



NAGARJUNA
AGRI TECH LIMITED

11th ANNUAL REPORT
1998 - 99



Board of Directors

Field Marshal SHFJ Manekshaw	-	Chairman
K. Soma Raju		
K. Rama Krishna Raju		
Dr. KVLN Raju	-	Managing Director

Auditors

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

Advocates & Solicitors

M/s. Bhaishanker Kanga & Girdharlal
Bombay - 400 001.

Principal Bankers & Financial Institution

State Bank of Mysore
Industrial Development Bank of India

Registered Office

No.56, Nagarjuna Hills,
Punjagutta,
Hyderabad - 500 082.



NAGARJUNA AGRI TECH LIMITED

Plot No.56, Nagarjuna Hills, Punjagutta, Hyderabad

NOTICE

Notice is hereby given that the Eleventh Annual General meeting of the Members of Nagarjuna Agri Tech Limited will be held on September 20, 1999 at 14-30 hours at Plot No. 56, Nagarjuna Hills, Punjagutta, Hyderabad to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited accounts of the company for the year ended 31st March 1999, together with the reports of the Director's and Auditor's thereon.
2. To appoint a Director in place of Mr. K. Rama Krishnam Raju who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint auditors for the current year and fix their remuneration. M/s. Amar and Raju, Chartered Accountants, Hyderabad, retire at the conclusion of this meeting and are eligible for reappointment.

**By order of the Board of Directors
for Nagarjuna Agri Tech Limited**

**Dr. K.V.L.N. RAJU
Managing Director**

Place : Hyderabad
Date : 26-08-1999.

NOTES

1. A member is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the Company.
2. The Register of members and share transfer books will remain closed from 11-09-1999 to 20-09-1999 (both days inclusive).
3. The Proxy Form duly completed and signed should be deposited at the Registered Office of the company at least 48 hours before the commencement of the meeting.
4. Members are requested to inform immediately of any change in their address registered with the Company.

**By order of the Board of Directors
for Nagarjuna Agri Tech Limited**

**Dr. K.V.L.N. RAJU
Managing Director**

Place : Hyderabad
Date : 26-08-1999.



DIRECTOR'S REPORT

Your Directors present herewith the Eleventh Annual Report and the Audited Accounts for the financial year ended 31st March 1999:

1. Financial results :

The results of Operations for the year ended 31-03-1999 are as under.

(Rs. in Lakhs)

	1998-1999	1997-1998
Turnover	92.52	45.95
Operating Surplus before Interest and depreciation	15.65	(-) 5.06
Interest	95.51	87.13
Depreciation	42.30	39.17
Plant Material Written off	48.48	38.24
Other expenditure written off	4.15	5.60
Deficit for the year	(-) 174.79	(-) 175.20
Deficit up to previous year	(-) 294.19	(-) 118.56
Deficit carried forward	(-) 469.93	(-) 294.19

2. Operations :

Company is in the process of changing the varieties of the plant material into new varieties for the direct markets. In this process the company has only 3 hectares production instead of 5 hectares full production capacity in the current year. Low price realizations, increased

freight costs, non availability of air cargo space in the flights and sudden cancellation of flights effected the operations of the company.

3. Future prospects :

Even Countries like Kenya, Zimbabwe can send the flushes to the Holland auction houses in bigger quantities as the demand for the flowers is going to be very high particularly this year. Because of the Millenium the whole industry is going to have additional values in the auctions. In addition to this the company has direct markets in Singapore, Australia and Japan.

4. Directors :

Mr. V. Venugopala Raju and Mr. Philipose Mathai Directors have vacated their office during the year under review. The Board wishes to thank them for their contributin towardst the working of the company and for their continued support and guidance to the company.

Sri. K. Rama Krishnam Raju retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

5. Auditors :

M/s. Amar & Raju Chartered Accountants, Hyderabad, who are the present auditors of the company, retire at the close of the ensuing Annual General Meeting and are eligible for



reappointment.

6. Particulars of Employees :

The particulars required pursuant to provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 are not furnished since there are no employees covered by the said rules.

