908,025	2,339,732
Interest on ICD's	13,463,789	16,634,008
Interest on Term Loans / Soft Loans	16,402,886	15,560,793
Interest on Hire Purchase	61,923	69,671
Total Finance Cost	37,836,623	34,604,204
28 OTHER EXPENSES		
Insurance	2,221,578	1,831,708
Listing Fee and Annual Registration Fee	401,248	365,185
Share Transfer Expenses	88,438	77,214
Repairs and Maintenance	74,303	388,205
Office Maintenance	528,657	1,062,589
Miscellaneous Expenses Written Off	909,582	99,043
Transportation Expenses	305,749	1,042,153
Rent	2,316,964	2,818,420
Rates & Taxes (excluding Income Tax)	900,000	960,323
Advertisement Expenses	124,354	90,956
Payment to Auditors:		
As Auditor	2,766,650	2,775,642
Miscellaneous Expenditure	7,888,463	2,274,635
Telephone, Postage and Others	1,229,931	1,350,502
conveyance	4,180,245	3,711,820
Printing & Stationery Expenses	451,849	627,619
Professional Consultancy fee	1,523,822	1,125,612
Director Sitting Fee	25,000	25,000
Interest on taxes Payable	894,874	659,454
Selling Expenses		
Handling charges	26,173,486	1,038,986
Packing Material consumed	9,595,563	11,575,946
Merchandising sales expenses	3,379,873	20,884,136
Carriage outwards - Exports	35,813,587	58,262,738
Carriage outwards - Local	-	594,146
Business Promotion	2,927,497	-
Export charges & Market development	-	605,025
Local selling expenses	-	335,113
Total Other expenses	104,721,714	114,582,171

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2013

PARTICULARS	Year ended 30.06.2013 (Rs. in lacs)	Year ended 30.06.2012 (Rs. in lacs)
Cash Flow from Operating Activities:		
Net Profit before Exceptional Item	(149.83)	651.77
Adjustment for:		
Interest Expenses	378.37	352.64
Depreciation	141.33	150.50
Miscellaneous Expenditure Written off	-	0.99
Provision for MAT (Net)	(11.68)	(46.85)
Operating Profit before working Capital Changes	358.18	1109.04
Adjustment for:		
Debtors and other receivables	(507.73)	(2,330.13)
Increase/Decrease in Loans & Advance	(659.59)	(6,454.99)
Increase /Decrease in Inventories	24.52	(59.66)
Increase/Decrease in Creditors and other payables	868.78	548.21
Net Cash from operating Activities(A)	84.17	(7,187.52)
Cash Flow from Investing Activities:		
Sale of Fixed Assets		
Additions in Fixed Assets & Exchange Fluctuation reserve	241.33	1,054.08
Additions/deletions in Intangible asset	9.06	8.66
Investments	0.01	(0.24)
Net Cash used in investing Activities:(B)	250.41	1,062.49
Cash Flow from Financing Activities:		
Repayment of Long Term Borrowings		
Net Proceeds from secured loan	487.36	657.67
Proceeds from unsecured loan	(223.72)	128.97
Issue of Equity Shares/Share application money/Reserves	-	1,415.61
Miscellaneous expenses	-	-
Interest paid	(378.37)	(352.64)
Net Cash used in Financing Activities (C)	(114.72)	1849.61
Net Decrease/Increase in Cash and cash Equivalents:(A+B+C)	219.85	(4275.42)
Cash and Cash equivalent at the beginning of the year	451.77	4727.19
Cash and Cash equivalent at the end of the year	671.62	451.77

As per our Report of even Date

For **Mathesh & Ramana**

Chartered Accountants

Firm Reg. No. 0020205

B.V. Ramana Reddy

Partner

M.No.026967

Place : Hyderabad

Date : 29.08.2013

G. Pramod
Director**N.Sridhar V Rao**
Chief Financial OfficerFor **Neha International Limited****G.Vinod Reddy**
Managing Director**V.S. Venkatish**
Company Secretary



SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30th JUNE, 2013

I. Background :

Neha International limited is incorporated on 12th July 1993. The company is engaged in the business of Floriculture, corporate farming and trading in agricultural commodities.

