

FARM ENTERPRISES LIMITED

ANNUAL REPORT
2012-2013

Farm Enterprises Limited

BOARD OF DIRECTORS

J S P Bansal
Ashwin Khasgiwala
Sanjeev Dandekar

AUDIT COMMITTEE

Ashwin Khasgiwala (Chairman)
J S P Bansal
S. Rajagopal (upto 24.12.2012)
Sanjeev Dandekar (w.e.f. 24.12.2012)

AUDITORS

Chaturvedi & Shah

REGISTERED OFFICE

B-4, MIDC Industrial Area,
Near Rasayani Police Station
Patalganga,
Rasayani - 410 220.

REGISTRAR AND TRANSFER AGENTS

Karvy Computershare Private Limited
Plot No. 17-24,
Vittal Rao Nagar
Madhapur,
Hyderabad – 500 081, India
Tel.: +91 40 4465 5070
Toll Free No.: 1800 425 8998
Fax: +91 40 2311 4087
<http://www.karvy.com>

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Notice

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of Farm Enterprises Limited will be held on Monday, the 30th day of December, 2013 at 2.00 p.m. at the registered office address of the Company at Cultural Centre, Fibre Gate, B-4, MIDC Industrial Area, Near Rasayani Police Station, Patalganga, Rasayani - 410220 to transact the following business:

Ordinary Business:

1. To consider and adopt the audited Balance Sheet as at June 30, 2013, Statement of Profit and Loss for period ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Shares.
3. To appoint a Director in place of the one retiring by rotation.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Messrs Chaturvedi & Shah, Chartered Accountants, (Registration No.101720W) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

Special Business

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri Sanjeev Dandekar, who

was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Director of the Company subject to retirement by rotation.”

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED that in accordance with the provisions of Sections 198, 269 read with Schedule XIII, Section 386 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the members be and is hereby accorded to the appointment of Shri Subhasish Mukherjee, as Manager of the Company, within the meaning of Section 2(24) of the Companies Act, 1956, without any remuneration, for a period of five (5) years, with effect from January 1, 2013.

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorised to take such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors

Hetal Rathod
Assistant Company Secretary

Mumbai

Date : November 14, 2013

Registered Office:

B-4, MIDC Industrial Area

Near Rasayani Police Station

Patalganga, Rasayani - 410220

Farm Enterprises Limited

NOTES:

- 1. A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.**
2. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Shri Ashwin Khasgiwala, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors of the Company commend his re-appointment.
5. Members are requested to bring their Attendance Slip along with their copy of the Annual Report to the Meeting.
6. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, up to the date of the Meeting.

Explanatory Statement relating to Special Business :

Item No. 5

The Board of Directors of the Company (the Board) under Section 260 of the Companies Act, 1956 (the Act) and the Articles of Association of the Company appointed Shri Sanjeev Dandekar as an Additional Director of the Company during the year.

In terms of said Section 260 of the Act, Shri Sanjeev Dandekar holds office upto the date of this Annual General Meeting.

The Company has received a notice in writing, under Section 257 of the Act from a member along with a deposit of Rs.500/- proposing the candidature of Shri Sanjeev Dandekar for the office of Director of the Company.

Shri Sanjeev Dandekar is not disqualified from being appointed as Director under Section 274(1)(g) of the Act and has complied with the requirement of obtaining the Director Identification Number

in terms of Section 266A of the Act. The Company has received requisite Form 'DD-A' from Shri Sanjeev Dandekar, in terms of Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003 confirming his eligibility for such appointment.

The Board commends the resolution for his appointment as Director of the Company.

Save and except Shri Sanjeev Dandekar, no other person mentioned in sub-clause (i), (ii) and (iii) of Clause (a) of Section 102(1) of Companies Act, 2013 is, in any way, concerned or interested in this resolution.

Item No. 6

The Board of Directors of the Company has appointed Shri Subhasish Mukherjee as Manager of the Company, within the meaning of Section 2(24) of the Companies Act, 1956 without any remuneration, for a period of five (5) years with effect from January 1, 2013 subject to the approval of shareholders at the General Meeting.

Shri Subhasish Mukherjee fulfills the eligibility criteria set out under Part I of Schedule XIII to the Companies Act, 1956.

The above may also be treated as an abstract of terms of appointment of Shri Subhasish Mukherjee as Manager of the Company, pursuant to Section 302 of the Companies Act 1956.

The Board commends the resolution set out at Item No. 6 of the Notice for your approval.

Save and except Shri Subhasish Mukherjee, no other person mentioned in sub-clause (i), (ii) and (iii) of Clause (a) of Section 102(1) of Companies Act, 2013 is, in any way, concerned or interested in this resolution.

By Order of the Board of Directors

Hetal Rathod
Assistant Company Secretary

Mumbai

Date : November 14, 2013

Registered Office:

B-4, MIDC Industrial Area

Near Rasayani Police Station

Patalganga, Rasayani - 410220

Directors' Report

Dear Members,

Your Directors are pleased to present the Fourteenth Annual Report and the Audited Accounts for the period ended June 30, 2013.

FINANCIAL RESULTS

The Company had extended its current financial year to close on June 30, 2013 and the financial performance of the Company for the fifteen months ended June 30, 2013 is summarized below:

(Amount ₹ in thousand)

	1st April, 2012 - 30th June, 2013	2011-2012
Profit before Depreciation	174 19 96	77 48 02
Less: Depreciation	2 02	1 49
Profit before Tax	174 17 94	77 46 53
Less : Tax Expenses		
Current Tax	-	10 30
Taxes for earlier years	31	21 35
Profit for the year	174 17 63	77 14 88
Add: Balance as per last Balance Sheet	1108 72 18	1033 35 50
Amount available for appropriations	1282 89 81	1110 50 38
Appropriations:		
Capital Redemption Reserve	10 62 45	38
Proposed Dividend on Equity Shares	9 00	8 47
Proposed Dividend on Preference Shares	33 00	1 44 53
Tax on Dividend	7 14	24 82
Excess provision of Dividend and Tax thereon return back for earlier years	(9 55)	-
Balance carried forward to Balance Sheet	1271 87 77	1108 72 18

OPERATIONAL REVIEW

During the period ended June 30, 2013, the Company has earned net profit of ₹ 174 17 63 thousand. The Company has continued its existing activity of development and maintenance of green belts in Gujarat and Maharashtra.

DIVIDEND

Your Directors have recommended a dividend of Re. 1/- per Equity Share in respect of 8,80,305 Equity Shares of ₹ 10 each.

Your Directors have also recommended dividend on 12% Optionally Convertible / Redeemable Cumulative Preference Shares (Series 'A') of ₹ 10 each fully paid up, 12% Redeemable Cumulative Preference Shares (Series 'A') of ₹ 10 each, ₹ 2 paid up, 12% Optionally Convertible / Redeemable Cumulative Preference Shares (Series 'A') of ₹ 10 each, Re.1 paid up and 12% Redeemable Cumulative Preference Shares (Series 'B') of ₹ 10 each fully paid up, pro-rata upto the date of their conversion / redemption.

The dividend on equity shares, if approved at the ensuing Annual General Meeting, will be paid to those members whose names shall appear on the Company's Register of Members on December 16, 2013 and in respect of shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited as beneficial owners as on that date.

The dividend on various series of preference shares, if approved at the ensuing Annual General Meeting, will be paid to those preference shareholders whose names appeared on the Company's Register of Members as on the date of redemption / conversion and in respect of shares held in dematerialized form, the dividend will be paid to those preference shareholders whose names are furnished by National Securities Depository Limited as beneficial owners as on the date of redemption / conversion.

CHANGE OF PLACE OF REGISTERED OFFICE

During the period under review the place of the Registered Office of the Company has been changed from the National Capital Territory of Delhi to the State of Maharashtra.

Farm Enterprises Limited

DIRECTORS

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company, Shri Sanjeev Dandekar was appointed as an Additional Director on the Board during the period. He shall hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Shri Sanjeev Dandekar for the office of Director, liable to retire by rotation.

Shri S Rajagopal resigned from the office of Director of the Company. The Board wishes to place on record the valuable contribution made by him during the tenure as Director of the Company.

Shri Ashwin Khasgiwala retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the period ended June 30, 2013, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and that there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at June 30, 2013 and of the profit of the Company for the period ended on that date;
- (iii) 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; and
- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

AUDITORS AND AUDITORS' REPORT

Messrs Chaturvedi & Shah, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the Companies Act, 1956.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

AUDIT COMMITTEE

The role and functions of the Audit Committee are in conformity with the requirements of Section 292A of the Companies Act, 1956 and the Committee met periodically during the period and had discussions with the Auditors on internal control systems.