7. Disclosures :

a. Conservation of Energy :

Floriculture industry is not power intensive. However, adequate measures have been taken to conserve energy, wherever possible.

b. Technology absorption, adoption & Innovation :

The company has fully absorbed the technology from the suppliers /collaborators.

c. Foreign Exchange Earnings & Out go:

Foreign Exchange Earnings	Rs. 46,64,922
Foreign Exchange Outgo	
- Capital Goods Imports	Rs. Nil
- Travel related	Rs. 1,35,369

8. Auditors Report :

The Auditors observations are self explanatory. The Company is making arrangements to pay the outstanding amounts to Employee Provident

Fund and Employees State Insurance keeping in view of the Statutory obligation towards the above liability.

9. Acknowledgement :

The Directors gratefully acknowledge the timely support of the Financial Institutions and Bankers. The Directors wish to record their appreciation for the untiring efforts and team spirit of all the staff and executives.

On behalf of the Board of Directors
for NAGARJUNA AGRI TECH LIMITED

FIELD MARSHAL SHFJ MANEKSHAW
Chairman

Place : Hyderabad

Date : 26-08-1999



AUDITOR'S REPORT

To

The Members

**M/s. NAGARJUNA AGRI TECH LIMITED,
HYDERABAD.**

We have audited the attached Balance Sheet of M/s. NAGARJUNA AGRI TECH LIMITED as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and other Companies (Auditor's Report) order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we report that :

- i) The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets. All the fixed assets have been physically verified by the management at the year end, 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 verification.
- ii) None of the fixed assets have been revalued during the year.
- iii) The management has conducted the physical verification in respect of finished goods, raw materials, stores at the end of the year under review. In our opinion the frequency of verification is reasonable.
- iv) The procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- v) No material discrepancies have been noticed on physical verification between the physical stocks and stocks as per the book records.
- vi) On the basis of our examination of the stock records of the Company, we are of the opinion that the valuation of stocks is fair and proper and in accordance with the normally accepted

accounting principles and is on the same basis as in the preceding year.

- vii) The Company has taken interest free unsecured loans from companies and other parties listed in the register maintained under Section 301 of the Companies Act, 1956, and in our opinion and according to the information and explanations given to us the terms and conditions of these loans are not prima facie prejudicial to the interest of the company.
- viii) The Company has not given any loans, secured or unsecured to companies, firms or other parties listed in the register maintained Under Section 301 of the Companies Act, 1956, and or to the companies under the same management as define dunder sub-section (1B) of Section 370 of the Companies, Act, 1956.
- ix) The Company has not given any loans or advances in the nature of loans to any party except interest free advances to the employees who are repaying the amounts as stipulated.
- x) 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 purchases of stores, materials, machinery, equipment and other assets, and for the sale of goods.
- xi) In our opinion and according to the information and explanations given to us, the transactions for purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the registers maintained Under Section 301 and aggregating during the year to Rs.50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties.



- xii) As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, materials and finished goods. Adequate provision has been made in the accounts for the loss arising on the items so determined.
- xiii) The Company has not accepted any deposits from the public during the year under audit in contravention to the provisions of Sec. 58A of the Companies Act, 1956, and the rules framed thereunder.
- xiv) According to the information and explanations given to us there is no generation of scrap and the company has no by-products.
- xv) The Company does not have any internal audit system.
- xvi) Maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 has not been prescribed by the Central Government for the Company.
- xvii) Provident Fund and Employees State Insurance dues relating to the period 1997-98 and 1998-99 amounted to Rs.36,416/-, which had fallen due for deposit with appropriate authorities has not been so deposited as at 31-03-1999.
- xviii) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding as at 31st march, 1999 for a period of more than six months from the date they became payable.
- xix) According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with the generally accepted business practice.
- xx) The company is not a sick industrial company within the meaning of Clause (O) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provision) Act, 1985.
2. Subject to above comments and notes forming part of accounts wer further state 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 such books.
- c) The Balance sheet and the Profit & Loss Account referred to in this report are in agreement with the books of Accounts.
- d) In our opinion, the Balance Sheet and Profit and Loss Account comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to the explanations given to us, the said Balance sheet and the Profit and Loss Account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
- i) Insofar as it relates to the Balance Sheet, of the state of the affairs of the Company as at 31st March, 1999 and
- ii) In sofar as it relates to the Profit & Loss Account of the Loss of the Company for the year ended on that date.

