

**INDEPENDENT AUDITORS' REPORT**

To the Members of  
**BANGALORE FORT FARMS LIMITED**

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of BANGALORE FORT FARMS LIMITED (the 'Company'), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance 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 presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

3. 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.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, 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 auditors consider 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying 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 and subject to our observations on the matters stated in paragraphs 7 below:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

7. The entire operations of the Company have been discontinued as detailed in note no. 21.8 of the Notes to Financial Statements. The Company is in the process of evaluating its options and the businesses as per the objects of the Company. The Company has not yet fully firmed up its further course of action after the sale and disposal of assets. The accounts have been prepared on the 'Going Concern' basis though there is uncertainty about the future activities of the Company.

Our opinion is qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (the 'Order'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
9. As required by section 227(3) 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 purpose of our audit;

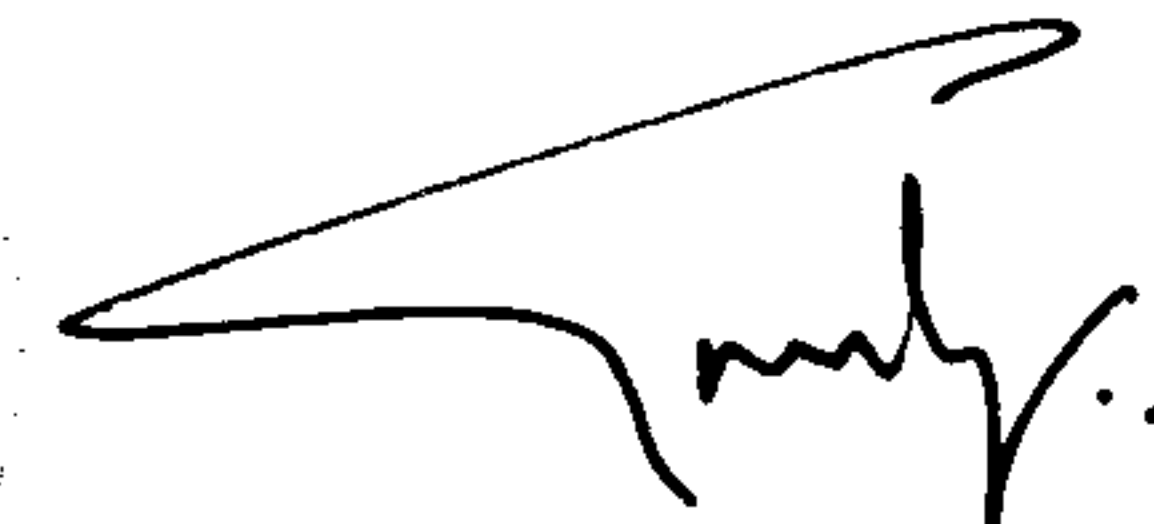
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- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
- (e) On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act.

For **R. CHANDRASHEKAR  
AND ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 0067835



**V. GANESH**  
Proprietor  
Membership No. 202995

Place : Bangalore  
Date : August 26, 2013

**ANNEXURE TO AUDITORS' REPORT**

[ Referred to in paragraph 8 of the Auditors' Report of even date]

1. (a) The Company is maintaining proper records in the form of schedules showing full particulars including quantitative details and situation of fixed assets.  
(b) The fixed assets are physically verified by the management once in two years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.  
(c) In our opinion, there was substantial disposal of fixed assets during the year as noted in note no. 21.8 and 21.9 affecting the concept of 'going concern'.
2. (a) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion, 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) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently the requirement of sub clauses (b), (c) and (d) of Clause 4(iii) of the Companies (Auditor's Report) Order are not applicable.  
(b) The Company had taken Inter Corporate loan from a party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 77.98 lakh.  
(c) In our opinion, the rate of interest and other terms and conditions of loan taken are not prima facie prejudicial to the interests of the Company.  
(d) The Company has repaid the principal amount as stipulated and demanded and has also paid the interest up to date.
4. In our opinion, and according to the information and explanations given to us, in general there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal control systems.
5. (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