SUBSIDIARY COMPANY

The audited statement of accounts of Nagothane Agrofarms Private Limited, wholly owned subsidiary of the Company, together with the Reports of the Board of Directors and Auditors for the period ended June 30, 2013 are attached as required under Section 212 of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

During the period under review, the Company has not paid any remuneration attracting the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended. Hence, no information is required to be appended to this report in this regard.

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

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, are as under:

- i. Part A and B of the Rules, pertaining to conservation of energy and technology absorption, are not applicable to the Company.
- ii. Foreign Exchange Earnings and Outgo:
Foreign Exchange Earned - Nil
Foreign Exchange Used - Nil

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the co-operation extended by the shareholders during the period under review.

For and on behalf of the Board of Directors

Ashwin Khasgiwala
Director

Sanjeev Dandekar
Director

Mumbai
Date: November 14, 2013

Independent Auditor's Report

To the Members of
Farm Enterprises Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Farm Enterprises Limited** ("the Company") which comprise the Balance Sheet as at June 30, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the period then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements

give the information required by the Act in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2013;
- b. in the case of the Statement of Profit and Loss, of the profit for the period ended on that date; and
- c. in the case of the Cash Flow Statement, of the Cash Flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2003 ("the Order") issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order .
2. As required by sub-section (3) of section 227 of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - e. On the basis of written representation received from the Directors, we report that, none of the Directors is disqualified as on 30th June, 2013 from being appointed as a director in term of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For Chaturvedi & Shah
Chartered Accountants
(Registration No. 101720W)

Sandesh Ladha
Partner
M. No.: 047841

Mumbai
Date: November 14, 2013

Farm Enterprises Limited

Annexure to Independent Auditors' Report

Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date, we report that:

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets have been physically verified by the management during the period at reasonable intervals.. No material discrepancies were noticed on such verification.
 - c. In our opinion and according to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed assets during the period and going concern status of the Company is not affected.
2. In respect of its inventories:
 - a. The inventories have been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Therefore the requirements of clause (iii) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of Inventory and Fixed assets and sale of goods. During the course of audit, we have not observed any continuing failure to correct major weakness in internal control systems.
5. In our opinion and according to information and explanations given to us, there are no contracts or arrangements, particulars of which need to be entered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of Clause (v) (b) of paragraph 4 of the Order are not applicable.
6. The Company has not accepted any deposit from the public. Therefore, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
 - a. According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth-tax, service tax, custom duty, excise duty, cess and other statutory dues as applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding, as at 30th June, 2013 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there are no dues of sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute except disputed income tax. The details of which are as under:

Name of the statute	Nature of the dues	Amount (Rs. in thousand)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	329	A.Y. 2007 - 08	Commissioner of Income Tax (Appeals)
TOTAL		329		
10. The Company does not have accumulated losses at the end of the financial period. The Company has not incurred cash losses during the financial period covered by the audit and in the immediately preceding financial year.
11. The Company has not borrowed any funds from financial institutions or banks and hence the provision of clause (xi) of paragraph 4 of Order is not applicable.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not raised any term loan during the period under audit.
17. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. The Company has not made any preferential allotment of shares during the year under audit to parties and companies covered under Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the period under audit.
20. The Company has not raised any monies by way of public issue during the period.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Chaturvedi & Shah
Chartered Accountants
(Registration No. 101720W)

Sandesh Ladha
Partner
M. No.: 047841

Mumbai
Date: November 14, 2013

Farm Enterprises Limited
Balance Sheet as at 30th June, 2013

	Note	As at 30th June, 2013	As at 31st March, 2012	₹ in thousand
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	1	133 33 36	42 18 11	
Reserves and Surplus	2	<u>4313 27 82</u>	<u>2150 23 13</u>	
		4446 61 18		2192 41 24
Current Liabilities				
Trade Payables	3	26 97	33 47	
Other Current Liabilities	4	5 99 69	36 77	
Short Term Provisions	5	<u>49 14</u>	<u>1 82 82</u>	
		6 75 80		2 53 06
TOTAL		<u><u>4453 36 98</u></u>	<u><u>2194 94 30</u></u>	
ASSETS				
Non-Current Assets				
Fixed Assets - Tangible Assets	6	25 78	27 80	
Standing Crops	7	2 32 44	2 42 57	
Non-Current Investments	8	3905 47 29	1675 58 29	
Long Term Loans and Advances	9	<u>440 24 88</u>	-	
		4348 30 39		1678 28 66
Current Assets				
Current Investments	10	93 73 78	24 44 00	
Inventories	11	2 25	4 67	
Trade Receivables	12	13 79	4 38	
Cash and Bank Balances	13	6 55 62	37 96	
Other Current Assets	14	<u>4 61 15</u>	<u>491 74 63</u>	
		105 06 59		516 65 64
TOTAL		<u><u>4453 36 98</u></u>	<u><u>2194 94 30</u></u>	
Significant Accounting Policies				
Notes on Financial Statements	1 to 26			

As per our Report of even date

For and on behalf of the Board

For **Chaturvedi & Shah**
Chartered Accountants

Ashwin Khasgiwala Director

Sanjeev Dandekar Director

Sandesh Ladha
Partner

Hetal Rathod Assistant Company Secretary

Mumbai
Date: November 14, 2013

Farm Enterprises Limited
Statement of Profit and Loss for the period ended 30th June, 2013

		₹ in thousand	
	Note	For the period 01-04-2012 to 30-06-2013	2011-12
INCOME			
Revenue from Operations	15	1 96 46	1 59 08
Other Income	16	174 40 14	77 64 40
Total Revenue		176 36 60	79 23 48
EXPENDITURE			
Operative expenditure	17	1 51 15	1 57 46
Depreciation	6	2 02	1 49
Administration and Other Expenses	18	65 49	18 00
Total Expenses		2 18 66	1 76 95
Profit Before Tax		174 17 94	77 46 53
Tax Expenses			
Current Tax		-	10 30
Taxes for earlier years		31	21 35
Profit for the period		174 17 63	77 14 88
Earnings per equity shares of face value of ₹ 10 each	19		
Basic (In ₹)		96.01	91.69
Diluted (In ₹)		13.03	-
Significant Accounting Policies Notes on Financial Statements	1 to 26		

As per our Report of even date

For and on behalf of the Board

For **Chaturvedi & Shah**
Chartered Accountants**Ashwin Khasgiwala** Director**Sanjeev Dandekar** Director**Sandesh Ladha**
Partner**Hetal Rathod** Assistant Company SecretaryMumbai
Date: November 14, 2013

Farm Enterprises Limited
Cash Flow Statement for the period ended 30th June, 2013

₹ in thousands

		For the period 01-04-2012 to 30-06-2013	
A.	Cash Flow from Operating Activities :		
	Net Profit before tax as per statement of Profit and Loss		174 17 94
	Adjustments: -		
	Depreciation	2 02	
	Amortisation	12 94	
	Interest Income	(5 35 17)	
	Dividend Income	(169 04 97)	(174 25 18)
	Operating profit before working capital changes		(7 24)
	Adjustments: -		
	Trade & other receivables	490 71 63	
	Inventories	2 42	
	Trade & other payables	5 56 42	496 30 47
	Cash generated from operations		496 23 23
	Income Taxes paid		(8 19)
	Net Cash from Operating Activities		496 15 04
B.	Cash Flow from Investing Activities :		
	Addition to Standing Crop	(2 81)	
	Purchase of Investments	(4968 93 84)	
	Investments in Subsidiary	(24 00)	
	Redemption /Sales of Investments	2669 99 06	
	Loan to Subsidiary	(440 22 00)	
	Dividend Income	169 04 97	
	Interest Income	1 67 61	
	Net Cash (Used In) Investing Activities		(2568 71 01)
C.	Cash Flow from Financing Activities :		
	Proceeds from Issue of Equity Shares Capital	2250 39 97	
	Redemption of Preference Shares Capital	(169 98 07)	
	Dividend paid (including dividend distribution Tax)	(1 68 27)	
	Net Cash From Financing Activities		2078 73 63
	Net increase in cash & cash equivalents (A+B+C)		6 17 66
	Opening balance of cash & cash equivalents		37 96
	Closing balance of cash & cash equivalents		6 55 62

Note:

- 1 Previous year figures are not given above for the reasons mentioned in Note No. 20.
- 2 Cash Flow Statement has been prepared as per indirect method as set out in the Accounting Standard 3 issued under the Companies (Accounting Standard) Rules, 2006.
- 3 Cash and cash equivalents represent cash and bank balances.