For AMAR & RAJU
CHARTERED ACCOUNTANTS

G. AMARANATHA REDDY
Partner

Place : Hyderabad
Date : 26-08-1999



BALANCE SHEET AS AT 31st MARCH, 1999

	SCH No.	AS AT 31-03-1999		AS AT 31-03-1998	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
SHARE HOLDER'S FUNDS :					
Share Capital	A	6,70,68,250		6,70,68,250	
Reserves & Surplus	B	7,50,000		6,50,000	
			6,78,18,250		6,77,18,250
LOAN FUNDS :					
Secured Loans	C	8,41,08,436		7,08,34,686	
Unsecured Loans	D	1,05,22,583		89,27,095	
			9,46,31,019		7,97,61,781
TOTAL			16,24,49,269		14,74,80,031
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	E	10,12,86,722		9,74,64,742	
LESS : Depreciation		1,01,46,249		59,16,256	
Net Block			9,11,40,473		9,15,48,486
CURRENT ASSETS, LOANS AND ADVANCES					
Current Assets	F	19,07,169		11,70,948	
Loans & Advances		15,11,695		16,08,284	
		34,18,864		27,79,232	
LESS: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	G	63,97,396		80,32,462	
Provisions		0		3,78,158	
Net Current Assets			(29,78,532)		(56,31,388)
MISCELLANEOUS EXPENDITURE					
PROFIT & LOSS ACCOUNT	H		2,72,94,107		3,21,44,248
			4,69,93,221		2,94,18,685
TOTAL			16,24,49,269		14,74,80,031
NOTES TO ACCOUNTS					
	N				

As per our report of even date

For AMAR & RAJU
Chartered Accountants

For and on behalf of the Board

(FIELD MARSHAL SHFJ MANEKSHAW
Chairman

(G. AMARANATHA REDDY)
Partner

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

K. SOMA RAJU
Director

K. RAMAKRISHNA RAJU
Director

Place : Hyderabad
Date : 26-08-1999



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS AT 31st MARCH, 1999

	SCH	YEAR ENDED 31-03-1999 Rupees	YEAR ENDED 31-03-1998 Rupees
INCOME			
Sales		92,51,832	45,95,406
Other Income	I	1,16,931	18,38,502
TOTAL		93,68,763	64,33,908
EXPENDITURE			
Manufacturing, Administrative And Selling expenditure	J	72,51,089	64,62,173
Expenditure on personnel	K	5,52,631	4,78,132
Interest	L	95,50,664	87,12,711
Depreciation	E	42,29,993	39,16,858
Other expenditure written off	M	52,62,793	43,84,452
TOTAL		2,68,47,170	2,39,54,326
Net Loss for the year		(-) 1,74,78,407	(-) 1,75,20,418
Earlier year adjustments		(-) 96,129	(-) 42,738
Loss brought forward		(-) 2,94,18,685	(-) 1,18,55,529
Loss carried to Balance Sheet		4,69,93,221	2,94,18,685
NOTES TO ACCOUNTS	N		

As per our report of even date

For AMAR & RAJU
Chartered Accountants

For and on behalf of the Board

(FIELD MARSHAL SHFJ MANEKSHAW
Chairman

(G. AMARANATHA REDDY)
Partner

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

K. SOMA RAJU
Director

K. RAMAKRISHNA RAJU
Director

Place : Hyderabad
Date : 26-08-1999



SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 1999
SCHEDULE - A : SHARE CAPITAL

	AS AT 31-03-1999		AS AT 31-03-1998	
	Rupees	Rupees	Rupees	Rupees
Authorised :				
1,00,00,000 Equity Shares of Rs.10/- each		10,00,00,000		10,00,00,000
Issued, Subscribed & Paid up :				
87,53,100 Equity Shares of Rs.10/- each		8,75,31,000		8,75,31,000
Less : calls in arrears		2,04,62,750		2,04,62,750
TOTAL		6,70,68,250		6,70,68,250

SCHEDULE : B - RESERVES & SURPLUS

Subsidy from APEDA		7,50,000		6,50,000
TOTAL		7,50,000		6,50,000

SCHEDULE : C - SECURED LOANS

Foreign currency Term Loan from IDBI	4,43,05,832		4,00,98,489	
Add : Interest accrued and due	1,09,30,432		66,51,426	
		5,52,36,264		4,67,49,915
Rupee term loan from IDBI	1,37,00,000		1,37,00,000	
Add : Interest accrued and due	97,02,945		52,47,719	
		2,34,02,945		1,89,47,719
Term Loan from Vysya Bank		0		41,33,667
Cash credit from Sate Bank of Mysore		47,62,022		
Hire Purchase Finance from				
a) Birla Global Finance Ltd.	3,36,500		5,26,875	
b) Nagarjuna Finance Ltd.	2,04,440		2,04,440	
c) DCL Finance Ltd.	1,66,265		2,72,070	
		7,07,205		10,03,385
TOTAL		8,41,08,436		7,08,34,686