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- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time where such market prices are available.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
7. We are informed that the Company is in the process of strengthening its existing internal audit system commensurate with the size and nature of its business.
8. As explained to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, for the year under review.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses as at March 31, 2013. The Company has not incurred any cash losses in the financial year covered by our audit but has incurred cash losses in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, there were no delays in repayment of dues to the bank. The Company has neither taken any loans from a financial institution nor issued any debentures.
12. The Company has not granted any loans and advances 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 4(xiii) of the Order are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures or other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

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16. During the year, the Company has not obtained any new term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion, and according to the information and explanations given to us, during the year, there are no funds raised on a short-term basis, which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act during the year.
19. The Company has not issued debentures.
20. The Company has not raised any money by public issue.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For R. CHANDRASHEKAR  
AND ASSOCIATES  
Firm Registration No. 006783S  
Chartered Accountants



A handwritten signature in black ink, appearing to read 'V. Ganesh'.

V. GANESH  
Proprietor  
Membership No. 202995

Place : Bangalore  
Date : August 26, 2013

**BANGALORE FORT FARMS LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2013**

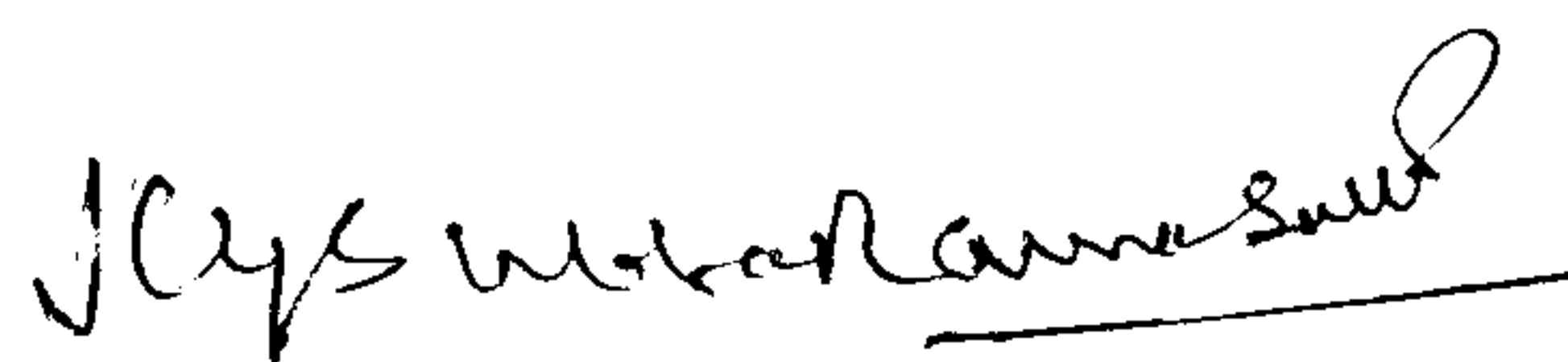
Annual Report 2012 - 13

	Note No.	As at 31-3-2013		As at 31-3-2012	
		Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
<b><u>EQUITY AND LIABILITIES</u></b>					
<b><u>Shareholders' Funds</u></b>					
Share Capital	2	800,000		800,000	
Reserves and Surplus	3	25,936,836		(22,218,910)	
		-----	26,736,836	-----	(21,418,910)
<b><u>Non-current Liabilities</u></b>					
Long-term Borrowings	4		-		435,567
<b><u>Current Liabilities</u></b>					
Short-term Borrowings	5	-		7,797,706	
Trade Payables		17,094		8,619,694	
Other Current Liabilities	6	98,500		7,129,071	
Short-term Provisions	7	3,792,205		13,785	
		-----	3,907,799	-----	23,560,256
			<u>30,644,635</u>		<u>2,576,913</u>
<b><u>ASSETS</u></b>					
<b><u>Non-current Assets</u></b>					
Fixed Assets - Tangible Assets	8	21,583		1,400,231	
Non-current Investments	9	15,690		15,690	
Long-term Loans and Advances	10	5,000		94,643	
		-----	42,273	-----	1,510,564
<b><u>Current Assets</u></b>					
Inventories	11	-		50,000	
Trade Receivables	12	75,000		83,828	
Cash and Cash Equivalents	13	29,526,964		871,285	
Short-term Loans and Advances	14	1,000,398		61,236	
		-----	30,602,362	-----	1,066,349
			<u>30,644,635</u>		<u>2,576,913</u>
Notes on Accounts	1		-		-