Neha International Limited has Four subsidiaries. M/s Globeagro Holdings is one of the subsidiary based in Mauritius. It has substantial stake in Three (3) Floriculture Companies namely Holetta Roses Plc, Alliance Flowers Plc and Oromia Wonders Plc. all located in Ethiopia. These Companies produce some of the best T-hybrid roses and sell them at premium prices across the world including leading auction houses like Vba and Flora Holland in Netherlands. The company has the 100% stake in M/s Neha Agricorp Pte Ltd and M/s Neha Agriservices Pte Ltd based in Singapore. The company also has the 50% stake with controlling interest in Floriculture company M/s Dream Flowers PLC, Located in Ethiopia.

The list of subsidiaries considered in these financial statements with percentage of holding is as follows.

Subsidiaries other particulars	Country of incorporation and the immediate parent	Percentage of Holding	Year of consolidation
M/s. Globeagro Holdings	A subsidiary of Neha International Ltd` Incorporated under the laws of Mauritius	100%	2012-13
M/s Holetta Roses Plc	A subsidiary of Globeagro Holdings Incorporated under the laws of Ethiopia	99.99%	2012-13
M/s Alliance Flowers Plc	A subsidiary of Globeagro Holdings Incorporated under the laws of Ethiopia	99.99%	2012-13
M/s Oromia Wonders Plc	A subsidiary of Globeagro Holdings Incorporated under the laws of Ethiopia	99.99%	2012-13
M/s Neha Agri Corp. PTE Ltd.	A subsidiary of Neha International Ltd. Incorporated under the laws of Singapore	100%	2012-13
M/s NINT Agri Plc	A subsidiary of Neha Agricorp PTE Ltd Incorporated under the laws of Ethiopia	99.99%	2012-13
M/s Neha Agri Tanzania Ltd	A subsidiary of Neha Agricorp PTE Ltd Incorporated under the laws of Tanzania	99.00%	2012-13
M/s. Neha Agri Ventures (U) Ltd.	A subsidiary of Neha International Ltd Incorporated under the laws of Uganda	99.00%	2012-13
M/s. Neha Agri Zambia Ltd	A subsidiary of Neha International Ltd Incorporated under the laws of Zambia	99.00%	2012-13
M/s. Neha Agri Senegal, SUARL	A subsidiary of Neha Agricorp PTE Ltd Incorporated under the laws of Senegal	100%	2012-13
M/s. Neha Agri services PTE Ltd	A subsidiary of Neha International Ltd Incorporated under the laws of Singapore	100%	2012-13
M/s. Neha Agri services FZE	A subsidiary of Neha Agri Services Pte. Ltd. Incorporated under the laws of UAE	100%	2012-13
M/s. Dream Flowers PLC	A subsidiary of Neha International Ltd Incorporated under the laws of Ethiopia	50%	2012-13

2.0 Significant Accounting Policies :

2.1 Basis of Preparation

Consolidated Financial statements have been prepared to meet the requirements of clause 32 of the listing agreement with stock exchange. The consolidated financial statements of Neha International Limited and its subsidiaries (as listed in Schedule I above) collectively referred to as the 'Neha International Group' or the 'Group', have been prepared and presented under the historical cost convention, on the accrual basis of accounting, in accordance with the provisions of the Companies act, 1956, to the extent considered necessary for the purpose of these accounts, and in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the mandatory Accounting standards ('AS') issued by the Institute of Chartered Accountants of India ('ICAI') , to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest rupee.

2.2 Principles of Consolidation

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 "Consolidated Financial statement" issued by the ICAI. The consolidated financial statements have been prepared on the following basis:

- (a) The financial statements of the Parent company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating the intra-group balances/ transactions and resulting unrealized profits in full. Unrealized losses resulting from intra-group transactions have also been eliminated unless cost cannot be recovered, and are presented to the extent possible, in the same manner as the company's independent financial statements.
- (b) The excess of cost to the parent company of its investment in the subsidiary over the parents company's portion of equity of the subsidiary is recognized in the financial statements as Goodwill.
- (c) The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the parent company i.e. period ended 30th June, 2013.
- (d) Minority interest's share of profits or losses is adjusted against income to arrive at the net income attributable to the company's shareholders. Minority's share of net assets is disclosed separately in the Balance Sheet.