SCHEDULE : E FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 01-04-1998	Additions	As on 31-03-1999	Upto 31-03-1998	For the year	Upto 31-03-1999	As on 31-03-1999	As on 31-03-1998
Land	82,63,722	-	82,63,722	-	-	-	82,63,722	82,63,722
Buildings	1,06,27,485	-	1,06,27,485	5,26,509	3,60,886	8,87,395	97,40,090	1,01,00,976
Plant & Machinery	7,62,13,850	38,21,980	8,00,35,830	51,59,232	37,04,456	88,63,688	7,11,72,142	7,10,54,618
Furniture	6,11,668	-	6,11,668	56,852	39,945	96,797	5,14,871	5,54,816
Office equipment	2,59,214	-	2,59,214	18,176	12,606	30,782	2,28,432	2,41,038
Computers	2,07,721	-	2,07,721	47,778	36,402	84,180	1,23,541	1,59,943
Vehicles	2,63,403	-	2,63,403	36,347	26,210	62,557	2,00,846	2,27,036
Refrigerated Vehicle	10,17,679	-	10,17,679	71,362	49,488	1,20,850	8,96,829	9,46,317
TOTAL	9,74,64,742	38,21,980	10,12,86,722	59,16,256	42,29,993	1,01,46,249	9,11,40,473	9,15,48,486
Previous year total	9,50,66,929	23,97,813	9,74,64,742	20,15,361	39,00,895	59,16,256	9,15,48,486	9,30,51,568

10



SCHEDULE - D : UNSECURED LOANS

	AS AT 31-03-1999		AS AT 31-03-1998	
	Rupees	Rupees	Rupees	Rupees
1. From Directors		7,87,542		10,18,142
2. From Body Corporates		38,85,852		60,02,023
3. From Others		58,49,189		19,06,930
TOTAL		1,05,22,583		89,27,095

SCHEDULE - F : CURRENT ASSETS, LOANS AND ADVANCES

A. Current Assets :				
1) Stock-in-trade :				
a) Fertilizers & Pesticides	14,766		89,288	
b) Packing material	2,466		4,210	
		17,232		93,498
2) Sundry Debtors :				
a) Outstanding for more than six months	4,40,878		82,697	
b) Others	13,57,753		7,48,076	
		17,98,631		8,30,773
3) Cash and Bank balances :				
a) Cash on hand	7,570		1,46,133	
b) Balance with Scheduled Banks :				
i) In Current Account	3,008		22,414	
ii) Deposit Account	80,728		78,130	
		91,306		2,46,677
		19,07,169		11,70,948
B. Loans and Advances :				
1) Unsecured considered good recoverable in cash or in kind for the value to be received.	7,46,900		3,96,889	
2) Deposits	7,64,795		7,06,500	
3) Unmatured finance charges	0		1,41,964	
4) Income Tax paid	0		3,62,931	
		15,11,695		16,08,284
TOTAL		34,18,864		27,79,232



SCHEDULE - G : CURRENT LIABILITIES AND PROVISION

	AS AT 31-03-1999		AS AT 31-03-1998	
	Rupees	Rupees	Rupees	Rupees
A. Current Liabilities :				
1) Creditors for capital works	8,32,924		8,55,924	
2) Creditors for supplies	7,94,209		9,41,682	
3) Creditors for services and Expenses	42,57,975		44,90,105	
4) Advances from customers	53,743		11,591	
5) Interest accrued but not due on term loan	4,58,545		4,01,404	
6) Bank over draft	0		13,31,756	
		63,97,396		80,32,462
B. Provisions :				
Provisions for Taxation		0		3,78,158
TOTAL		63,97,396		84,10,620

SCHEDULE - H : MISCELLANEOUS EXPENDITURE :