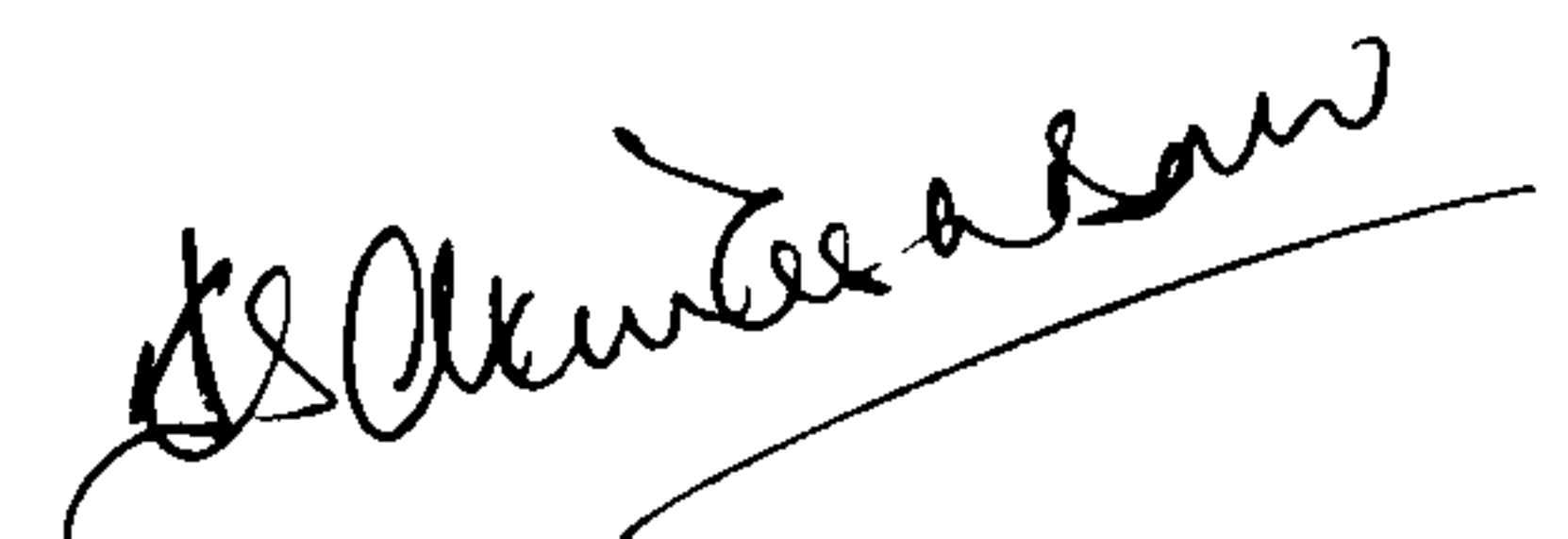
Per Our Report attached  
**For R. CHANDRASHEKAR**  
**AND ASSOCIATES**  
 Firm Registration No. 006783S  
 Chartered Accountants