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants

Sandesh Ladha
Partner

Mumbai

Date: November 14, 2013

For and on behalf of the Board

Ashwin Khasgiwala Director

Sanjeev Dandekar Director

Hetal Rathod Assistant Company Secretary

Significant Accounting Policies

a) Basis of Preparation of Financial Statements

- i) The financial statements are prepared under the historical cost convention in accordance with the normally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company.
- ii) The company generally follows mercantile system of accounting and recognises significant items of Income and Expenditure on accrual basis.

b) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

c) Fixed Assets and Depreciation

- i) Fixed assets are stated at cost less accumulated depreciation, and impairment loss if any.
- ii) Depreciation is provided on the straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

d) Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

e) Standing Crop

- i) Development and other expenses in respect of plantation are carried forward as plantation - standing crops and will be amortised on estimated yield basis to the Statement of Profit and Loss in the year in which crops yield revenue.
- ii) Development and other expenses in respect of fruits orchards etc., having long gestation period are carried forward as fruits orchards etc. - standing crops till the growth period. The accumulated amount is amortised on estimated yield basis over the period of yields to the Statement of Profit and Loss in which crops yield revenue. Expenditure incurred after growth period will be charged to Statement of Profit and Loss.

f) Investments

Current investments are carried at the lower of cost and quoted / fair value, computed category wise. Non-Current Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

g) Inventories

The inventories are valued at lower of costs or net realisable value.

h) Provision for Current and Deferred Tax

Provision for current Income Tax is made on the taxable income under the Income Tax Act, 1961. Material amount of deferred tax arising on account of "timing difference" and which are capable of reversal in one or more subsequent periods, is recognised using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax assets is recognised only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

i) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

j) Revenue Recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Turnover includes sale of goods, adjusted for discounts. Dividend income is recognised when right to receive is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

Notes on Financial Statement for the period ended 30th June, 2013

₹ in thousand

		As at 30th June, 2013	As at 31st March, 2012
1 Share Capital			
Authorised :			
15,50,00,000	Equity Shares of ₹ 10 each	155 00 00	155 00 00
(15,50,00,000)			
15,00,00,000	Preference Shares of ₹ 10 each	150 00 00	150 00 00
(15,00,00,000)			
		305 00 00	305 00 00
Issued and Subscribed			
13,33,33,554	Equity Shares of ₹ 10 each	133 33 36	7 90 56
(79,05,622)			
	- 12% Optionally Convertible/Redeemable	-	131 48 69
(13,14,86,927)	Cumulative Preference Shares (Series 'A') of ₹ 10 each fully paid up		
	- 12% Redeemable Cumulative Preference	-	4 63 84
(46,38,353)	Shares (Series 'B') of ₹ 10 each fully paid up		
		133 33 36	144 03 09
Paid up:			
13,33,33,554	Equity Shares of ₹ 10 each fully paid up	133 33 36	7 90 56
(79,05,622)			
	- 12% Optionally Convertible/Redeemable	-	18 31 98
(1,83,19,865)	Cumulative Preference Shares (Series 'A') of ₹ 10 each fully paid up		
	- 12% Redeemable Cumulative Preference Shares	-	12
(6,036)	(Series 'A') of ₹ 10 each, ₹ 2 paid up		
	- 12% Optionally Convertible/Redeemable	-	11 31 61
(11,31,61,026)	Cumulative Preference Shares (Series 'A') of ₹ 10 each, ₹ 1 paid up		
	- 12% Redeemable Cumulative Preference	-	4 63 84
(46,38,353)	Shares (Series 'B') of ₹ 10 each fully paid up		
		133 33 36	42 18 11

Note

- 1.1 35,86,291 (Previous Year 35,80,912) Equity Shares out of the issued and subscribed share capital were issued without payments being received in cash.
- 1.2 During the period 12,54,27,932 Series "A" Preference Shares were converted into fully paid up Equity Shares of ₹10 each.
- 1.3 During the period 60,58,995 Series "A" Preference Shares and 46,38,353 Series "B" Preference Shares were redeemed out of Profits of the Company.
- 1.4 Reconciliation of shares outstanding at the beginning and at the end of the period

	As at 30th June, 2013				
	Equity Shares	Preference Shares			
	₹ 10 each fully paid up Nos.	Series 'A' ₹ 10 each Fully paid-up Nos.	Series 'A' ₹ 10 each ₹ 2 paid up Nos.	Series 'A' ₹ 10 each ₹ 1 paid up Nos.	Series 'B' ₹ 10 each Fully paid-up Nos.
Shares at the beginning	79 05 622	1 83 19 865	6 036	11 31 61 026	46 38 353
Add : Shares issued during the period	12 54 27 932	-	-	-	-
Less: Shares redeemed during the period	-	59 77 344	6 036	75 615	46 38 353
Less: Shares converted during the period	-	1 23 42 521	-	11 30 85 411	-
Shares at the end of the period	13 33 33 554	-	-	-	-

Notes on Financial Statement for the period ended 30th June, 2013

	As at 31st March, 2012				
	Equity Shares	Preference Shares			
	₹ 10 each fully paid up Nos.	Series 'A' ₹ 10 each Fully paid-up Nos.	Series 'A' ₹ 10 each ₹ 2 paid up* Nos.	Series 'A' ₹ 10 each ₹ 1 paid up Nos.	Series 'B' ₹ 10 each Fully paid-up Nos.
Shares at the beginning	78 77 253	1 83 48 043	6 036	11 31 61 217	46 40 984
Add : Shares issued during the year	28 369	-	-	-	-
Less: Shares redeemed during the year	-	-	-	-	2 631
Less: Shares converted during the year	-	28 178	-	191	-
Shares at the end of the year	79 05 622	1 83 19 865	6 036	11 31 61 026	46 38 353

* The paid up value of these shares at the beginning of the year (as at 1st April, 2011) was ₹ 4 per share.

1.5 Rights, Preferences and Restrictions attached to Equity Shares

Equity Shares

Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the assets of the Company remaining after distribution of all preferential amounts, in proportion to their shareholding.

1.6 Shares held by Ultimate Holding Company / Holding Company / its Subsidiary or Associate

	Equity Shares ₹ 10 each fully paid up	
	As at 30th June, 2013	As at 31st March, 2012
Ultimate Holding Company	10 000	-
Holding Company	11 04 60 373	-
Subsidiaries of Holding Company	2 19 82 876	-

1.7 Details of Share holders holding more than 5% shares as on 30th June, 2013

Name of the Shareholders	Equity Shares ₹ 10 each fully paid up	
	No. of shares	% Held
Ekansha Enterprise Private Limited	11 04 60 373	82.85
Monica Texturising Private Limited*	2 19 72 429	16.48

* After the close of the period, Monica Texturising Private Limited, has merged with Amudha Venture Capital Private Limited

Details of Share holders holding more than 5% shares as on 31st March, 2012

Name of the Shareholders	Equity Shares		Preference Shares							
	₹ 10 each fully paid up		Series 'A' ₹ 10 each Fully paid-up		Series 'A' ₹ 10 each ₹ 2 paid up		Series 'A' ₹ 10 each ₹ 1 paid up		Series 'B' ₹ 10 each Fully paid-up	
	No. of shares	% Held	No. of shares	% Held	No. of shares	% Held	No. of shares	% Held	No. of shares	% Held
Ekansha Enterprise Private Limited	5 24 854	6.64	1 20 18 510	65.60	-	-	5 80 70 000	51.32	-	-
Jigna Fiscal Services Private Limited*	18 93 219	23.95	-	-	-	-	1 00 00 000	8.84	-	-
Proline Investments Private Limited*	8 53 034	10.79	-	-	-	-	62 00 000	5.48	-	-
Shangrila Investments and Trading Company Private Limited*	-	-	-	-	-	-	-	-	29 18 851	62.93
Vayudoot Finance & Leasing Co. Private Limited*	9 57 135	12.11	-	-	-	-	-	-	2 40 015	5.17
Vicraze Investments and Trading Co. Private Limited*	4 15 579	5.26	-	-	-	-	-	-	-	-
Yashasvi Holdings Private Limited*	16 75 040	21.19	-	-	-	-	78 15 000	6.91	-	-
Kanti Lal Jain	-	-	-	-	2 162	35.82	-	-	-	-

* During the period the said companies merged with Ekansha Enterprise Private Limited.