2.3 Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Management believes that estimates made in the preparation of consolidated financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.4 Revenue Recognition

All Income and expenses to the extent considered receivable and payable unless specifically stated to be otherwise are accounted for on accrual basis.

2.5 Fixed Assets and Depreciation

Fixed assets are stated at cost less depreciation. Cost includes freight, duties, taxes and incidental expenses related to acquisition and installation of the fixed assets. The expenses related to, and incurred during implementation period have been capitalized under the appropriate heads. Depreciation on Fixed assets have been charged on straight-line method at the rates and the manner specified in schedule XVI to the companies act, 1956. The cost of plant materials including replantation expenses is being written off over a period of five years.



2.6 Retirement benefits

Gratuity: Provision for Gratuity has been provided for the employees who have completed the requisite period of service.

Leave encashment: Leave encashment will be accounted for as and when payments are made.

2.7 Inventories

Raw materials and consumables are valued at cost on FIFO basis. Finished goods are valued at cost or market value whichever is lower.

2.8 Lease Rentals

Lease rentals in respect of operating lease accrue as per the Lease agreement and are charged to Profit and Loss account.

2.9 Intangible Assets

The expense incurred on the development of overseas markets has been recognized as Intangible Assets and will be amortized over a period of five years. The company is following the practice of writing off Deferred Revenue Expenses over a period of five years and the same accounting treatment is consistently followed for the current year also. Any new deferred revenue expenditure incurred will be written off in the year of such expenditure as per Accounting Standard 28.

2.10 Taxation

Provision for income Tax has been recognized as per the provision of the Income Tax act, 1961.

2.11 Foreign Currency transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Net exchange gain or loss resulting in respect of foreign exchange transactions settled during the period is recognized in the profit and loss account except for the net exchange gain or loss on account of imported fixed assets, which is adjusted in the carrying amount of the related fixed assets. Foreign currency denominated current assets and current liabilities at period end are translated at the period end exchange rates and the resulting net gain or loss is recognized in the profit and loss account, except for exchange differences related to acquisition of fixed assets purchased from foreign countries is adjusted in the carrying amount of the related fixed assets.

2.12 Foreign Currency translation

The consolidated financial statements are reported in Indian rupees. Since the company has the non-integral subsidiaries, assets and liabilities are translated at exchange rates prevailing at the date of the Balance sheet. The items in the Profit and loss account are translated at the average exchange rate during the period. The differences arising out of the transactions are transferred to Exchange translation reserve on consolidation of non-integral subsidiary, under Reserves and Surplus.

2.13 Earnings per share

The basic earnings per equity share is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti-dilutive.

2.14 Provisions and Contingencies

A provision is created when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for the contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3 Notes to Accounts:

3.1 The Company has prepared its financial statements for a period of Twelve months i.e. from 1st July 2012 to 30th June 2013.

3.2 In the view of Management, no event has taken place to trigger the need for testing its assets for impairment. Accordingly, as per the management assessment, the carrying values of its assets as at the Balance sheet date are not higher than their corresponding recoverable amounts.

3.3 Managerial Remuneration

(in ₹)

Particulars	30.06.2013	30.06.2012
Salaries and Allowances	3,000,000	3,000,000
Contribution towards Retirement benefits	Nil	Nil
Perquisites	Nil	Nil
Total	3,000,000	3,000,000

3.4 RELATED PARTY TRANSACTIONS

A. Details of related parties including the summary of transactions entered into by the Neha International Limited during the period ended 30th June, 2013.