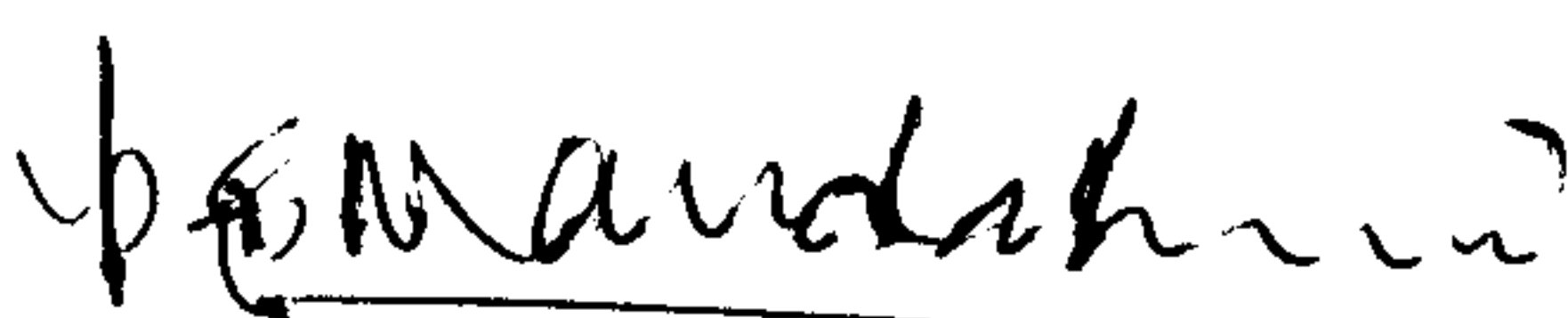
**V. GANESH**  
 Proprietor  
 Mem. No. 202995



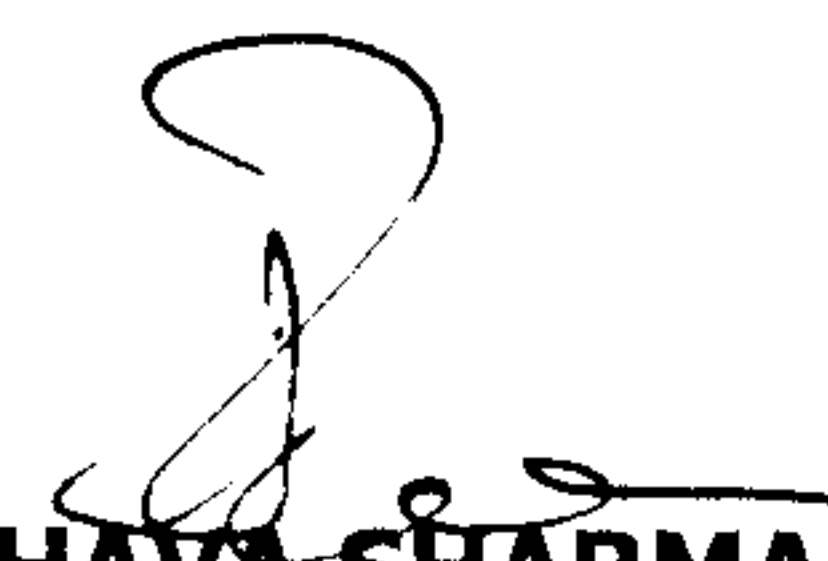
**K. G. SUBBARAMA SETTY**  
 Chairman



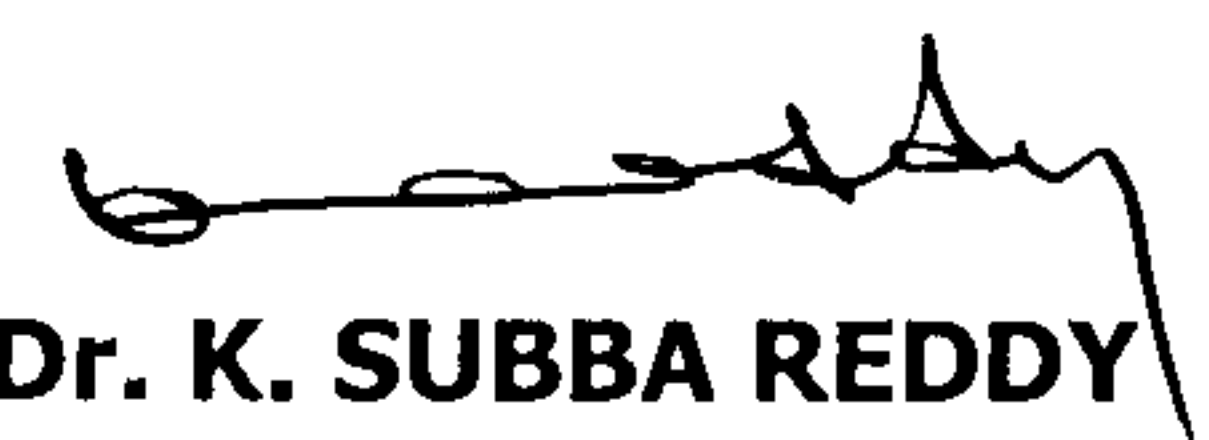
**K. S. AKHILESH BABU**  
 Managing Director