(To the extent not written off or adjusted)				
1) Public issue expenditure		28,98,252		33,12,288
2) Preliminary expenditure		605		1,210
3) Deferred Revenue expenditure (Mother Plants)		2,43,95,250		2,88,30,750
TOTAL		2,72,94,107		3,21,44,248



SCHEDULE - I : OTHER INCOME

	YEAR ENDED 31-03-1999	YEAR ENDED 31-03-1998
	Rupees	Rupees
Freight Subsidy	5,807	1,95,871
Miscellaneous income	7,598	2,65,423
Earlier year expenditure written back	1,03,526	13,77,208
TOTAL	1,16,931	18,38,502

SCHEDULE - J : MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES

A) Manufacturing Expenditure :		
Fertilizers & Pesticides	12,04,094	9,05,877
Power & Fuel	4,54,824	2,94,309
Plant Maintenance	16,14,187	10,02,528
Repairs & Maintenance	4,07,779	16,66,948
Purchase of Flowers	3,70,555	0
B) Administrative Expenditure :		
Travelling & Conveyance	2,70,953	77,029
Printing & Stationery	34,651	64,540
Communication costs	1,09,416	1,14,703
Rent, Rates, Taxes & Charges	1,51,291	2,52,616
Auditors remuneration	30,000	30,000
Legal & Professional Charges	33,000	85,017
Bank charges & Commission	32,913	31,842
Vehicle maintenance	2,38,846	1,56,135
Office Maintenance	61,298	31,320
General expenses	54,022	1,86,511
C) Selling Expenditure :		
Freight, Clearing, Forwarding and Handling Charges	19,57,629	12,43,820
Packing Material	2,25,631	3,18,978
TOTAL	72,51,089	64,62,173



SCHEDULE - K : EXPENDITURE ON PERSONNEL :

	YEAR ENDED 31-03-1999	YEAR ENDED 31-03-1998
	Rupees	Rupees
Salaries, retainers fees and other benefits	2,53,371	2,96,823
Exgratia paid	50,000	0
Staff welfare expenditure	2,49,260	1,81,309
TOTAL	5,52,631	4,78,132

SCHEDULE - L : INTEREST :

On Term Loans	87,91,373	81,91,554
Bank Interest	6,17,177	2,34,708
On Other Loans	1,42,114	2,86,449
TOTAL	95,50,664	87,12,711

SCHEDULE - M : OTHER EXPENDITURE WRITTEN OFF :

Public Issue expenses	4,14,036	4,14,036
Preliminary expenses	605	605
Plant material written off	48,48,152	38,23,849
Loss on disposal of vehicle	0	51,854
Loss on disposal of investments	0	7,380
Electricity deposit written off	0	86,728
TOTAL	52,62,793	43,84,452



SCHEDULE - N : NOTES TO ACCOUNTS :

1. Significant Accounting Policies :

a. Basis of preparation of financial statements

1. The financial statements have been prepared under the historical cost convention on the basis of a going concern and in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the company.

2. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles followed by the company.

b. Fixed Assets

Fixed assets are valued at cost less depreciation.

c. Depreciation

Depreciation has been provided on straight line method at the rates specified in the schedule XIV of the Companies Act, 1956.

d. Inventories

Closing stocks of fertilizers, pesticides and packing materials are valued at cost.

e. Miscellaneous Expenditure

i) Preliminary expenses are amortised over a period of 10 years in equal instalments.

ii) Public issue expenses are amortised over a period of 10 years in equal instalments.

iii) Deferred revenue expenditure consisting of plant material (mother plants) will be amortised over a period of 8 years in equal instalments.

f. Foreign currency transactions

i) Liabilities in respect of foreign currency loans have been revalued at the exchange rate prevailing at the year end. The difference arising as a result of the above is adjusted in the cost of the fixed assets acquired and in respect of deferred revenue expenditure (mother plants), it is debited/credited to the Profit & Loss account as the case may be.

ii) Exports invoiced in foreign currency are converted at the exchange rate prevailing on the date of transactions. Gain/Loss arising out of fluctuation in exchange rates are accounted for on realisation.

g. Government Grants

Air freight subsidy received is recognised on receipt basis and is shown separately as income, under the head "Other Income".

2. Particulars of capacity & Production

a) Class of Goods

produced : Cut flowers (Roses)

b) Licensed Capacity : N.A.

c) Installed Capacity : 1,12,50,000 p.a.

d) Actual Production

Cut flowers (includes normal wastage) Nos.

