

**BOARD OF DIRECTORS**

Sri M. SAMBASIVA RAO

Sri SUNIL PAUL

Sri S. VAHEED BASHA

CHAIRMAN

DIRECTOR

DIRECTOR

**AUDITORS**

V. Ramachandra Rao.,  
Chartered Accountants  
H.No-3-6-547/4,  
Ananda Nilayam, Street No.8,  
Near Himayatnagar Post Office,  
Himayatnagar, Hyderaabad-29,  
Phone: 55547713  
Cell: 98490 27690

**BANKERS**

Global Trust Bank Limited  
Sarojinidevi Road  
Secunderabad

State Bank of Mysore  
Hi-tech Agricultural Finance Branch  
No. 20, 1<sup>st</sup> Main, K.H.M Block,  
Ganganagar, banglore-560 032

**REGISTERED OFFICE**

PLOT NO 6, 8-2-248/B/2,  
JOURNALIST COLONY,  
Hyderabad – 500 034.

## NOTICE

Notice is hereby given that the 14<sup>th</sup> Annual General Meeting of the Company will be held on Tuesday the 30<sup>th</sup> Day of September, 2008 at 11.00 A.M at Plot No. 6, H.No. 8-2-248/B/2, Journalists Colony, Road No. 3, Banjara Hills, Hyderabad – 500 034 to transact the following business:

### A. ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2008 Balance sheet and Cash Flow Statement as on that date together with the reports of the Directors' and Auditors' thereon.
2. To re-appoint M/s. V. Ramachandra Rao , Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.
4. To Appoint Director in place of Sri S. Vaheed Basha, who retires by rotation and being eligible, offers himself for re-appointment

By order of the Board  
For ASIAN FLORA LIMITED



**SAMBASIVA RAO**  
Chairman/ Director

Place: Hyderabad  
Date: 05-09-2008

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES, SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. The Register of members of the company will remain closed from 23<sup>rd</sup> September, 2008 to 30<sup>th</sup> September 2008 (both days inclusive).
3. Members are requested to bring their copies of Annual Report to the Annual General Meeting.
4. Members/Proxies should bring the attendance slip sent here with duly filled in for attending the Meeting.
5. No gifts will be distributed at the meeting.

By order of the Board  
For ASIAN FLORA LIMITED



**M. SAMBASIVA RAO**  
Chairman/ Director

Place: Hyderabad  
Date: 05-09-2008.

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 11<sup>th</sup> Annual Report together with the Audited Statement of Accounts of your Company for the year ended 31<sup>st</sup> March, 2008.

### FINANCIAL RESULTS:

The Financial highlights for the year under review are given below:

(Rs. in lacs)

	2007-08 (12Months)	2006-07 (12 Months)
Sales and Other Income	0	0
EBIDT	-1.37	-1.36
Interest	0	0
Depreciation	28.03	28.14
<b>Profit Before Tax</b>	-29.40	-29.50
Provision for Tax*	0	0
<b>Profit After Tax</b>	-29.40	-29.50
<b>Net Worth**</b>	511.10	511.10

### OPERATIONS

The company has no business activity during the year.

### DIVIDEND

Due to Inadequate profits, the directors do not recommend dividend for the year 2007-2008.

### Future Outlook:

The premises of operations are under the control of KSIIDC, Bangalore, there is no possibility of continuation of business operations till the loans are cleared. Hence interest on loans has not been provided.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 the Board of Directors state:

- i) that in preparation of the Annual Accounts, applicable accounting standards have been followed and there were no material departures there from except as otherwise explained in the notes to accounts.
- ii) that the directors have selected such accounting policies and adopted them consistently, except as stated in the notes on accounts, and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March, 2008 and Profit & Loss account of the company for the year ended 31<sup>st</sup> March, 2008. The auditor's comments in this regard are self explanatory
- iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities:

#### **DIRECTORS**

Sri. S. Vaheed Basha retires by rotation and being eligible, offers himself for re-appointment.

#### **AUDITORS**

Sri. V. Ramachandra Rao., Chartered Accountant, Auditors of the Company are eligible for re-appointment as statutory auditors of the Company to audit the accounts of the Company for the financial year 2008-09.

#### **PARTICULARS OF EMPLOYEES**

No employee of the company is in the receipt of remuneration as specified under the provision of section 217 (2A) of the companies Act, 1956, read with companies (particulars of employees) rules, 1975 as amended.

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The company does not have any manufacturing operations. It is engaged in plantation activity business. All these activities are not energy intensive, consequently, the provisions regarding furnishing of details of conservation of energy are not applicable.

Technology absorption and foreign exchange earning and outgo "NIL" during the year under review.

### **ACKNOWLEDGEMENTS**

Your Directors thank the customers, vendors, investors and bankers for their continued support to your company's growth. The Board of Director also thanks all Government/Statutory Organization for their support extended to the company.

Your Board of Directors would like to place on record their appreciation to all the employees for their co-operation and contribution.

By order of the Board  
For ASIAN FLORA LIMITED



A handwritten signature in black ink, appearing to read "M. Sambasiva Rao".