Notes on Financial Statement for the period ended 30th June, 2013

		₹ in thousand	
		As at	As at
2	Reserves and Surplus	30th June, 2013	31st March, 2012
	Capital Redemption Reserve		
	As per last Balance sheet	101 93 38	101 93 00
	Add : Transferred from profit and loss account on Redemption of Preference Shares	<u>10 62 45</u>	<u>38</u>
		112 55 83	101 93 38
	Securities Premium Reserve		
	As per last Balance sheet	939 57 57	939 60 16
	Add : Received during the period	<u>2148 62 28</u>	<u>36</u>
		3088 19 85	939 60 52
	Less : Paid on redemption of Preference Shares	<u>159 35 63</u>	<u>2 95</u>
		2928 84 22	939 57 57
	Profit and Loss Account		
	As per last Balance Sheet	1108 72 18	1033 35 50
	Add: Profit for the period	<u>174 17 63</u>	<u>77 14 88</u>
		1282 89 81	1110 50 38
	Appropriation :		
	Transferred to Capital Redemption Reserve on redemption of Preference Shares	10 62 45	38
	Proposed Dividend on Equity Shares (Dividend per share ₹ 1, previous year ₹ 1)	9 00	8 47
	Proposed Dividend on Preference Shares	33 00	1 44 53
	Tax on Dividend	7 14	24 82
	Excess provision of Dividend and Tax thereon written back for earlier years	<u>(9 55)</u>	<u>-</u>
		1271 87 77	1108 72 18
		4313 27 82	2150 23 13

		₹ in thousand	
		As at	As at
3	Trade Payables	30th June, 2013	31st March, 2012
	Micro, Small and Medium Enterprises	-	-
	Others	<u>26 97</u>	<u>33 47</u>
		26 97	33 47

Note : The Company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

		₹ in thousand	
		As at	As at
4	Other Current Liabilities	30th June, 2013	31st March, 2012
	Preference share redemption proceeds payable	5 61 22	3 01
	Unclaimed application money *	8 05	8 12
	Others payables	<u>30 42</u>	<u>25 64</u>
		5 99 69	36 77

* These figure do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

Notes on Financial Statement for the period ended 30th June, 2013

₹ in thousand

As at 30th June, 2013 As at 31st March, 2012

5 Short Term Provisions

Provision for Taxation (Net of Advance Taxes)	-	5 00
Proposed Dividend	42 00	1 53 00
Tax on Dividend	7 14	24 82
	<u>49 14</u>	<u>1 82 82</u>

6 Tangible Assets

₹ in thousand

Description	Gross Block				Depreciation				Net Block	
	As at 01.04.2012	Additions	Deductions	As at 30.06.2013	Upto 01.04.2012	For the period	Deductions	Upto 30.06.2013	As at 30.06.2013	As at 31.03.2012
Plant & Machinery										
- Drip irrigation system	34 29	-	-	34 29	28 09	71	-	28 80	5 49	6 20
Building	31 32	-	-	31 32	9 75	1 31	-	11 06	20 26	21 57
Computer	3	-	-	3	-	-	-	-	3	3
Total	65 64	-	-	65 64	37 84	2 02	-	39 86	25 78	27 80
Previous year	63 74	1 90	-	65 64	36 35	1 49	-	37 84	27 80	

7 Standing Crops

₹ in thousand

Description	Gross Block				Amortisation				Net Block	
	As at 01.04.2012	Additions	Deductions	As at 30.06.2012	Upto 01.04.2012	For the period	Deductions	Upto 30.06.2013	As at 30.06.2013	As at 31.03.2012
Plantation	87 51	-	-	87 51	3 28	-	-	3 28	84 23	84 23
Fruits Orchards and others	2 15 06	2 81	-	2 17 87	56 72	12 94	-	69 66	1 48 21	1 58 34
Total	3 02 57	2 81	-	3 05 38	60 00	12 94	-	72 94	2 32 44	2 42 57
Previous year	3 00 73	1 84	-	3 02 57	49 64	10 36	-	60 00	2 42 57	

₹ in thousand

8 Non-Current Investments

As at
30th June, 2013As at
31st March, 2012

Long Term Investments (Others)

A) Quoted

In Equity Shares - fully paid up

11,89,78,113	Reliance Industries Limited of ₹ 10 each	3852 54 56	1622 89 56
(9,20,77,290)			

In Tax free Bonds - fully paid up

1,08,754	8.10% Secured Redeemable, Non-convertible	10 87 54	10 87 54
(1,08,754)	Bonds of Indian Railway Finance Corporation Limited of ₹ 1000 each		
1,73,066	8.20% Secured Redeemable, Non-convertible	17 30 66	17 30 66
(1,73,066)	Bonds of National Highways Authority of India of ₹ 1000 each		
2,44,953	8.12% Secured Redeemable, Non-convertible	24 49 53	24 49 53
(2,44,953)	Bonds of Rural Electrification Corporation Limited of ₹ 1000 each		

		<u>52 67 73</u>	<u>52 67 73</u>
Total (A)		3905 22 29	1675 57 29

Notes on Financial Statement for the period ended 30th June, 2013

	As at 30th June, 2013	₹ in thousand As at 31st March, 2012
B) Unquoted		
In Equity Shares of Subsidiary company - fully paid up		
2,50,000 Nagothane Agrofarms Private Limited of (10,000) ₹ 10 each	25 00	1 00
Total (B)	<u>25 00</u>	<u>1 00</u>
Total (A+B)	<u>3905 47 29</u>	<u>1675 58 29</u>
Aggregate amount of quoted investments	3905 22 29	1675 57 29
Market Value of quoted investments	9825 90 90	6939 91 80
Aggregate amount of unquoted investments	25 00	1 00
	As at 30th June, 2013	₹ in thousand As at 31st March, 2012
9 Long Term Loans and Advances (Unsecured and Considerd good)		
Loan to Subsidiary (Refer note no. 24(b)(iii))	440 22 00	-
Advance Tax	2 88	-
	<u>440 24 88</u>	<u>-</u>
	As at 30th June, 2013	₹ in thousand As at 31st March, 2012
10 Current Investments		
Unquoted		
In Mutual Fund - fully paid up		
- ICICI Prudential Liquid Super Institutional (24,43,443) Plan, Daily Dividend reinvestment of ₹100 each	-	24 44 00
23,680 ICICI Prudential Flexible Income-Regular (-) Plan-Daily Dividend of ₹ 100 each	25 04	-
2,76,367 ICICI Prudential Money Market fund-Regular (-) Plan-Daily Dividend of ₹100/- each	2 76 72	-
7,13,615 Kotak Liquid Scheme Plan -A Daily Dividend (-) of ₹1000/- each	87 26 16	-
32,063 Morgan Stanley Liquid Fund-Regular Daily (-) Dividend of ₹ 1000/- each	3 20 79	-
1,468 L& T Cash Fund-Daily Dividend of (-) ₹ 1000/- each	15 02	-
994 UTI-Floating Rate Fund-STP-Regular Plan-Daily (-) dividend Reinvestment of ₹1000/- each	10 05	-
	<u>93 73 78</u>	<u>24 44 00</u>
	As at 30th June, 2013	₹ in thousand As at 31st March, 2012
11 Inventories		
Pesticides and Fertilizers (consumables)	2 25	4 67
	<u>2 25</u>	<u>4 67</u>

Notes on Financial Statement for the period ended 30th June, 2013

	As at 30th June, 2013	₹ in thousand As at 31st March, 2012
12 Trade receivables		
(Unsecured and considered good)		
Over six months	-	87
Others	<u>13 79</u>	<u>3 51</u>
	<u>13 79</u>	<u>4 38</u>
		₹ in thousand
	As at	As at
	30th June, 2013	31st March, 2012
13 Cash and Bank balances		
Cash on hand	62	-
Cheque in hand	18	-
Balance with Banks *	<u>6 54 82</u>	<u>37 96</u>
	<u>6 55 62</u>	<u>37 96</u>
* Includes ₹ 5 70 30 thousand (previous year ₹ 11 13 thousand) earmarked for payment of Preference share redemption proceeds and unclaimed application money.		
		₹ in thousand
	As at	As at
	30th June, 2013	31st March, 2012
14 Other Current Assets		
Advances recoverable in cash or in kind or for value to be received	93 59	491 74 63
Interest Accrued but not due	<u>3 67 56</u>	-
	<u>4 61 15</u>	<u>491 74 63</u>
		₹ in thousand
	For the period	2011-12
	01-04-2012 to	
	30-06-2013	
15 Revenue from Operations		
Sale of Vegetables and fruits	<u>1 96 46</u>	<u>1 59 08</u>
	<u>1 96 46</u>	<u>1 59 08</u>
		₹ in thousand
	For the period	2011-12
	01-04-2012 to	
	30-06-2013	
16 Other Income		
Dividend		
from Non-current investments	161 13 53	73 66 18
from Current investments	<u>7 91 44</u>	<u>3 07 00</u>
	169 04 97	76 73 18
Interest		
on Non-current investments	5 35 17	38 19
on others	-	<u>53 00</u>
	5 35 17	91 19
Miscellaneous income (Current Year ₹ 480/-)	-	3
	<u>174 40 14</u>	<u>77 64 40</u>