1998 - 1999	1997-1998
-------------	-----------

33,56,851	39,92,139
-----------	-----------

Trading purchases (Nos.)

1998 - 1999	1997-1998
-------------	-----------

1,07,640	0
----------	---

3. Fertilizers & Pesticides consumed

1998 - 1999	1997-1998
-------------	-----------

Rs.	Rs.
-----	-----

12,04,094/-	9,05,875/-
-------------	------------



4. Turnover	%	*Qty(Nos.)	Value (Rs.)	%	*Qty(Nos.)	Value (Rs.)
Domestic Sales	52%	27,43,440	48,16,544	66%	34,61,570	30,42,232
Export Sales	48%	6,33,940	44,35,288	34%	3,53,480	15,53,174
TOTAL	100%	33,77,380	92,51,832	100%	38,15,050	45,95,406

* Does not include bloomed roses

5. Stock-in-Trade							charges to be created in favour of bankers on specified current assets for securing working capital borrowings and personal guarantee of Dr. K.V.L.N. Raju, the main promoter.
Cut Flowers (Roses)		0	0				
6. Foreign Exchange Transactions							
a) Earnings in foreign currency (FOB value of exports)		46,64,922	15,53,174				b) Cash credit from State Bank of Mysore, Hi-Tech Agricultural Finance Branch, Ganganagar, Bangalore is secured by hypothecation of crops, movables, raw materials, finished and semi-finished goods, stock in trade belonging to the company and all movable assets, plant material and flowers at different stages created out of banks finance.
b) Expenditure in foreign currency on account of travel		1,35,369	0				c) Hire purchase loan are secured by hypothecation of specified assets acquired under hire purchase agreement.
7. Managerial Remuneration to Dr. K.V.L.N. Raju							
Salary		0	0				
Perquisites & other benefits		0	1,01,614				
8. Auditors Remuneration							
As Auditors Fee	20,000		20,000				11. No provision has been made in the accounts against the liability in respect of future payments of gratuity to employees as no employee has yet put in the qualifying service for the entitlement of the benefit.
For Tax Audit	5,000		5,000				
For Certification & Taxation matters	5,000		5,000				
TOTAL	30,000		30,000				12. The company has acquired land in the name of its employees. The existing rules in Karnataka state do not permit the companies to hold agricultural land in their names. However, the company has entered into agreement with its employees for execution of necessary legal documents in respect of the title of the land. The consideration for purchase of said land has already been paid out of the company's funds, hence treated as an asset of the company.
9. Contingent Liabilities							
Bank Guarantee	5,10,113		5,10,113				13. Balance under sundry debtors, sundry creditors, loans and advances payable/
10. Secured Loans							
a) Foreign currency term loan and Rupee term loan from Industrial Development Bank of India is secured by first mortgage and charge on all the movable and immovable assets of the Company, present and future, subject to the							



- receivable and deposits are subject to confirmation and reconciliation.
14. Previous year figures have been regrouped, recasted and reclassified wherever necessary to confirm with current years classifications.
15. The figures have been rounded off to the nearest rupee.
16. Balance Sheet abstract and company's general business profile.

D) Registration details

Registration No. 7981 of 1987-88
State code 1
Balance Sheet date 31-03-1999

II) Capital raised during the year :

(Amount in Rs. Thousands)
Public issue NIL
Bonus issue NIL
Rights issue NIL
Private placement NIL

III) Position of Mobilisation & Deployment of funds:

(Amount in Rs. Thousands)
Total Liabilities 168847
Total Assets 168847

Sources of Funds :

Paid up Capital 67068
Reserves & Surplus 750
Secured Loans 84108
Unsecured Loans 10523

Application of Funds :

Net Fixed Assets 91140
Investments 0
Net Current Assets (-) 2978
Misc., Expenditure 27294
Accumulated Losses 46993

IV) Performance of the Company:
(Amount in Rs. Thousands)

Turnover 9252
Total Expenditure 26847
Profit/Loss before Tax (-) 17478
Earning per share N.A.
Dividend rate (%) NIL

V) Generic names of three principal products/ services of the company (as per monetary terms)

Product description NA
Item Code no. (ITC Code) NA

Signatures to Schedules 'A' to 'N'

As per our report of even date

For AMAR & RAJU
Chartered Accountants

(G. AMARANATHA REDDY)
Partner

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

K. SOMA RAJU
Director

K. RAMAKRISHNA RAJU
Director

Place : Hyderabad
Date : 26-08-1999

For and on behalf of the Board

FIELD MARSHAL SHFI MANEKSHAW
Chairman



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 1999

As at 31-3-99
Rs.