Parties with substantial interests

Subsidiaries wherein control exists

MVR Projects Pvt. Ltd

- Globe agro Holdings, Mauritius
- Holetta Roses PLC, Ethiopia
- Alliance Flowers PLC, Ethiopia
- Oromia Wonder PLC, Ethiopia
- Neha Agricorp Pte Ltd, Singapore
- NINT Agri PLC, Ethiopia
- Neha Agri Tanzania Ltd, Tanzania
- Neha Agri Ventures (U) Ltd, Uganda
- Neha Agri Zambia Ltd, Zambia
- Neha Agri Senegal - SUARL
- Neha Agriservices Pte Ltd, Singapore
- Neha Agriservices FZE, Dubai
- Dream Flowers PLC, Ethiopia

Key Managerial Personnel including relatives

Companies in which Directors are interested

Non-Executive Directors

- Mr. Vinod Reddy G
- MVR Projects Pvt. Ltd.
- Mr. Pramod G
- Mr. Anil G. Nair
- Mr. Sarath Kumar P

**B. Transactions with Related Parties (₹ in Lakhs)**

Particulars	Alliance Flowers	Dream	Holetta	Oromia	Neha Agricorp
Purchase of Goods	---	22.19	17.01	10.65	---
Payments against material	10.20	---	13.26	---	---
Sale of Goods	---	---	---	---	---

Name of the Company or Party	Relationship	Nature of Transaction	Amount ₹ in lakhs	Outstanding amounts carried in the Balance Sheet (₹ in lakhs)
Mr. Vinod Reddy G.	Managing Director	Obtained/re paid Unsecured Loan	153.66	128.04

3.5 EMPLOYMENT STOCK OPTION PLAN

The members of the Company at their Annual General Meeting held on 10th October, 2007 had approved granting of a maximum of 700000 Options to its eligible employees by special resolution. Pursuant to this approval, the Compensation committee at its meeting held on 7th August, 2009 had granted 500000 options to the eligible employees of the company and its overseas subsidiaries and the same shall be exercised within five years from the date of vesting as per NEHA ESOP-2007.

3.6 AUDITORS COMMENT ON FOREIGN SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS:

The Management has taken reasonable steps for the maintenance of Fixed Assets Register, providing for bad debts, reconciliation of difference in Cash Balances, verification of Stock account balances, etc.

During the year operational expenses in trial period was charged to Profit & Loss Account in Neha Agri Senegal Suarl.. Due to this there was a loss during the year which reflected as erosion of networth by more than 50%. The management has taken various steps to improve the networth and is confident of improving in the coming financial year.

3.7 SEGMENTAL REPORTING AS-17

Business Segment: Since the company is into merchandising, trading in flowers, Machinery and other Agri products in addition to growing of flowers, the revenues from each operation is also given below.

Geographical Segment: Geographical Segment of the company are Netherlands, India, Japan, Greece, Canada, Switzerland, Oman, United Kingdom as the company is engaged in business with these countries.

Revenue from these segments is as follows:

Segment wise Revenues:

(in ₹)

Revenue	Cut Flowers	Trading Sales	Total
Current period	140,267,063	990,516,139	1,130,783,202
Previous Period	250,004,723	533,698,349	783,703,072

Segment wise Revenues Operation wise:

(In ₹)

Revenue	Farm Production	Trading Sales	Total
Current period	140,267,063	990,516,139	1,130,783,202
Previous period	250,004,723	533,698,349	783703072

Geographical Revenues:

(in ₹)

Geographical Segment	REVENUE	
	Current Period	Previous period
Netherlands	130,703,995	198,447,858
India	990,516,139	463,912,604
Japan	5,969,479	35,375,155
Greece	-	832,462
Ethiopia	-	4,952,467
Italy	3,593,589	10,396,781
Dubai	-	69,785,745
Total	1,130,783,202	783,703,072

3.8 CAPITAL AND OTHER COMMITMENTS AND CONTINGENT LIABILITIES

The estimated amounts of contracts remaining to be executed on capital amount and not provided for (net of advance): Nil (Previous year NIL)

- 3.9** The Company has recognized MAT Credit of ₹ 2989326/- in the books in accordance with 115JAA of the Income tax act, as there is a reasonable certainty of future taxable profits against which MAT credit can be realized.

The company has recognized deferred tax liability of ₹/- NIL in the books in accordance with AS-22 "Accounting for taxes on income"

- 3.10** Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the parent company's financial statements.