Notes on Financial Statement for the period ended 30th June, 2013

	For the period 01-04-2012 to 30-06-2013	₹ in thousand 2011-12
17 Operative Expenditure		
Maintenance expenses	1 90 46	1 20 29
Repairs and Maintenance - Plant and Machinery	8 53	6 48
Horticulture & Crop Area	-	25
Pesticides and Fertilizers consumed	88 13	1 02 73
Amortisation of standing crops	12 94	10 36
Legal and other statutory fees	1 02	28
Freight and forwarding	-	1
Selling and Distribution expenses	3 71	41
Miscellaneous Expenses	-	-
(Current Year ₹ 315/-)		
	<u>3 04 79</u>	<u>2 40 81</u>
Less : Reimbursement of expenses	<u>1 53 64</u>	<u>83 35</u>
	<u>1 51 15</u>	<u>1 57 46</u>
18 Administration and other Expenses		
	For the period 01-04-2012 to 30-06-2013	₹ in thousand 2011-12
Auditor's remuneration		
Audit fees	2 53	2 02
Tax audit fees	34	34
	<u>2 87</u>	<u>2 36</u>
Professional fees	3 31	2 19
Rates and taxes	8	7
Registrar and Transfer expenses	57 84	13 06
General expenses	1 39	32
	<u>65 49</u>	<u>18 00</u>
19 Earnings per share		
	For the period 01-04-2012 to 30-06-2013	₹ in thousand 2011-12
i) Net Profit after tax as per Statement of profit & loss (₹ in thousand)	174 17 63	77 14 88
ii) Less : Cumulative Preference share dividend for the year (including dividend tax) (₹ in thousand)	(38 49)	(4 78 25)
iii) Net Profit attributable to Equity Shareholders (₹ in thousand)	173 79 14	72 36 63
iv) Weighted Average number of equity shares used as denominator for Calculating EPS		
For Basic	1 81 00 638	78 92 769
For Diluted	13 33 33 554	(Refer Note No.20 below)
v) Basic earnings per equity share (₹)	96.01	91.69
Diluted earnings per equity share (₹)	13.03	(Refer Note No.20 below)
vi) Face value per equity share (₹)	10	10

Notes on Financial Statement for the period ended 30th June, 2013

- 20 The Company was Small and Medium sized company in the previous year and it had availed the exemption available to Small and Medium Company and hence figures for corresponding previous year have not been given in the Cash Flow Statement and Diluted earnings per share in Note No.19 in accordance with the notification no.739 dated 07.12.2006.
- 21 During the period the Company has become subsidiary company of Ekansha Enterprise Private Limited
- 22 a) The Company does not have any material timing difference between book profit and taxable profit, hence no provision for deferred tax has been made in the books of account.
b) The Company does not have any taxable income. Hence no provision for Income Tax has been made.

23	Contingent Liabilities	₹ in thousand	₹ in thousand
		As at 30th June, 2013	As at 31st March, 2012
	Disputed tax liabilities	3 29	--

- 24 As per Accounting Standard 18, notified in the Companies (Accounting Standards) Rules, 2006, the disclosures of the related parties are given below.

(a)	Name of the Related Party	Related Party
	Reliance Industries Holding Private Limited	Ultimate Holding Company w.e.f. 07.02.2013
	Amudha Venture Capital Private Limited	Holding Company of Holding company w.e.f.02.05.2012
	Ekansha Enterprise Private Limited	Holding Company w.e.f.02.05.2012
	Nagothane Agrofarms Private Limited	Subsidiary Company
	Monica Texturising Private Limited*	Fellow Subsidiary Company w.e.f. 02.05.2012
	Sunbright Cement Agencies Private Limited	Fellow Subsidiary Company w.e.f. 02.05.2012

* After the close of the period, Monica Texturising Private Limited has merged with Amudha Venture Capital Private Limited.

(b) Transactions during the period with related parties ₹ in thousand

Sr.No.	Nature of Transaction	Ultimate Holding Company	Holding Company of Holding Company	Holding Company	Subsidiary Company	Fellow Subsidiary Companies	Total
(I)	Share Capital						
(i)	Conversion of Preference Shares into Equity Shares including Securities Premium	-	-	1891 84 99	-	381 59 59	2273 44 58
		(-)	(-)	(-)	(-)	(-)	(-)
(ii)	Redemption of Preference Shares including Securities Premium	-	-	113 70 13	-	25 86 08	139 56 21
		(-)	(-)	(-)	(-)	(-)	(-)
(II)	Subscription of Investments	-	-	-	24 00	-	24 00
		(-)	(-)	(-)	(-)	(-)	(-)
(III)	Loan given	-	-	-	440 22 00	-	440 22 00
		(-)	(-)	(-)	(-)	(-)	(-)

(c) Balance as at 30.06.2013

(I)	Share Capital-Equity Shares (on Face Value)	1 00	-	110 46 04	-	21 98 29	132 45 33
		(-)	(-)	(-)	(-)	(-)	(-)
(II)	Investments	-	-	-	25 00	-	25 00
		(-)	(-)	(-)	(1 00)	(-)	(1 00)
(III)	Loan given	-	-	-	440 22 00	-	440 22 00
		(-)	(-)	(-)	(-)	(-)	(-)

Note :(i) Figure in bracket represent previous years' amount

(ii) Related Party transactions and balances are disclosed for the period during the existence of Related Party relationship.

Notes on Financial Statement for the period ended 30th June, 2013

Disclosure in Respect of Material Related Party Transactions during the period.

i Conversion of Preference Shares includes

- 1) Conversion of 96,49,894,12% Optionally Convertible /Redeemable Cumulative Preference Shares (Series "A") of ₹ 10 each of Ekanasha Enterprise Private Limited into 96,49,894 Equity Shares amounting to ₹ 9 64 99 thousand.
- 2) Conversion of 25,85,445,12% Optionally Convertible/Redeemable Cumulative Preference Shares (Series "A") of ₹ 10 each of Monica Texturising Private Limited into 25,85,445 Equity Shares amounting to ₹ 2 58 54 thousand.
- 3) Conversion of 10,447,12% Optionally Convertible Cumulative/Redeemable Preference Shares (Series "A") of ₹ 10 each of Sunbright Cement Agencies Private Limited into 10,447 Equity Shares amounting to ₹ 1 04 thousand.
- 4) Conversion of 9,41,10,000 ,12% Optionally Convertible /Redeemable Cumulative Preference Shares (Series "A") of ₹ 10 each , ₹ 1 Paid up of Ekanasha Enterprise Private Limited into 9,41,10,000 Equity Shares of ₹ 10 paid up amounting to ₹ 94 11 00 thousand and Security Premium of ₹190/- per share amounting to ₹ 1788 09 00 thousand.
- 5) Conversion of 1,89,50,000,12% Optionally Convertible/Redeemable Cumulative Preference Shares (Series "A") of ₹ 10 each, ₹ 1 Paid up of Monica Texturising Private Limited into 1,89,50,000 Equity Shares, ₹ 10 paid up amounting to ₹ 18 95 00 thousand and Security Premium of ₹ 190/- per share amounting to ₹ 360 05 00 thousand.

ii Redemption of Preference Shares includes

- 1) Redemption of 39,96,752,12% Optionally Convertible /Redeemable Cumulative Preference Shares (Series "A") of ₹ 10 each of Ekanasha Enterprise Private Limited amounting to ₹ 109 91 07 thousand including Securities Premium of ₹ 265 per share amounting to ₹ 105 91 39 thousands.
- 2) Redemption of 9,40,394,12% Optionally Convertible Cumulative/Redeemable Preference Shares (Series "A") of ₹ 10 each of Monica Texturising Private Limited amounting to ₹ 25 86 08 thousand including Securities Premium of ₹ 265 per share amounting to ₹ 24 92 04 thousands.
- 3) Redemption of 31,58,866 ,12% Redeemable Cumulative Preference Shares (Series "B") of ₹ 10 each of Ekanasha Enterprise Private Limited amounting to ₹ 3 79 06 thousand including redemption premium of ₹ 63 18 thousands.

iii. Subscription of Investments includes allotment of 2,40,000 equity shares of ₹10 each fully paid up of Nagothane Agrofarms Private Limited.

iv. Loan given includes loan given to Nagothane Agrofarms Private Limited ₹ 440 22 00 thousands

25 The Company is engaged in agriculture activities such as cultivating Plantation, Fruit Orchards, Vegetables etc. and that other activities are incidental thereto. As such, there are no primary reportable segments. Accordingly AS-17 in respect of Segment Reporting as notified under the Companies (Accounting Standards) Rules, 2006 is not applicable to the Company.