**M. SAMBASIVA RAO**  
Chairman/ Director

Place: Hyderabad  
Date: 05-09-2008

## **REPORT ON CORPORATE GOVERNANCE**

### **1. Company's Philosophy on Corporate Governance**

The Company philosophy on the code of Corporate Governance is:

- (i) To ensure that adequate control system exists to enable the board to effectively discharge its responsibility to all the shareholders of the company.
- (ii) To ensure that the decision making process is fair and transparent.
- (iii) To ensure that the fullest commitment of the Management and the board to the maximization of shareholders value.
- (iv) To ensure that the employees of the company subscribe to the corporate values and apply them in their conduct and to ensure that the company follows globally recognized Corporate Governance practices.

## 2. Board of Directors:

(i) Composition: the details of composition and categories of Directors are:

Name	Category	Designation held	No. of Meetings Held	No. of Meetings Attended	Whether Attended Last AGM (Y/N)	No. of Directorships In other Boards	No. of Memberships In other committees
Sri.MUPPALLA SAMBASIVA RAO	Executive Director	Director	4	4	Yes	2	Nil
Sri SUNIL PAUL	Non-Executive Director	Director	4	4	Yes	2	Nil
Sri S. Vaheed Basha	Non-Executive Director	Director	4	4	Yes	Nil	Nil

## Meeting of Board of Directors

During the Financial year 2007-08 Board of Directors met on the following dates: 30<sup>th</sup> June 2007, 05<sup>th</sup> September 2007, 22<sup>nd</sup> December 2007 and 06<sup>th</sup> March 2008.

**3.Audit committee:** As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted consisting of two Independent Directors and one Executive Director as Sub-Committee to the Board and considers the terms of reference as stipulated under Clause 49 of the Listing Agreement :

**Composition and other details:** The Audit Committee of the Company was constituted with two Independent Directors and one Executive Director viz.,

Chairman	-	Sri M. SAMBASIVA RAO	-	Executive Director
Member	-	Sri SUNIL PAUL	-	Independent Director
Member	-	Sri S.VAHEED BASHA	-	Independent Director

During the year the Audit Committee met 4 times on the following Dates:

30<sup>th</sup> June 2007  
05<sup>th</sup> September 2007  
22<sup>nd</sup> December 2007 and  
06<sup>th</sup> March 2008

Attendance of the Directors in the Audit Committee Meeting:

Name of the Director	No. of Meetings held	No. of Meetings attended
Sri M. SAMBASIVA RAO	4	4
Sri SUNIL PAUL	4	4
Sri S.VAHEED BASHA	4	4

#### 4. Remuneration Committee:

a) Composition, Name of the Chairman and members:

Sri M. SAMBASIVA RAO  
Sri SUNIL PAUL  
Sri S.VAHEED BASHA

b) The Terms of reference stipulated by the Board to the Remuneration Committee:

To formulate a remuneration policy and approve the remuneration or revise the remuneration payable to the Directors, The remuneration policy of the Company is directed towards motivating and retaining the senior officers of the Company by rewarding performance.

#### 5. Share Holders / Investors Grievance Committee

a. **Constitution:** The shareholders grievance committee was constituted by the Board of Directors in accordance with the requirement of clause 49 of the listing agreement.

b. **Composition :** The composition of the Committee is as follows:

Chairman	-	Sri M. SAMBASIVA RAO	-	Chairman
Member	-	Sri SUNIL PAUL	-	Director
Member	-	Sri S.VAHEED BASHA	-	Director

c. **Functions :** The functions of the committee are as follows: oversees

- (i) Share Transfer with in stipulated time.
- (ii) Non-receipt of Dividends, if any.
- (iii) To consider Replacement of lost/ stolen/ mutilated share certificates.
- (iv) Non-receipt of rights/ bonus / share certificates.
- (v) Other related issues.

#### 6. GENERAL BODY MEETINGS

a. Details of Location and Time of holding the last three Annual General Meetings.

Date	Venue	Time	No. of Special Resolutions
September 30, 2005	PLOT NO 6, 8-2-248/B/2, JOURNALIST COLONY, HYDERABAD-500 034	11.00 AM	Nil
September 30, 2006	PLOT NO 6, 8-2-248/B/2, JOURNALIST COLONY, HYDERABAD-500 034	11.00 AM	Nil
September 29, 2007	PLOT NO 6, 8-2-248/B/2, JOURNALIST COLONY, HYDERABAD-500 034	11.00 AM	Nil

## **7. DISCLOSURES**

- (a) **RELATED PARTY TRANSACTIONS:** The Company has no related party transactions during the year 2007-2008.

## **8. MEANS OF COMMUNICATION:**

- a. In compliance with the requirements of Listing Agreement, the Company regularly intimates Un-audited as well as audited financial results to the Stock Exchange immediately after they are taken on record by the Board.
- b. The Management Discussion and Analysis Report is part of this Annual Report.

## **9. GENERAL SHAREHOLDERS INFORMATION:**

### **(a) Annual General Meeting:**

Date & Time : 30<sup>th</sup> September, 2008 at 11.00 A.M  
Venue : PLOT NO 6, 8-2-248/B/2, JOURNALIST COLONY,  
HYDERABAD-500 034

(b) Financial year - April - March

(c) Date of Book Closure : 23<sup>rd</sup> September, 2008 to 30<sup>th</sup> September, 2008 (both days inclusive)

(d) Listing on Stock Exchange : The Equity Shares of the company are listed on:

The Bombay Stock Exchange, Mumbai,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400 001

(g) Registrars & Transfer Agents: Share Transfers & Communication regarding Share Certificates and Change of address etc.