- 3.11** Paise have been rounded off to the nearest rupee

As per our Report of even Date
For **Mathesh & Ramana**
Chartered Accountants
Firm Reg. No. 0020205

For and on behalf of the Board
For Neha International Limited

G. Pramod
Director

G.Vinod Reddy
Managing Director

B.V. Ramana Reddy
Partner
M.No.026967
Place : Hyderabad
Date : 29.08.2013

N. Sridhar V Rao
Chief Financial Officer

V.S. Venkatish
Company Secretary



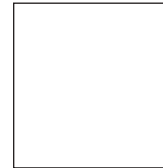
NEHA INTERNATIONAL LIMITED

Regd. Office: 501, Manbhum Jade Towers, Rajbhavan Road,
Hyderabad 500082, A.P., India
Telephone Nos. (040) 66134759, Fax: (040) 66136435

PROXY FORM

I/We of
..... being a member/members of the
above named company hereby appoint..... of
.....for me/ our proxy to vote
for me / us on my / our on behalf at the Annual General Meeting of the Company to be held on 31st December, 2013 at 11.00
am at the venue Bhaskara Auditorium, B.M. Birla Science Centre, Adarshnagar, Hyderabad 500063, Andhra Pradesh and at
adjournment thereof.

Signed this.....day of2013



Note:

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself
- b) Proxy need not be a member
- c) The proxy form duly completed should be deposited at the registered office of the Company not less than 48 hours before the time fixed for holding the meeting



NEHA INTERNATIONAL LIMITED

Regd. Office: 501, Manbhum Jade Towers, Rajbhavan Road,
Hyderabad 500082, A.P., India
Telephone Nos. (040) 66134759, Fax: (040) 66136435

ATTENDANCE SLIP

(Please present this slip at the entrance of the meeting venue)

Regd. Folio No.:		Client ID :	
No of shares held		DPID :	

I hereby record my present at the 20th Annual General Meeting to be held on 31st December, 2013 at 11.00 am at Bhaskara Auditorium, B.M. Birla Science Centre, Adarshnagar, Hyderabad 500063, A.P. India.

Name of the Shareholder	:	
Name of the Proxy	:	
Signature of member/proxy	:	


Note:

- 1) To be signed at the time of handing over this slip
- 2) Members are requested to register their names at least 15 minutes prior to the commencement of the meeting.



neha

FORM B

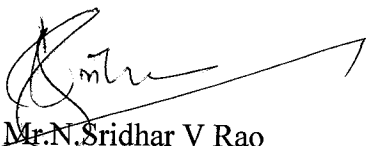
1	Name of the Company	Neha International Limited
2	Annual Financial Statements for the year ended	30 th June, 2013
3	Type of Audit Qualification	Qualifications opinion on consolidated Financial Statements Non provisions for Bad Debts, Cash Differences, non verification of Stock account balance, and not provided supporting documents for capital work in progress, debtors and prepayments and credit of Capital receipt, in case of NehaAgri Senegal the auditors commented on erosion of capital by more than 50% .
4	Frequency of Qualification	<u>Consolidated Financial Statements:</u> This is the First time reported in current year 2012-13
	Draw attention to relevant notes in the annual financial Statements and management response to the qualifications in the directors report	(Refer 20 th Annual Report's Directors Report of page number 5 under heading Management Response on Auditors Comments on Foreign Subsidiaries Consolidated Financial Statements & Schedules to Consolidated Financial Statements for the period ended 30 th June, 2013 of page 60 of para 3.6 under the heading Auditors Comment on Foreign Subsidiaries Consolidated Financial Statements of the annual report annexed herewith for detailed qualification)
	Additional comments from the board / audit committee Chair	None
5	To be Signed by 1. CEO / Managing Director	 Mr.G.Vinod Reddy Chairman & Managing Director

Neha International Limited

501, Manbhumi Jade Towers, Rajbhavan Road, Somajiguda, Hyderabad-500 082, India
Tel: +91-40-6613 4759/6636 4543, Fax: +91-40-6613 6435

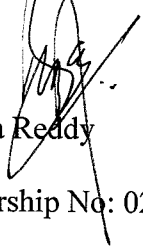
www.nehainternational.com

2. Chief Financial Officer



Mr. N. Sridhar V Rao
Chief Financial Officer

3. Auditor of the Company

M/s Mathesh & Ramana,
Chartered Accountants
ICAI Firm/Registration No:0020205


Ramana Reddy
Partner
Membership No: 026967

4. Audit Committee Chairman


Mr. Anil G Nair
Director