26 The Company's current financial period is from 1st April, 2012 to 30th June, 2013 i.e. fifteen months as against twelve months for previous financial year. Therefore, figures of the previous financial year to the extent are not comparable.

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Sandesh Ladha
Partner

Mumbai
Date: November 14, 2013

For and on behalf of the Board

Ashwin Khasgiwala Director

Sanjeev Dandekar Director

Hetal Rathod Assistant Company Secretary

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 10th Annual Report together with the Audited Accounts for the period ended June 30, 2013.

Operational Review

Your Company has been mainly engaged in carrying out agricultural activities during the period under review.

Financial year

The Company had extended its current financial year to close on June 30, 2013.

Dividend

Your Directors have not recommended any dividend on Equity Shares for the period under review.

Equity share capital

During the period under review, your Company has increased the Authorised Share Capital from Rs 5 lakh to Rs 25 lakh comprising 2,50,000 Equity Shares of Rs. 10/- each and issued and allotted 2,40,000 Equity Shares by way of rights issue.

Directors

In terms of Section 255 and Section 256 of the Companies Act, 1956, Shri Subhasish Mukherjee retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- i. in the preparation of the annual accounts for the period ended June 30, 2013, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and that there are no material departures from the same;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at June 30, 2013 and of the loss of the Company for the period ended on that date;
- iii. 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; and
- iv. the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

Auditors and Auditors' Report

M/s. Pathak H. D. & Associates, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received a letter from them confirming that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the Companies Act, 1956.

The Notes on Financial Statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments.

Personnel

During the period, the Company has not paid any remuneration attracting the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended. Hence, no information is required to be appended to this report in this regard.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, are as under:

- i. Part A and B of the Rules, pertaining to conservation of energy and technology absorption, are not applicable to the Company.
- ii. Foreign Exchange Earnings and Outgo:
Foreign Exchange Earned - Nil
Foreign Exchange Used - Nil

Compliance Certificate

The requisite Compliance Certificate from a Company Secretary in whole-time practice in terms of the proviso to Section 383A read with the Companies (Compliance Certificate) Rules, 2001, is attached herewith.

Acknowledgement

Your Directors would like to express their appreciation for assistance and co-operation received from Banks, Government authorities, customers, vendors, employees and members during the period under review.

For and on behalf of the Board of Directors

S. Balasubramanian
Director

Vinay Kirloskar
Director

Nagothane
September 2, 2013

Compliance Certificate

CIN :U01110MH2003PTC139391

Nominal Capital: Rs.25.00 Lakhs

To: The Members

NAGOTHANE AGROFARMS PRIVATE LIMITED
Raigad.

We have examined the registers, records, books and papers of Nagothane Agrofarms Private Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made there-under and also the provisions contained in the Memorandum and Articles of Association of the Company for the period from 1st April, 2012 to 30th June, 2013 (Financial Year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid Financial Year:

1. The company has kept and maintained all Registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the rules made there-under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this Certificate with the Registrar of Companies, Central Government, Ministry of Corporate Affairs within the time prescribed under the Act and the rules made there-under.
3. The Company is a wholly owned subsidiary of a public limited company and has retained the provisions in its Articles with respect to Section 3(1)(iii) of the Act. The Company has complied with the requirements of minimum prescribed paid-up share capital and minimum prescribed number of members during the Financial Year.
4. The Board of directors duly met 7 times on 30.06.2012, 01.08.2012, 15.12.2012, 15.03.2013, 15.04.2013, 20.05.2013 and 17.06.2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose.
5. The Company has not closed its register of members during the Financial Year.
6. The Annual General Meeting for the Financial Year ended 31.03.2012 was held on 28.09.2012 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in minutes book maintained for the purpose.
7. One Extraordinary General Meeting was held during the Financial Year after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in minutes book maintained for the purpose.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301(3) of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the board of directors, members or the Central Government.
12. The Company has not issued any duplicate share certificates during the Financial Year.
13. The Company -
 - (i) has delivered all the certificates of securities on allotment of securities and transfer thereof in accordance with the provisions of the Act and there was no transmission of securities during the Financial Year;
 - (ii) has not deposited any amount in separate bank account, as no dividend was declared during the Financial Year;
 - (iii) was not required to post warrants to any members of the Company, as no dividend was declared during the Financial Year;
 - (iv) has no amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven year during the Financial Year.
 - (v) has duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the Company is duly constituted. The appointments of additional director, rotational director and regularization of director at the Annual General Meeting have been duly made. There was no appointment of alternate directors and directors to fill casual vacancy during the Financial Year.
15. The Company has not appointed any managing director / whole-time director / manager during the Financial Year.
16. The Company has not appointed any sole-selling agents during Financial Year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the Financial Year.

Nagothane Agrofarms Private Limited

18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there-under.
19. The Company has issued 2,40,000 equity shares of Rs.10/- each during the Financial Year and complied with the provisions of the Act.
20. The Company has not bought back any shares during the Financial Year.
21. There was no redemption of preference shares / debentures during the Financial Year.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of sections 58A of the Act during Financial Year.
24. The amounts borrowed by the Company from body corporate during the Financial Year ended 30th June, 2013 are within the borrowing limits of the company and that necessary resolution as per Section 293(1)(d) of the Act had been passed in duly convened Extraordinary General Meeting.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate, however, the Company has made investments in other body corporate u/s 372A of the Act during the Financial Year and has made necessary entries in the register kept for this purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny and complied with the provisions of the Act.
30. The Company has not altered its Articles of Association during the Financial Year.
31. There was no prosecution initiated by any Statutory Authority against the Company or show cause notices received by the Company and no fines or penalties or any punishment was imposed on the Company during the Financial Year for offences under the Act.
32. The Company has not received any money as security from its employees during the Financial Year.
33. The Company has not constituted its own Provident Fund pursuant to section 418 of the Act and hence the provisions of section 418 of the Act are not applicable to it.

For Dhoundiyal Atma & Associates

Mumbai
Date : September 2, 2013

Atma K. Dhoundiyal
C.P. No.: 3834

Annexure A

Statutory registers / records maintained by the Company

1. Register of Members u/s 150
2. Minutes Book of Board Meetings u/s 193
3. Minutes Book of Members Meetings u/s 193
4. Books of Accounts u/s 209
5. Register of Companies & Firms in which Directors are interested u/s 301(3)
6. Register of Directors, Managing Director, Manager and Secretary u/s 303
7. Register of Directors' Shareholding u/s 307
8. Register of Investments or Loans made, Guarantee given or Security provided u/s 372A
9. Register of investment in shares / securities not held in its own name u/s 49(7)

Other register maintained by the Company

1. Register of Share Transfers (u/s108)
2. Directors' attendance records

Annexure B

Forms and Returns as filed by the Company with Registrar of Companies, Ministry of Corporate Affairs during the Financial Year:

Sr. No.	e-Form No. / Return	Filed Under Section	For	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1	32	303	Appointment of Additional Director on 30.06.2012	25.07.2012	Yes	NA
2	32	303	Resignation of Director w.e.f. 01.08.2012	31.08.2012	Yes	NA
3	32	303	Regularizing Director at the AGM	25.10.2012	Yes	NA
4	23AC/ 23ACA	220	F Y – 31.03.2012	21.11.2012	Yes	NA
5	20B	159	AGM – 28.09.2012	26.11.2012	Yes	NA

Notes: 1. eForms/Returns mentioned above were filed and requisite filing fees were paid.