M/s EXCELSOFT

(h) The listing fee for the year 2007-08 has not been paid to Bombay Stock Exchange.



**(i) Address for Correspondence :**

- For suggestions / Grievances/ Queries to

ASIAN FLORA LIMITED  
Regd. Office: PLOT NO 6, 8-2-248/B/2,  
JOURNALIST COLONY, HYDERABAD-500 034  
E-mail ID: khpl@satyam.net.in

- For Share Transfer / Dematerialization / Consolidation / Split of Shares, Issue of Duplicate Share Certificates and Change of Address of members:

M/s EXCELSOFT

**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report on the Business of the Company as applicable and to the extent relevant is given below:

The company is not doing business and hence the Management cannot comment on this.

Place: Hyderabad  
Date: 05-09-2008



By order of the Board  
For ASIAN FLORA LIMITED

A handwritten signature in black ink, appearing to read "Sambasiva Rao".

**M. SAMBASIVA RAO**  
Chairman/ Director

## CEO / MD CERTIFICATE

The Board of Directors

### ASIAN FLORA LIMITED

I certify that :

1. I have reviewed the financial statement, read with the cash flow statement of ASIAN FLORA LIMITED (the Company) for the year ended 31st March, 2008 and to the best of my knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. Based on the recent most evaluation on internal controls and systems I have to state:
  - (i) that there were no deficiencies in the design or operation of internal controls, which I am aware;
  - (ii) that there have been adequate internal controls in the company,
  - (iii) that there was no fraud, which I have become aware of and that involves managements or other employees who have a significant role in the companies internal control systems.

Place: Hyderabad

Date: 05-09-2008



A handwritten signature in black ink, appearing to read "M Sambasiva Rao".

M SAMBASIVA RAO

Chairmen/Director



## AUDITOR'S REPORT

To  
The Members of  
Asian Flora Limited,  
Hyderabad.

1. We have audited the attached Balance Sheet of "M/s Asian Flora Limited". As at 31<sup>st</sup> March, 2008 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit included examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
4. Further to our comments in Annexure referred to above, we report that:
  - a. We have obtained only the available information and explanations to the extent furnished and as is made available to us. In view of the closure of the unit since long and non availability of staff; the availability of information and explanation have got effected to a certain extent and subject to these limitations we could elicit the information to the best of our knowledge and belief which were necessary for the purpose of our audit.





- b. In our opinion, proper books of accounts as required by Law “Prima-facie” appear to have been kept; by the company; so far as appears from our examination of those books. 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.
- c. In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of the books.
- d. The Balance Sheet and the Profit & Loss account dealt with by the report are in agreement with the books of account.
- e. On the basis of written representation received from the Directors and taken on record by the Board of Directors, we report that none of the Director is disqualified as on March 31<sup>st</sup>, 2008 from being appointed as a Director under clause (g) of sub-section (1) of section 274 of the companies Act, 1956.
- f. The company is not having manufacturing activity since 2001. Hence this matter shows the impact / effect on the “Going Concern Concept”.
- g. In view of examination of books of accounts the company has not provided the interest on secured loans. And thus not followed the “accrual concepts”.
- h. The loan outstanding to KSIIDC, Bangalore, NHB, Bangalore are secured against the assets of the company and the same are under the possession of the KSIIDC, Bangalore.





**ANNEXURE TO AUDITORS' REPORT**

1. According to the information and explanation given to us the assets of the company are under the possession of the KSIIDC, Bangalore. Since the assets are secured against the Loans with KSIIDC.
2. As explained to us, there are no stocks of Goods, stores, spare parts and materials as physically verified and certified by the management.
3. a. The Company has not taken any loans, secured or unsecured, from companies, firms, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, or from Company under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956, where the rate of interest and other terms and conditions are, in our opinion, prima facie prejudicial to the interests of the Company except that on amount of Rs. 214.83 lacs has been taken as unsecured loans from companies in which Directors are interested and from others.  
  
b. The company has not granted any loans, secured or unsecured, to companies, firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956, or to company under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956, where the rate of interest and other terms and conditions are, in our opinion, prima facie prejudicial to the interests of the Company.  
  
c. The company has not granted any advances in the nature of loans.
4. 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 regards to purchases of stores, raw materials including components, plant and machinery, equipment and other assets and with regard to sale of goods.
5. Whether transactions that need to be entered into a register in pursuance of Section 301 of the Act have been so entered. **Not applicable.**