**P. S. NANDA KUMAR**  
 Director



**J. MADHAVA SHARMA**  
 Director



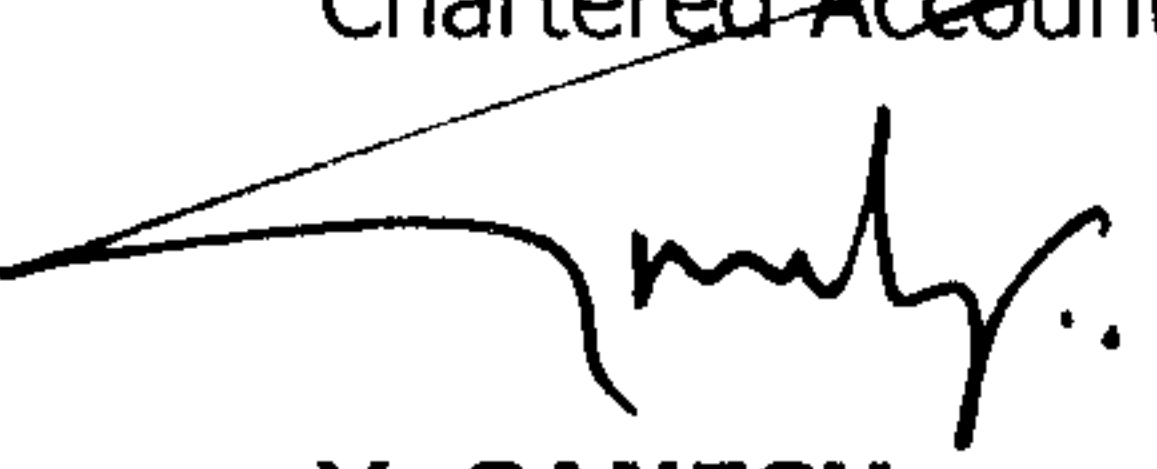
**Dr. K. SUBBA REDDY**  
 Director

Place : Bangalore  
 Date : August 26, 2013

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013**

	Note No.	2012 - 13		2011 - 12	
		Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
<b>INCOME</b>					
Revenue from Operations	15	124,280		812,472	
Interest Earned		1,451,028		901	
		-----	1,575,308	-----	813,373
<b>EXPENDITURE</b>					
Farm Expenses	16	-		839,191	
Changes In Inventories	17	50,000		(10,000)	
Employee Benefits Expense	18	461,296		1,018,672	
Finance Costs	19	283,957		1,295,475	
Depreciation and Amortization Expense	8	38,337		156,273	
Other Expenses	20	330,183		707,429	
		-----	1,163,773	-----	4,007,040
<b>Profit / (Loss) before Exceptional Item and Tax</b>			411,535		(3,193,667)
Profit on Sale of Fixed Assets	21.8		64,673,234		-
<b>Profit / (Loss) before Tax</b>			65,084,769		(3,193,667)
Profit Before Tax from Continuing Operations		1,451,028		-	
Less : Tax Expense		470,786		-	
Profit from Continuing Operations		-----	980,242	-----	-
Loss Before Tax from Discontinuing Operations		(1,039,493)		(3,193,667)	
Less : Tax Expense / (Savings) on the above		(337,264)		-	
Profit on Sale of Assets of Discontinuing Operations		64,673,234		-	
Less : Tax Expense on Sale of Assets		14,923,581		-	
Profit / (Loss) from Discontinuing Operations	21.8	-----	49,047,424	-----	(3,193,667)
<b>Profit / (Loss) for the year</b>			50,027,666		(3,193,667)
Earnings / (Loss) per Equity Share					
Basic			625.35		(39.92)
Diluted			625.35		(39.92)
Significant Accounting Policies	1				