2. The Company has also filed the following eForms after the Financial Year and paid the requisite filing fee:

Sr. No.	e-Form No. / Return	Filed Under Section	For	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1	5	97	Increasing the authorized capital – EGM 10.06.2013	26.06.2013	Yes	NA
2	23	372A & 293(1)(d)	Investment in securities & Borrowing power to Board EGM 10.06.2013	04.07.2013	Yes	NA
3	2	75(1)	Allotment of 2,40,000 equity shares on 17.06.2013	17.07.2013	Yes	NA

For Dhoundiyal Atma & Associates

Mumbai
Date: September 2, 2013

Atma K. Dhoundiyal
C.P. No.: 3834

Independent Auditors' Report

To the Members of Nagothane Agrofarms Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Nagothane Agrofarms Private Limited ("the Company"), which comprise the Balance Sheet as at June 30th, 2013, and the Statement of Profit and Loss for the period ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

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

Auditor's responsibility

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

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

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

Opinion

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

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30th 2013;
- (ii) in the case of the Statement of Profit and Loss, of the loss for the period ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by sub-section (3) of section 227 of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act; and
 - e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on June 30th 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **Pathak H.D. & Associates**
Chartered Accountants
Firm Registration No: 107783W

Saurabh Pamecha
Partner
Membership No.: 126551

Nagothane
Date : September 2, 2013

Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of Report on Other Legal and Regulatory Requirements "of our report of even date.

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets have been physically verified by the management during the period. No material discrepancies were noticed on such verification, as compared to the original records.
 - c. In our opinion and according to the information and explanations given to us, the Company has not disposed off any fixed assets.
2. As the Company had no Inventories during the period, clause (ii) of paragraph of the order are not applicable to the Company.
3. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Therefore the requirements of clause (iii) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets, sale of services. During the course of audit, we have not observed any continuing failure to correct major weakness in internal control systems.
5. In our opinion and according to information and explanations given to us, there are no contracts or arrangements, particulars of which need to be entered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of Clause (v) (b) of paragraph 4 of the Order are not applicable.
6. The Company has not accepted any deposit from the public. Therefore, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the company.
7. In our opinion , the internal audit system of the Company is commensurate with its size and nature of its business.
8. To the best of our knowledge and according to the information and explanations provided to us, the Central Government has not prescribed the maintenance of records under Section 209 (1) (d) of the Companies Act, 1956 in respect of operations carried out by the Company.
9. In respect of statutory dues:
 - a. According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, custom duty, excise duty, cess and other statutory dues as applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax and customs duty were outstanding, as at June 30th 2013 for a period of more than six months from the date they became payable.
 - b. There are no disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities.
10. The Company's accumulated losses at the end of the financial period are less than fifty per cent of its net worth. The Company has incurred cash loss in the current period and also in the preceding financial year.
11. The Company has not borrowed any funds from financial institutions or banks and hence the provision of clause (xi) of paragraph 4 of Order is not applicable.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other investments and timely entries have been made therein. All the shares, securities, debentures and other investments have been held by the Company in its own name.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. Term loan raised by the Company were applied for the purpose for which they were obtained.
17. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. The Company has not made any preferential allotment of shares during the period under audit to parties and companies covered under Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the period under audit.
20. The Company has not raised any monies by way of public issue during the period.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **Pathak H.D. & Associates**
Chartered Accountants
Firm Registration No: 107783W

Saurabh Pamecha
Partner
Membership No.: 126551

Nagothane
Date : September 2, 2013

Nagothane Agrofarms Private Limited
Balance Sheet as at 30th June, 2013

(Amount in ₹)

	Notes	As at 30th June, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	25 00 000	1 00 000
Reserves and Surplus	2	<u>(15 91 344)</u>	<u>(15 45 562)</u>
		9 08 656	(14 45 562)
Non-Current Liabilities			
Long Term Borrowing	3	440 22 00 000	-
Long Term Provisions		<u>19 81 000</u>	<u>15 42 000</u>
		440 41 81 000	15 42 000
Current Liabilities			
Trade Payables	4	3 19 401	7 37 140
Other Current Liabilities		15 08 611	14 30 210
Short Term Provisions		<u>36 000</u>	<u>27 000</u>
		18 64 012	21 94 350
Total		<u><u>440 69 53 668</u></u>	<u><u>22 90 788</u></u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	5	7 14 140	7 74 268
Non Current Investments	6	440 21 86 398	-
Current Assets			
Trade Receivables	7	-	9 320
Cash and Bank Balances		30 07 059	9 27 052
Short Term Loan and Advances		<u>10 46 071</u>	<u>5 80 148</u>
		40 53 130	15 16 520
Total		<u><u>440 69 53 668</u></u>	<u><u>22 90 788</u></u>
Significant Accounting Policies			
Notes on Financial Statements	1 to 17		

As per our Report of even date

For **Pathak H D & Associates**
Chartered Accountants

Saurabh Pamecha
Partner

Nagothane
September 2, 2013

For and on behalf of the Board

S. Balasubramanian Director

Vinay D. Kirloskar Director

Nagothane Agrofarms Private Limited
Statement of Profit and Loss for the period ended 30th June, 2013

(Amount in ₹)

	Notes	For the period 01-04-2012 to 30-06-2013	As on 31st March 2012
INCOME			
Revenue from Operations	8	1 27 49 850	75 42 404
Other Income	9	-	10 663
Total Revenue		1 27 49 850	75 53 067
EXPENDITURE			
Employee Benefits Expense	10	1 22 44 855	76 67 625
Depreciation and amortisation expense	5	60 128	48 102
Other Expenses	11	4 90 649	2 64 663
Total Expenses		1 27 95 632	79 80 390
Loss before Tax		(45 782)	(4 27 323)
Current Tax		-	-
Loss for the period		(45 782)	(4 27 323)
Basic and Diluted Earnings per equity share of face value of ₹ 10 each	12	(2.56)	(42.73)
Significant Accounting Policies Notes on Financial Statements	1 to 17		

As per our Report of even date

For **Pathak H D & Associates**
Chartered Accountants**Saurabh Pamecha**
PartnerNagothane
September 2, 2013

For and on behalf of the Board

S. Balasubramanian Director**Vinay D. Kirloskar** Director

Nagothane Agrofarms Private Limited
Cash Flow Statement for the period ended 30th June, 2013

(Amount in ₹)

	For the period 01-04-2012 to 30-06-2013	As at 31st March 2012
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax as per Statement of Profit and Loss	(45 782)	(4 27 323)
Adjusted for:		
Depreciation and amortisation expense	<u>60 128</u>	<u>48 102</u>
Operating profit/(loss) before working capital changes	14 346	(3 79 221)
Adjusted for:		
Trade and other receivables	(2 01 419)	37 340
Trade and other payables	<u>1 08 662</u>	<u>3 10 573</u>
	<u>(92 757)</u>	<u>3 47 913</u>
Cash used in operations	(78 411)	(31 308)
Taxes (paid)/ refund	<u>(2 55 184)</u>	<u>1 28 924</u>
Net cash used in operating activities	(3 33 595)	97 616
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Non-Current Investments	(440 21 86 398)	-
Net cash used in investing activities	(440 21 86 398)	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Loan From Holding Company	440 22 00 000	-
Proceeds from share application money/ issue of share capital	24 00 000	-
Net cash from financing activities	440 46 00 000	-
Net increase/ (decrease) in cash and cash equivalents	20 80 007	97 616
Opening balance of cash and cash equivalents	9 27 052	8 29 436
Closing balance of cash and cash equivalents	<u>30 07 059</u>	<u>9 27 052</u>

As per our Report of even date

For **Pathak H D & Associates**
Chartered Accountants

Saurabh Pamecha
Partner

Nagothane
September 2, 2013

For and on behalf of the Board

S. Balasubramanian Director

Vinay D. Kirloskar Director

Significant Accounting Policies

A Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

B Use of Estimates

The presentation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of Revenues and Expenses during the reporting period. Difference between the actual result and the estimates are recognized in the period in which the results are known/ materialized.

C Revenue Recognition

The Company follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

D Fixed Assets

Fixed Assets are stated at cost net of modvat/cenvat, less accumulated depreciation including impairment loss (if any).

E Depreciation

Depreciation on fixed assets is provided on straight line method(SLM) at the rates & in the manner prescribed in schedule XIV to the Companies Act, 1956.

F Impairment of Assets

An asset is treated as impaired when carrying cost of Assets exceeds its recoverable value. An impairment loss is charged in the Profit & Loss Account in the year in which an asset is Identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

G Employee Benefits

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Profit and loss account of the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

H Inventories

The inventories of agriculture products are valued at lower of costs or net realisable value.