A) Cash flow from Operating Activities:		
Net loss as per Profit and Loss Account		(1,74,78,407)
Adjustments for :		
Depreciation	42,29,993	
Interest	95,50,664	
Other expenditure written off	52,62,793	
Other income	(1,06,124)	
Income tax paid	-41,026	
	<hr/>	1,88,96,300
Operating profit before working capital changes		14,17,893
Adjustments for :		
Trade & other receivables	(14,46,494)	
Trade payable	(2,33,925)	
Inventories	76,266	
	<hr/>	(16,04,153)
Net cash from operating activities		(1,86,260)
B) Cash flow from investing activities:		
Fixed capital expenditure	-50,289	
Net cash used in investing activities	<hr/>	-50,289
C) Cash flow from financing activities:		
Working capital borrowings from banks	34,30,266	
Repayment of term loan from bank	(41,33,667)	
Borrowings from others	43,35,000	
Repayment of other borrowings	(30,35,692)	
Interest paid	(6,17,327)	
Subsidy received	1,00,000	
	<hr/>	78,580
Net cash from financing activities		78,580
Net increase in cash & cash equivalents (A-B-C)		(1,57,969)
Cash & cash equivalents as at 31-03-1998		2,46,677
Cash & cash equivalents as at 31-03-1999		88,708

For AMAR & RAJU
CHARTERED ACCOUNTANTS

for and on behalf of the Board
for NAGARJUNA AGRI TECH LTD.

G. AMARANATHA REDDY
Partner

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

Place : Hyderabad
Date : 26-08-1999



To

**The Board of Directors,
NAGARJUNA AGRI TECH LIMITED,
56, Nagarjuna Hills, Punjagutta,
HYDERABAD - 500 082**

Dear Sirs,

We have examined the attached Cash Flow statement of *M/s. NAGARJUNA AGRI TECH LIMITED* for the year ended 31st March, 1999. The statement has been prepared by the Company in accordance with the requirements of listing agreement with and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company covered by our report of 26-08-1999 to the members of the Company.

For AMAR & RAJU
CHARATERED ACCOUNTANTS

(G. Amaranatha Reddy)
Partner

Place : Hyderabad

Date : 26-08-1999



NAGARJUNA AGRI TECH LIMITED

56, Nagarjuna Hills, Punjagutta, Hyderabad -500 082. INDIA
Grams : "FLOWERS"

PROXY FORM

Regd. Folio No.

No. of Shares held

I/We..... of
in the district of being a member/members
of M/s. NAGARJUNA AGRI TECH LIMITED hereby appoint of
..... in the district of or failing him
..... of in the district of
as my/our Proxy to vote for me/us on my/our behalf at the 11th Annual General Meeting
of the Company to be held on Monday, the 20th day of September, 1999 at 2-30 P.M. at
56, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082 and at any adjournment thereof.

Signed this day of1999.

Signature

Affix
Rupee 1/-
Revenue
Stamp

- Notes :
1. The Proxy need not be a member
 2. The Proxy to be valid should be duly stamped with a Revenue Stamp of Rupees 1/- and executed by the member and should reach the Company's Registered Office at least 48 hours before the commencement of the meeting.

----- TEAR HERE -----

NAGARJUNA AGRI TECH LIMITED

56, Nagarjuna Hills, Punjagutta, Hyderabad -500 082. INDIA
Grams : "FLOWERS"

ATTENDANCE SLIP

Eleventh Annual General Meeting on September 20, 1999

Regd. Folio No.

No. of Shares held

I hereby record my presence at the Eleventh Annual General Meeting of NAGARJUNA
AGRI TECH LIMITED held at 56, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082, at
2-30 p.m. on Monday September 20, 1999.

Name of Shareholder/Proxy in BLOCK letters

Signature of Shareholder/Proxy

- Notes :
- (i) Please fill this attendance slip and hand it over at the ENTRANCE of the meeting hall.
 - (ii) No gifts will be distributed at the meeting.