6. According to the information and explanations given to us, the Company has not accepted any deposits as define under Section 58 A of the Companies Act, 1956 and the rules framed there under during the period under review.
7. **The company is having a paid-up capital exceeding Rs. 50 lacs as at the commencement of the financial year concerned and has no Internal Audit System commensurate with its size and nature of business.**
8. According to the information explanation given to us maintenance of cost records has not been prescribed by the Central Government under section 209 (1) of the Companies Act, 1956, for any of activities of the Company.
9. a. According to the information and explanations given to us Provisions of the Provident Fund Act and Employees State Insurance Act are not applicable to the company.  
b. **According to the information and explanations given to us, and the records of the company examined by us there are no undisputed amounts payable in respect of Wealth-Tax, sales tax, customs duty and excise duty which have remained outstanding, as at 31<sup>st</sup> March, 2008, for a period of more than six months from the date they became payable except the amounts of TDS of Rs. 25,100/- and Income Tax of Rs. 6,37,598/-.**
10. **The company has been registered for a period of not less than 5 years and its accumulated losses at the end of the financial year is more than 50% of the net worth.**  
The company is a Sick Industrial Company within the meaning of clause (o) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 and the same has not been reported to the BOARD FOR INDUSTRIAL RECONSTRUCTION by the Directors of the Company.
11. Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported.  
**Not applicable.**

12. Whether adequate documents and records are maintained in cases where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities; If not, the deficiencies to be pointed out.  
**Not applicable.**



CA.V. RAMACHANDRA RAO  
F.C.A.  
CHARTERED ACCOUNTANT

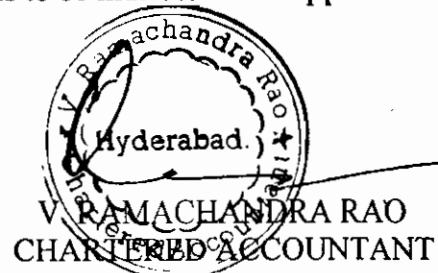


H.No. 1-2-56/55, Plot No. 1039,  
Ground Floor, Street No. 5,  
Advocates Colony,  
Himayatnagar, Hyderabad-29.  
Cell : 99490 57690  
raoramachander@yahoo.com  
raoramachander@gmail.com

13. Whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions where of are prejudicial to the interest of the company. **Not applicable.**
14. Whether term loans were applied for the purpose for which the loans were obtained. **Not applicable.**
15. Whether the funds raised on short-term basis have been used for long term investment and vice versa; If yes, the nature and amount is to be indicated. **Not applicable.**
16. Whether the company has made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act and if so whether the price at which shares have been issued is prejudicial to the interest of the company. **Not applicable.**
17. Whether securities have been created in respect of debentures issued. **Not applicable.**
18. Whether the management has disclosed on the end use of money raised by public issues and the same has been verified. **Not applicable.**
19. Whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated. **Not applicable.**

Date: 05.09.2008

Place: Hyderabad



5. V

**ASIAN FLORA LIMITED**

**14<sup>th</sup>**  
**ANNUAL REPORT**  
**2007-2008**



## Annexure 1

Information under section 217(1)(e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report.

### FORM - A

Form for disclosure of particulars with respect to conservation of energy

#### A. Power and Fuel .

##### 1. ELECTRICITY

###### a) Purchased

Unit (NO) : N.A  
Total Amount (Rs.) : N.A  
Rate/Unit (Rs.) : N.A

###### b) Own generation

###### i) Through Diesel Generator

Unit (no) : Nil  
Unit per Ltr. of Diesel Oil (NO.) : 0.00  
Cost/Unit (Rs.) : 0.00

ii) Through the steam turbine/Generator : NIL

#### B. Consumption per Unit of Production.

Electricity (No. of Units) : N.A

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

i) Foreign exchange Earned (Rs.lacs) : NIL  
(FOB Value of exports)

ii) Foreign exchange Used (Rs.lacs) : NIL  
Capital Goods

iii) Foreign Travel ( Rs. lacs) : NIL

### FORM - B

Research and Development (R&D) : During the year under consideration the company has not taken up any R&D Activity.

Technology absorption, adaptation and innovation :

1. Efforts, in brief made towards Technology absorption, adaptation and innovation : Not applicable

2. Benefits derived as a result of the above efforts. : Not applicable

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

- a) Technology imported : Imported technology from  
Stork Horst B.V. Holland for  
planting and cultivation.
- b) Year of import. : 1996.
- c) Has technology been fully  
absorbed ? : Yes
- d) If not fully absorbed, areas : Not applicable.  
where this has not taken place  
reasons therfor and future  
plans of action.

Foreign exchange earnings and out go


Activities relating to exports : Unit not operational  
initiatives taken to increase  
exports, development of new export  
markets for production and service  
and export plans

## AUDITORS' REPORT

To  
The Board of Directors  
ASIAN FLORA LIMITED  
Hyderabad.

We have examined the attached Cash Flow Statement of ASIAN FLORA LIMITED for the year ended 31.03.2008. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Hyderabad, Bombay and Bangalore Stock Exchange and is based on and in agreement with the corresponding Balance Sheet of the Company covered by our report of 05.09.2002 to members of the Company.

Place : Hyderabad  
Date : 05.09.2008.



**V. RAMACHANDRA RAO**  
M. No: 203292 F.C.A.,  
H. No: 1-2-56/55, Plot No: 1039,  
Advocates Colony, Street No: 5,  
Himayathnagar, Hyderabad-29.

