

ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED

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15TH ANNUAL REPORT 2007-08

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

| | | |
|---------------------------|-------------------------|-----------------|
| BOARD OF DIRECTORS | SHRI RAJKUMAR AGARWAL | <i>Director</i> |
| | SHRI PAWANKUMAR AGARWAL | <i>Director</i> |
| | SHRI SURENDRA GUPTA | <i>Director</i> |
| | DR. SHEORAM AGARWAL | <i>Director</i> |

| | |
|--------------------------|-------------------------|
| REGISTERED OFFICE | Village : Mouje-Kashal |
| | Taluka : Maval, Wadgaon |
| | Dist. : Pune |

| | |
|-------------|-------------------------|
| SITE | Village : Mouje-Kashal |
| | Taluka : Maval, Wadgaon |
| | Dist. : Pune |

| | |
|-----------------|---------------------------|
| AUDITORS | M/S. SHIV PAWAN & COMPANY |
| | Chartered Accountants |
| | Navi Mumbai |

| | |
|----------------|-----------|
| BANKERS | IDBI BANK |
|----------------|-----------|

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

Notice is hereby given that the 15th Annual General Meeting of Elegant Floriculture and Agrotech (India) Limited will be held on Wednesday, 24th September, 2008 at 2.30 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, 2008, the Profit and Loss Account for the year ended 31st March, 2008 together with report of the Directors' and Auditors' thereon.
2. **To appoint Director** : To appoint a Director in place of MR. SURENDRA GUPTA who retires by rotation and being eligible offers himself for reappointment.
3. **To appoint Auditors of the Company** : To consider, and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION.

"**RESOLVED THAT** the 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 authorized to fix their remuneration for the period."

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

Place : Mumbai
Date : 7th August, 2008

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 22-09-2008 to 24-09-2008 (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 : 7th August, 2008

Sd/-
(PAWAN KUMAR AGARWAL)
Director

DIRECTORS' REPORT

To The Members,

The Directors have pleasure in submitting the 15th Annual Report together with the Audited Accounts for the year ended 31st March 2008.

DIVIDEND :

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

OPERATIONS :

During the year under consideration the Company could not perform to its expectations. The Company has earned Total Income of Rs. 55.45 lacs in comparison to Rs. 86.28 lacs in the previous year. The Company has earned net profit after tax of Rs. 1.88 lacs in comparison to Rs. 14.74 lacs in the previous year. Your directors are hopeful of better performance in the current financial year.

FIXED DEPOSITS :

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

PERSONNEL :

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

DIRECTORS :

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

AUDITORS :

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

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.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS & OUTGO

The Company has neither incurred any expenditure nor earned any income in foreign exchange.

ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED**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 : 7th August, 2008

Sd/-
(PAWAN KUMAR AGARWAL)
Director

ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED**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 |) | NIL |
| | percentage of |) | |
| | total turnover. |) | |

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

Place : Mumbai
Date : 7th August, 2008

Sd/-
(PAWAN KUMAR AGARWAL)
Director

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REPORT ON CORPORATE GOVERNANCE**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 2008.

| 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 | 3 | None | None |
| Shri Surendra Gupta | *Non Executive | 1 | None | None |
| Dr. Sheoram Agarwal | *Non Executive | 2 | None | None |

* Also Independent

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

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

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

- (ii) Attendance of Directors in meetings held during the financial year 2007-2008.

| Sr. No. | Nature & date of meetings | R.K.Agarwal | P.K.Agarwal | S.S.Gupta | S.R.Agarwal |
|---------|---------------------------|-------------|-------------|-----------|-------------|
| 1 | Board on 24.04.07 | Present | Present | Present | Present |
| 2 | Board on 25.07.07 | Present | Present | Present | Present |
| 3 | Board on 25.08.07 | Present | Present | Present | Present |
| 4 | Board on 29.10.07 | Present | Present | Present | Present |
| 5 | Board on 28.01.08 | Present | Present | Present | Present |
| 6 | Members on 28.09.07 | Present | Present | Present | Present |

1. **AUDIT COMMITTEE**

(i) **Terms of Reference**

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

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

The Audit Committee is comprised of two independent Directors. During the financial year ended 31.03.2008, five Committee Meetings were held on 24th April, 2007, 25th July, 2007, 25th August, 2007, 29th October, 2007 & 28th January, 2008. The composition of the Audit Committee and the attendance of each Director at their meetings are as follows

| Sr. No | Members | Meetings attended |
|--------|--|-------------------|
| 1 | Shri. Surendra Gupta – <i>Chairman</i> | 5 |
| 2 | Dr. Sheoram Agarwal | 5 |
| 3 | Shri. Pawan Kumar Agarwal | 5 |

(iii) **Invitee: (being entitled to attend as per relevant provisions of applicable laws/ rules and/or as and when felt necessary)**

(a) **The Statutory Auditors viz. M/s. Shiv Pawan & Company**

(iv) **The Chairman of the Audit Committee attended the Annual General Meeting held on 28th September, 2007 and provided clarifications to the members of the Company on the matters relating to Accounts and finance.**

(v) **The Audit Committee comprises persons with vast experience. Shri Surendra Gupta, Chairman is a practicing Chartered Accountant. Dr. Sheoram Agarwal, is a PHD holder and well known industrialist and Shri Pawan Kumar Agarwal having experience of around two and half decade of running business.**

(vi) **An Audit Committee meeting was held on 25th August, 2007 where the Annual Financial Statements for the year ended 31st March, 2007 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.**

ELEGANT FLORICULTURE & AGROTECH (INDIA) LIMITED

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, 2007 | 24th April 2007 |
| 2. | Quarter ended 30th June, 2007 | 25th July, 2007 |
| 3. | Quarter/Half Year ended 30th Sept. 2007 | 29th October, 2007 |
| 4. | Quarter ended 31st December, 2007 | 28th January 2008 |

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 3 times during the year 2007-2008.

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 : 5
- 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 |
|----------|----------------------|--------------------|-----------|
| 12th | 28-09-2005 | Vill: Mouje-Kashal | 4.00 p.m. |
| 13th | 29-09-2006 | Vill: Mouje-Kashal | 4.00 p.m. |
| 14th | 28-09-2007 | Vill: Mouje-Kashal | 4.00 p.m. |