

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



**13TH ANNUAL REPORT 2005-06**

**ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED****BOARD OF DIRECTORS**

SHRI RAJKUMAR AGARWAL

*Director*

SHRI PAWANKUMAR AGARWAL

*Director*

SHRI SURENDRA GUPTA

*Director*

DR. SHEORAM AGARWAL

*Director***REGISTERED OFFICE**

Village : Mouje-Kashal

Taluka : Maval, Wadgaon

Dist. : Pune

**SITE**

Village : Mouje-Kashal

Taluka : Maval, Wadgaon

Dist. : Pune

**AUDITORS**

M/S. SHIV PAWAN &amp; COMPANY

Chartered Accountants

Navi Mumbai

**BANKERS**

IDBI BANK

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

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

**ORDINARY BUSINESS:**

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

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

Place : Mumbai  
Date : 28th July, 2006

Sd/-  
(PAWAN KUMAR AGARWAL)  
Director

**NOTES:**

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

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

Place : Mumbai  
Date : 28th July, 2006

Sd/-  
(PAWAN KUMAR AGARWAL)  
Director

**DIRECTORS' REPORT**

To,  
The Members,

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

**DIVIDEND:**

The Directors recommend no payment of dividend during the year.

**OPERATIONS:**

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

**FIXED DEPOSITS:**

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

**PERSONNEL:**

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

**DIRECTORS:**

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

**AUDITORS:**

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

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

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

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

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

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

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

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

**ACKNOWLEDGEMENTS:**

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

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

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

Place : Mumbai  
Date : 28th July, 2006

Sd/-  
(PAWAN KUMAR AGARWAL)  
Director

**ANNEXURE TO THE DIRECTOR'S REPORT**

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

**A. CONSERVATION OF ENERGY:**

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

**B. TECHNOLOGY ABSORPTION:**

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

**EXPENDITURE ON R & D**

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

**TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:**

- 1) Efforts in brief, made towards technology absorption, adoption and innovation – NIL –
- 2) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development.

– NOT APPLICABLE –

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

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

**ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED****C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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

Total Foreign Exchange used	NIL
Total Foreign Exchange earned	NIL

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

Sd/-  
(PAWAN KUMAR AGARWAL)  
Director

Place : Mumbai  
Date : 28th July, 2006

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**REPORT ON CORPORATE GOVERNANCE****A. COMPLIANCE OF MANDATORY REQUIREMENTS****1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

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

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

**2. BOARD OF DIRECTORS**

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

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

\* Also Independent

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

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

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



**ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED****(ii) Attendance of Directors in meetings held during the financial year 2005-2006 :**

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

**3. AUDIT COMMITTEE****(i) Terms of Reference**

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

**(ii) Composition Name of Members and Chairman**

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

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

**(iii) Invitee: (being entitled to attend as per relevant provisions of applicable laws/rules and/or as and when felt necessary)****(a) The Statutory Auditors viz. M/s. Shiv Pawan & Company****(iv) The Chairman of the Audit Committee attended the Annual General Meeting held on 28th September, 2005 and provided clarifications of the members of the Company on the matters relating to Accounts and finance.****(v) The Audit Committee comprises persons with vast experience. Shri Surendra Gupta, Chairman is a practicing Chartered Accountant. Dr. Sheoram Agarwal, is a PHD holder and well known industrialist and Shri Pawan Kumar Agarwal having experience of around two and half decade of running business.****(vi) An Audit Committee meeting was held on 26th July, 2005 where the Annual Financial Statements for the year ended 31st March, 2005 were reviewed and examined by the members of the Audit Committee before recommendation of the same to the Board of Directors for their perusal and adoption.**

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

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

#### 4. REMUNERATION COMMITTEE :

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

#### 5. SHAREHOLDERS COMMITTEE :

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

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

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

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

Number not solved to the satisfaction of the Shareholders : Nil

Number of pending share Transfers : Nil

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

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