## ASIAN FLORA LIMITED

### SCHEDULES ATTACHED TO AND FORMING PART OF ACCOUNTS

#### SIGNIFICANT ACCOUNTING POLICIES :

The following are the significant accounting policies adopted by the Company in the preparation and presentation of Financial statements:

- a. The accounts have been prepared using historical cost Convention in accordance with Generally Accepted Accounting Principles and provisions of the Companies Act, 1956 as applicable to the Company.
- b. The company is not having manufacturing activity since 2001. Since this is the only activity it shows the impact / effect on the "Going Concern Concept".
- c. The company has not provided the interest on secured loans and thus not followed the "accrual concepts".
- d. All fixed Assets are stated at cost less depreciation.
- e. Depreciation:
  - i) Depreciation is provided for on straight line method on pro-rata basis at the rates specified in Schedule XIV of the Companies Act, 1956 on all the assets except Rose Plants.
  - ii) The Company has not provided Depreciation on Vehicle since the same is not kept in use during the year.
  - iii) The Company could not continue the operations in the Firm yard since December 2001 due to interference of Main Financiers M/s KSIIDC, Bangalore in the event of Loans extended. It resulted to complete damage to all Rose Plants and hence the value of Rose Plants as on 01.04.07 is written off during the previous year 2007-08.
- f. As the premises of operations is under the control of KSIIDC, Bangalore, there is no possibility of continuation of business Operations till the loans are cleared. Hence interest on loans has been provided for accrued basis.



## 11. Notes on Accounts

1. Contingent Liabilities on a account of litigation with creditors/Parties is to the extent of Rs. 6.15 lakhs from 1998-99. Income Tax Liability demanded by the Department for an amount of Rs.11,13,063/- has not been provided in the Books of Accounts.
2. Deferred Revenue Expenditure will be written off over a period of 5 years.
3. Preliminary and Public Issue Expenses will be written off over a period of 10 years.
4. Amount invested by Moerheim Roses & Trading India, Bangalore has been shown in Current Liabilities Account.

5. Particulars of Remuneration paid to Directors:

	2008-2009	2007-2008
	Rs.	Rs.
Managing Director :		
Salary :	NIL	NIL
Perks :	NIL	NIL

6. Particulars of Payment to Auditors:

	Rs.	Rs.
Audit Fee	10,000	10,000
Service Tax	800	800

7. Balances under the heads Sundry Debtors, Sundry Creditors, Term Loans, Bank Balances and advances given by the company are subject to confirmations.
8. Estimated amount of contracts to be executed on Capital Account and not provided for on 31st March, 2008 is Rs. NIL (Previous Year : NIL)
9. Value of Imports calculated on CIF basis:

	2006-2007	2007-2008
	Rs.	Rs.
a) Capital Goods :	NIL	NIL
b) Expenditure in foreign currency		
Travelling Expenses :	NIL	NIL

10. Gratuity is not accounted during the year as there are no employees.

11. The loans advanced by KSIIDC, Bangalore are under the proposal of OTS.



## ASIAN FLORA LIMITED

### SCHEDULES ATTACHED TO AND FORMING PART OF ACCOUNTS

12. Provision for deferred Tax liability/asset has not been provided for as the same does not arise in the case of the company.
13. The loan outstanding to KSIIDC, Bangalore , NHB, Bangalore are secured against the assets of the company and the same are under the personal guarantee of Mr. K. Bhanu Prasad, Mr. D. Raghava Rao & Mr. K. Madhava Rao.

#### 14. ADDITIONAL INFORMATION PURSUANT TO CHAPTER VI OF COMPANIES ACT, 1956

##### QUANTITATIVE AND OTHER DETAILS:

1. LICENCED CAPACITY CUT FLOWERS (ROSES) 88 lacs Nos.
2. INSTALLED CAPACITY CUT FLOWERS (ROSES) 88 lacs Nos.
3. PRODUCTION CUT FLOWERS (ROSES) NIL
4. INFORMATION REGARDING OPENING STOCK, CLOSING STOCK, SALES ETC

	QUANTITY	AMOUNT
OPENING STOCK		
FERTILISERS, CHEMICALS & PESTICIDES	NIL	NIL
COMPOST	NIL	NIL
FINISHED GOODS	NIL	NIL
TURNOVER		
CUT FLOWER SALES	NIL	NIL

##### DETAILS OF RAW MATERIAL CONSUMED :

FERTILISERS AND COMPOST	}	NIL
PESTISIDES AND CHEMICALS	}	



15. Previous Year's figures have been regrouped wherever considered necessary.
16. Figures have been rounded off to the nearest Rupee.
17. Schedules 1-11 referred to in the Balance Sheet and Profit and Loss Account form an integral part of accounts.

VIDE OUR REPORT OF EVEN DATE



FOR AND ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read "M. Sambasiva Rao".

M. SAMBASIVA RAO  
DIRECTOR

A handwritten signature in black ink, appearing to read "Sunil Paul".