I Provisions for Current and Deferred Tax

Provision for Current Income Tax is made on the taxable income under the Income Tax Act, 1961. Deferred tax arising on account of "timing difference" and which are capable of reversal in one or more subsequent periods, is recognized using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax assets is recognized only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

J Investments

Current investments are carried at the lower of cost and quoted/ fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

Notes on Financial Statement for the period ended 30th June, 2013

(Amount in ₹)

As at 30th June 2013 As at 31st March 2012

1 Share Capital

Authorised

2 50 000 Equity Shares of ₹ 10 each (50 000)	25 00 000	5 00 000
	<u>25 00 000</u>	<u>5 00 000</u>

Issued, Subscribed and Paid up

2 50 000 Equity Shares of ₹ 10 each fully paid up (10 000)	25 00 000	1 00 000
	<u>25 00 000</u>	<u>1 00 000</u>

Note:

- All the above 2 50 000 (previous year 10 000) equity shares of ₹10 each paid-up are held by Farm Enterprises Limited, the holding company along with its nominees.
- Reconciliation of Equity shares outstanding at the beginning and at the end of the year

	As at 30th June, 2013 Nos.	As at 31st March, 2012 Nos.
Equity shares at the beginning	10 000	10 000
Add : Shares issued during the year	2 40 000	-
Equity shares at the end of the year	<u>2 50 000</u>	<u>10 000</u>

(Amount in ₹)

As at 30th June 2013 As at 31st March 2012

2 Reserves and Surplus

Profit and Loss Account

As per last Balance Sheet	(15 45 562)	(11 18 239)
Add: Loss for the year	(45 782)	(4 27 323)
	<u>(15 91 334)</u>	<u>(15 45 562)</u>

(Amount in ₹)

As at 30th June 2013 As at 31st March 2012

3 Non-Current Liabilities

Unsecured Loan

Loans From Holding Company*	440 22 00 000	-
Total	<u>440 22 00 000</u>	<u>-</u>
Long Term Provisions		
Provision for Employee Benefits	19 81 000	15 42 000
Total	<u>19 81 000</u>	<u>15 42 000</u>

*Above Loan is repayable in 3 to 5 years

Notes on Financial Statement for the period ended 30th June, 2013

(Amount in ₹)

	As at 30th June 2013	As at 31st March 2012
4 Current Liabilities		
Trade Payables*		
Micro, Small and Medium Enterprises	-	-
Others	<u>3 19 401</u>	<u>7 37 140</u>
	3 19 401	7 37 140
Other Current Liabilities		
Others #	15 08 611	14 30 210
Short Term Provisions		
Provisions For Employee Benefit	36 000	27 000
Total	<u>18 64 012</u>	<u>21 94 350</u>

* The Company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

Includes salary payable and statutory dues

5 Fixed Assets

(Amount in ₹)

Description	Gross Block			Depreciation				Net Block		
	As at 01.04.2012	Additions/ Adjustments	Deductions/ Adjustments	As at 30.06.2013	Upto 01.04.2012	For the period	Deductions Adjustments	Upto 30.06.2013	As at 30.06.13	As at 31.03.2012
Tangible Assets										
Own Assets										
Plant & Machinery	10 12 675	-	-	10 12 675	2 38 407	60 128	-	2 98 535	7 14 140	7 74 268
TOTAL	10 12 675	-	-	10 12 675	2 38 407	60 128	-	2 98 535	7 14 140	7 74 268
Previous year	10 12 675	-	-	10 12 675	1 90 305	48 102	-	2 38 407	7 74 268	

(Amount in ₹)

As at
30th June 2013

As at
31st March 2012

6 Non-Current Investments

Long Term Investments (Other)

Quoted

In Equity Shares - fully paid up

56,00,000 Reliance Industries Limited of ₹. 10 each

440 21 86 398

(-)

Total

440 21 86 398

Aggregate Amount of Quoted Investments

440 21 86 398

Market Value of Quoted Investments

483 05 60 000

Notes on Financial Statement for the period ended 30th June, 2013

(Amount in ₹)

	As at 30th June 2013	As at 31st March 2012	
7 Current Assets			
Trade Receivable			
(Unsecured and considered good)			
Over six months	-	-	
others	-	9 320	
			9 320
Cash and Bank Balances:			
Cash on hand	12	12	
Balance with Banks	30 07 047	9 27 040	
			9 27 052
Short Term Loans and Advances			
Advance Income tax (net of provision)	8 35 332	5 80 148	
Staff Advance	1 000	-	
Prepaid Expenses	2 09 739	-	
			5 80 148
Total	<u>40 53 130</u>	<u>15 16 520</u>	

(Amount in ₹)

	For the period 01-04-2012 to 30-06-2013	2011-2012
8 Revenue from Operations		
Sale of Products	-	1 09 670
Sale of Services	1 27 49 850	74 32 734
Total	<u>1 27 49 850</u>	<u>75 42 404</u>

(Amount in ₹)

8.1 Particulars of Sale of Products/Services		
Flowers	-	1 09 670
Development Charges	1 27 49 850	74 32 734
Total	<u>1 27 49 850</u>	<u>75 42 404</u>

For the period

01-04-2012 to
30-06-2013

2011-2012

9 Other Income		
Interest Income	-	10 663
Total	<u>-</u>	<u>10 663</u>

Notes on Financial Statement for the period ended 30th June, 2013

(Amount in ₹)

	For the period 01-04-2012 to 30-06-2013	2011-2012
10 Employee Benefits Expense		
Salaries and wages	81 67 199	50 85 046
Contribution to provident and other funds	19 74 151	13 48 084
Staff welfare expenses	21 03 505	12 34 495
Total	<u>1 22 44 855</u>	<u>76 67 625</u>

(Amount in ₹)

	For the period 01-04-2012 to 30-06-2013	2011-2012
11 Other Expenses		
Establishment Expenses		
Legal Filing Insurance	3 23 449	1 28 610
Office Maintenance	79 607	66 000
Professional Fees	53 371	45 000
Purchases (Fertiliser and Chemicals)	4 310	-
Repair and Maintenance	7 440	2 241
General Expenses	-	340
	<u>4 68 177</u>	<u>2 42 191</u>
Payment to Auditor's		
Audit Fees	13 483	13 483
Tax Audit Fees	8 989	8 989
	<u>22 472</u>	<u>22 472</u>
Total	<u>4 90 649</u>	<u>2 64 663</u>

	For the period 01-04-2012 to 30-06-2013	2011-2012
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12 Earnings per share		
Basic and Diluted earnings per equity share (₹)	(2.56)	(42.73)
Profit / (Loss) after tax (₹)	(45 782)	(4 27 323)
Weighted average number of equity shares	17 895	10 000
Nominal value per equity share (₹)	10	10

13 The Company's current financial period is from 1st April, 2012 to 30th June, 2013 i.e. fifteen months as against twelve months for previous financial year. Therefore, figures of the previous financial year to the extent are not comparable.

Notes on Financial Statement for the period ended 30th June, 2013

14 Employee Benefits

The Company has followed Accounting Standard 15 "Employee Benefits"

The present value of obligation is determined based on actuarial valuation for both Gratuity and Leave Encashment. Based on the actuarial valuation ₹ 11 83 000/(P.Y. ₹ 9 21 000) and ₹ 7 23 000/(P.Y. ₹ 6 48 000) towards Gratuity and Leave Encashment respectively has been charged to Statement of Profit and Loss

15 Related Party

As per Accounting Standard 18, notified in the Companies (Accounting Standards) Rules, 2006, the disclosures of transactions with the related parties are given below :

i) List of related parties and relationships :

Name of the Related Party	Relationship
Reliance Industries Holding Private Limited	Ultimate Holding Company
Amudha Venture Capital Private Limited	Holding Company's Holding Company
Ekansha Enterprise Private Limited	Holding Company's Holding Company
Farm Enterprises Limited	Holding Company

ii) Transactions during the year with related parties:

- Investment in Share Capital by Holding Company of ₹ 24 00 000 (P.Y. ₹ Nil)
- Loan received from Holding Company ₹ 440 22 00 000(P.Y. ₹ Nil)

Balance as at 30th June, 2013

Share capital	25 00 000
	(1 00 000)
Unsecured Loan	440 22 00 000
	(Nil)

Note: Figures in brackets represents previous year's amount.

- The Company does not have any material timing difference between book profit and taxable profit, hence no provision for deferred tax has been made in the books of account.
- The Company is engaged in agriculture/horticulture related activities and as such, there are no primary reportable segments. Accordingly AS-17 in respect of Segment Reporting as notified under the Companies (Accounting Standards) Rules, 2006 is not applicable to the Company.

As per our Report of even date

For **Pathak H D & Associates**
Chartered Accountants

Saurabh Pamecha
Partner

Nagothane
September 2, 2013

For and on behalf of the Board

S. Balasubramanian Director

Vinay D. Kirloskar Director