SUNIL PAUL  
DIRECTOR

PLACE : HYDERABAD  
DATED : 05.09.2008

**ASIAN FLORA LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008**

**A. CASH FLOW FROM OPERATING ACTIVITIES:**      **Year Ended**    **Year Ended**  
   **31-03-2008**    **31-03-2007**

Net Profit/(Loss) before Tax and  
Extraordinary items     **(29.40)**        **(29.50)**

**Adjustments for:**

Depreciation	<b>28.03</b>	28.14
Miscellaneous Expenses written off	1.10	1.25
Profit/(Loss) on sale of Assets	<b>0.00</b>	0.00
Interest on Bank Deposits	<b>0.00</b>	0.00
Interest on Working Capital Loans	<b>0.00</b>	0.00
Provision for Income Tax	<b>0.00</b>	0.00
	<b>-----</b>	<b>-----</b>
	<b>(0.27)</b>	<b>(0.11)</b>

**Operating profit/loss working capital changes****Adjustments for:**

(Increase)/Decrease in Inventories	<b>0.00</b>	0.00
(Increase)/Decrease in Sundry Debtors	<b>0.00</b>	0.00
(Increase)/Decrease in Loans & Advances	<b>0.00</b>	0.00
Increase/(Decrease) in Cash Credit Loans	0.00	0.00
Increase/(Decrease) in CurrentLiabilities	<b>0.11</b>	0.11
	<b>-----</b>	<b>-----</b>

**Cash generated from operations**     **(0.16)**        **0.00**

**Adjustment for :**

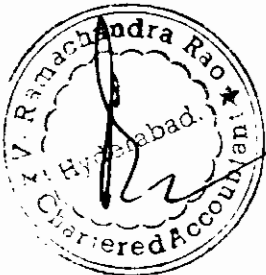
Interest on Working Capital Loans	<b>0.00</b>	0.00
	<b>-----</b>	<b>-----</b>

**TOTAL A**     **(0.16)**        **0.00**

**B. CASH FLOW FROM INVESTING ACTIVITIES :**      **Year Ended**    **Year Ended**  
   **31-03-2008**    **31-03-2007**

Increase in Fixed Assets (Inclusive of Capital Works and pre-operative Expenditure)	<b>0.00</b>	0.00
Sale of Fixed Assets	<b>0.00</b>	0.00
Interest Received	<b>0.00</b>	0.00
Increase in Miscellaneous Expenditure	<b>0.00</b>	0.00
	<b>-----</b>	<b>-----</b>

**TOTAL B**     **0.00**        **0.00**



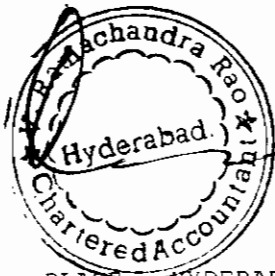


C. CASH FLOW FROM FINANCING ACTIVITIES:

Increase/(Decrease) in Share Capital	0.00	0.00
Increase/(Decrease) in Term Loans	0.00	0.00
Increase/(Decrease) in Unsecured Loans	0.16	0.00
	-----	-----
<b>TOTAL C</b>	<b>0.16</b>	<b>0.00</b>
	-----	-----
Net Increase/(Decrease) in cash and cash equivalents (A+B-C)	0.00	0.00
Opening Balance of Cash & Cash Equivalents	0.00	0.00
Closing Balance of Cash & Cash Equivalents	0.00	0.00

VIDE OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD



PLACE : HYDERABAD  
DATED : 05.09.2008

Two handwritten signatures in black ink. The first signature is for M. Sambasiva Rao and the second is for Sunil Paul.

M. SAMBASIVA RAO  
DIRECTOR

SUNIL PAUL  
DIRECTOR

**ASIAN FLORA LIMITED**  
**PLOT NO 6, JOURNALISTS' COLONY,**  
**ROAD NO 3, BANJARA HILLS, HYDERABAD - 500 039.**

**BALANCE SHEET AS AT 31st March,2008**

PARTICULARS	SCH NO	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
<b>I. SOURCE OF FUNDS</b>			
<b>A. SHARE HOLDERS' FUNDS</b>			
SHARE CAPITAL	1	51110000	51110000
<b>B. LOAN FUNDS</b>			
SECURED LOANS	2	129053155	129053155
UNSECURED LOANS	3	22311020	22295020
<b>TOTAL</b>		202474175	202458175
<b>II. APPLICATION OF FUNDS</b>			
<b>A. FIXED ASSETS</b>			
GROSS BLOCK		75886740	75886740
LESS : DEPRECIATION	4	40454641	37651821
NET BLOCK		35432099	38234919
<b>B. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
CASH & BANK BALANCES	5	868643	868643
LOANS & ADVANCES	6	4803810	4803810
		5672453	5672453
Less :CURRENT LIABILITIES & PROVISIONS	7	11152362	11141562
NET CURRENT ASSETS		(5479909)	(5469109)
<b>C. MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted)			
MISCELLANEOUS EXPENDITURE	8	896331	1006270
PROFIT (LOSS) ACCOUNT		(171625654)	(168686095)
<b>TOTAL</b>		202474175	202458175

NOTES ON ACCOUNTS

11

VIDE OUR REPORT OF EVEN DATE

For V.RAMACHANDRA RAO  
 CHARTERED ACCOUNTANTS

V.RAMACHANDRA RAO  
 PROPRIETOR

PLACE : HYDERABAD  
 DATE : 05.09.2008

For AND ON BEHALF OF THE BOARD

SUNIL PAUL  
 DIRECTOR

M.SAMBASIVA RAO  
 DIRECTOR

**ASIAN FLORA LIMITED**  
**PLOT NO 6, JOURNALISTS' COLONY,**  
**ROAD NO 3, BANJARA HILLS, HYDERABAD - 500 039.**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2008**

PARTICULARS	SCH NO	FOR THE YEAR ENDED 31.03.2008 Rs.	FOR THE YEAR ENDED 31.03.2007 Rs.
<b>INCOME</b>			
SALES		0	0
OTHER INCOME		0	0
<b>TOTAL</b>		<u>0</u>	<u>0</u>
<b>EXPENDITURE</b>			
PRODUCTION, ADMINISTRATION, SELLING AND OTHER EXPENSES	9	26800	10800
FINANCIAL CHARGES	10	0	0
MISCELLANEOUS EXPENDITURE WRITTEN OF DEPRECIATION		109939	124741
<b>TOTAL</b>		<u>2802820</u>	<u>2814175</u>
		<u>2939559</u>	<u>2949716</u>
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>		(2939559)	(2949716)
		<u>(2939559)</u>	<u>(2949716)</u>
LOSS OF PREVIOUS YEARS BROUGHT FORWARD		(168686095)	(165736379)
<b>PROFIT/(LOSS) CARRIED TO BALANCE</b>		<u>(171625654)</u>	<u>(168686095)</u>

SHEET

VIDE OUR REPORT OF EVEN DATE

For V.RAMACHANDRA RAO  
 CHARTERED ACCOUNTANTS



V.RAMACHANDRA RAO  
 PROPRIETOR

PLACE : HYDERABAD  
 DATE : 05.09.2008

For AND ON BEHALF OF THE BOARD

*Sunil Paul*  
 SUNIL PAUL  
 DIRECTOR

*M. Sambasiva Rao*  
 M.SAMBASIVA RAO  
 DIRECTOR

# ASIAN FLORA LIMITED

## SCHEDULES ATTACHED TO AND FORMING PART OF ACCOUNTS

PARTICULARS	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
<b>1. SHARE CAPITAL :</b>		
<b>AUTHORISED :</b>		
(6750000 EQUITY SHARES OF Rs.10/- EACH	<b>67500000</b>	<b>67500000</b>
<b>ISSUED SUBSCRIBED AND PAID UP :</b>		
(3880900 EQUITY SHARES OF Rs.10/- EACH	<b>38809000</b>	<b>38809000</b>
Add SHARES FORFEITED (2460200 EQUITY SHARES OF Rs.5/ EACH	<b>12301000</b>	<b>12301000</b>
<b>TOTAL</b>	<b>51110000</b>	<b>51110000</b>
<b>2. SCHEDULE OF SECURED LOANS</b>		
KSIIDC LIMITED. TERM LOAN	<b>30000000</b>	<b>30000000</b>
KSIIDC LIMITED. BRIDGE LOAN	<b>3000000</b>	<b>3000000</b>
KSIIDC LIMITED FUNDED INTEREST T/L	<b>13510513</b>	<b>13510513</b>
KSIIDC LIMITED FUNDED INTEREST B.L. (Secured against pari-passu charge on all the movable Plant & Machinery, Machinery Spares, Tools, Accessories and other Movable both present and future and by Equitable Mortgage of Land and Buildings registered in the name of the Company)	<b>621816</b>	<b>621816</b>
CASH CREDIT - STATE BANK OF MYSORE (Secured against hypothecation of Crops, Movable, Raw materials, Semi Finished & Finished goods, created out of the finance and margin money)	<b>9130605</b>	<b>9130605</b>
GLOBAL TRUST BANK LTD - A C II	<b>9000000</b>	<b>9000000</b>
KUBER FINANCE (Secured against hypothecation of Vehicle)	<b>550000</b>	<b>550000</b>
INTEREST ACCRUED AND DUE	<b>63240221</b>	<b>63240221</b>
<b>TOTAL</b>	<b>129053155</b>	<b>129053155</b>
<b>3. UNSECURED LOANS</b>		
FROM DIRECTORS	<b>812251</b>	<b>812251</b>
FROM OTHERS	<b>21498769</b>	<b>21482769</b>
<b>TOTAL</b>	<b>22311020</b>	<b>22295020</b>



SIAN FLORA LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF ACCOUNTS

FIXED ASSETS :

STATEMENT OF DEPRECIATION ON FIXED ASSETS FOR THE YEAR 2007-2008 (STRAIGHT LINE METHOD)

ARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	ORIGINAL COST AS ON 01.04.2007	ADDITIONS TO 30.09.2007	DELETIONS DURING THE YEAR 31.03.2008	TOTAL GROSS AS ON 31.03.2008	UP TO 31.03.2007	FOR THE YEAR 2007-08	ON DELETIONS AS ON 31.03.2008	TOTAL DEPRECIATION AS ON 31.03.2008	AS AT 31.03.2007	AS AT 31.03.2008
LAND & SITE DEVELOPMENT	5726292	0	0	5726292	0	0	0	0	5726292	5726292
BUILDINGS	5313938	0	0	5313938	1804441	177486	0	1981927	3332011	3509497
GREEN HOUSE EQUIPMENT	44613407	0	0	44613407	21452338	2120137	0	23572475	21049332	23161069
AIR CONDITIONING PLANT	5120900	0	0	5120900	2493553	243243	0	2736796	2384104	2627347
WATER PLANTS	8909357	0	0	8909357	8909357	0	0	8909357	0	0
TRACTOR EQUIPMENT	332310	0	0	332310	108584	15512	0	124096	208214	223726
GENERATORS	993279	0	0	993279	479673	47181	0	526854	466425	513606
ELECTRICAL INSTALLATIONS	1000953	0	0	1000953	719465	70767	0	790232	210721	281488
WATER WORKS & IRRIGATION	2528789	0	0	2528789	1024884	115974	0	1140858	1387931	1503905
EQUIPMENT	0	0	0	0	0	0	0	0	0	0
FURNITURE & FIXTURES	96964	0	0	96964	62403	6138	0	68541	28423	34561
OFFICE EQUIPMENT	186709	0	0	186709	180327	6382	0	186709	0	6382
VEHICLES	1063842	0	0	1063842	416796	0	0	416796	647046	647046
<b>TOTAL</b>	<b>75886740</b>	<b>0</b>	<b>0</b>	<b>75886740</b>	<b>37651821</b>	<b>2802820</b>	<b>0</b>	<b>40454641</b>	<b>35432099</b>	<b>38234919</b>



**ASIAN FLORA LIMITED**

**SCHEDULES ATTACHED TO AND FORMING PART OF ACCOUNTS**

PARTICULARS	AS AT	AS AT
	31.03.2008	31.03.2007
	Rs.	Rs.
<b>5. CASH &amp; BANK BALANCES</b>		
CASH ON HAND	26000	26000
<b>BALANCES WITH SCHEDULED BANKS</b>		
--IN CURRENT ACCOUNTS	13072	13072
--IN DEPOSITS ACCOUNTS	118321	118321
--IN MARGIN MONEY	711250	711250
<b>TOTAL</b>	<b>868643</b>	<b>868643</b>
<b>6. LOANS &amp; ADVANCES</b>		
(Unsecured, Considered good recoverable in Cash or Kind)		
ADVANCE FOR CAPITAL GOODS	688600	688600
ADVANCE FOR EXPENSES	1295432	1295432
DEPOSITS	2055664	2055664
TAX DEDUCTED AT SOURCE	64114	64114
OTHER ADVANCES	700000	700000
<b>TOTAL</b>	<b>4803810</b>	<b>4803810</b>
<b>7. CURRENT LIABILITIES &amp; PROVISIONS</b>		
CREDITORS FOR CAPITAL GOODS	1586078	1586078
CREDITORS FOR EXPENSES	9540385	9529585
GLOBAL TRUST BANK LTD-BANGALORE	799	799
TAX DEDUCTED AT SOURCE -PAYABLE	25100	25100
<b>TOTAL</b>	<b>11152362</b>	<b>11141562</b>
<b>8. MISCELLANEOUS EXPENDITURE</b>		
PRELIMINARY EXPENSES	81448	90498
PUBLIC ISSUE EXPENSES	831701	924112
DEFERRED REVENUE EXPENDITURE	93121	116401
	1006270	1131011
<b>Less : WRITTEN OFF</b>		
PRELIMINARY EXPENSES	8145	9050
PUBLIC ISSUE EXPENSES	83170	92411
DEFERRED REVENUE EXPENDITURE	18624	23280
<b>TOTAL</b>	<b>896331</b>	<b>1006270</b>



**ASIAN FLORA LIMITED**

**SCHEDULES ATTACHED TO AND FORMING PART OF ACCOUNTS**

PARTICULARS	FOR THE YEAR ENDED 31.03.2008	FOR THE YEAR ENDED 31.03.2007
<b>9. PRODUCTION, ADMINISTRATION, SELLING &amp; OTHER EXPENSES</b>		
POSTAGE & CABLES		
CONVEYANCE		
GENERAL CHARGES - HYD OFFICE		
ROC FILING FEE		
LICENCES, RATES & TAXES		
AUDIT FEE	10800	10800
PROFESSIONAL CHARGES	16000	
<b>TOTAL</b>	<b>26800</b>	<b>10800</b>
<b>10. FINANCIAL CHARGES</b>		
BANK CHARGES	0	0
INTEREST ON TERM LOANS	0	0
INTEREST TO OTHERS	0	0
INTEREST ON FUNDED INTEREST	0	0
OVERDUE INTEREST	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>



**ASIAN FLORA LIMITED**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE**

Figures in thousands

**I. Registration Details**

Registration No	18562
	01
Balance Sheet Date	31.03.2008

**II. Capital raised during the Year (Amount in Rs. Thousands)**

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

**III. Position of mMobilisation and Deployment of Funds  
(Amount in Rs. Thousands)**

Total Liabilities	202474.00
Total Assets	202474.00

**Sources of Funds**

Paid-up Capital	51110.00
Secured Loans	129053.00
Unsecured Loans	22311.00
Total	202474.00

**Application of Funds**

Net Fixed Assets	35432.00
Investments	Nil
Net Current Assets	(5480.00)
Misc. Expenditure	896.00
Accumulated Losses	171626.00
Total	202474.00

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

Turnover including other Income & Stocks	0.00
Total Expenditure	2940.00
Loss before Tax	(2940.00)
Loss after Tax	(2940.00)
Earning per Share in Rs.	N.A
Dividend Rate %	NIL

**V. Generic Names of Three Principal Products/Services of Company  
(as per monetary terms)**

Item Code No.

0603-00

Product Description

Cut Flower Roses