Per Our Report attached  
**For R. CHANDRASHEKAR  
AND ASSOCIATES**  
Firm Registration No. 006783S  
Chartered Accountants

  
**V. GANESH**  
Proprietor  
Mem. No. 202995

  
**K. G. SUBBARAMA SETTY**  
Chairman

  
**K. S. AKHILESH BABU**  
Managing Director

  
**P. S. NANDA KUMAR**  
Director

  
**J. MADHAVA SHARMA**  
Director

  
**Dr. K. SUBBA REDDY**  
Director

Place : Bangalore  
Date : August 26, 2013



**NOTE - 1**

**SIGNIFICANT ACCOUNTING POLICIES**

**1.1 System of Accounting**

The Company adopts the accrual basis in the preparation of accounts.

**1.2 Valuation of Inventories**

Manure was valued at estimated realisable value.

**1.3 Fixed Assets**

All fixed assets are stated at cost of acquisition less depreciation.

**1.4 Depreciation**

Depreciation has been provided on the written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956. Full depreciation has been provided on additions costing less than Rs. 5,000 each.

**1.5 Investments**

Investments are stated at cost.

**1.6 Employee Benefits**

**(a) Short Term Employee Benefits**

Leave Encashment has been provided on the basis of the monetary value of unavailed leave remaining to the credit of the employees at the end of the year.

**(b) Retirement Benefits**

**a) Defined Contribution Plan**

Contribution to Provident Fund and Family Pension Fund are Charged to Profit and Loss Account. The Company has no further obligations beyond its contributions.

**b) Defined Benefit Plan - Gratuity**

Gratuity Liability is funded as per the Group Gratuity Scheme of Life Insurance Corporation of India. The Present Value of the defined benefit obligation at the Balance Sheet less the fair Value of Plan Assets is recognised as a liability/(asset) in the Balance Sheet. The defined Benefit Obligation is calculated by using the Projected Unit Credit Method. Actuarial Gains and Losses are charged to or credited to the Profit and Loss Account in the year in which such gains or losses arise.

	<b>As at 31-3-2013</b>		<b>As at 31-3-2012</b>	
	Details	Amount	Details	Amount
	Rs.	Rs.	Rs.	Rs.
<b>NOTE - 2</b>				
<b>SHARE CAPITAL</b>				
2.1 <b>Authorised</b>				
10,00,000 Equity Shares of Rs.10 each		<u>10,000,000</u>		<u>10,000,000</u>
2.2 <b>Issued, Subscribed and Paid up</b>				
80,000 Equity Shares of Rs.10 each fully paid up		<u>800,000</u>		<u>800,000</u>
2.3	There was no issue of Shares during the current or previous year.			
2.4	The company has only one class of shares referred to as 'Equity Shares' having a par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share.			
2.5	The shareholders holding more than 5% of shares in the company are as below:			
<u>Name of the Shareholder</u>	<u>No. of Shares</u>	<u>% of holding</u>	<u>No. of Shares</u>	<u>% of holding</u>
Mr. K.S. Akhilesh Babu	6,230	7.79%	6,220	7.78%
Balakrishna Live Stock Breeders Pvt. Ltd.	5,895	7.37%	5,895	7.37%
Balakrishna Breeding Farms Pvt. Ltd.	6,941	8.68%	9,431	11.79%
2.6	Reconciliation of Shares outstanding at the beginning and at the end of the year:			
No. of shares outstanding at the beginning of the year		80,000		80,000
Add: Further issue during the year		-		-
No. of shares outstanding at the end of the year		80,000		80,000
<b>NOTE - 3</b>				
<b>RESERVES AND SURPLUS</b>				
Capital Redemption Reserve		130,100		130,100
<u>General Reserve</u>				
Opening Balance		-		-
Add: Transfer from Statement of Profit and Loss	5,100,000			
	-----	5,100,000	-----	-
<u>Surplus (Balance in Statement of Profit and Loss)</u>				
Opening Balance	(22,349,010)		(19,155,343)	
Add: Profit / (Loss) for the year	50,027,666		(3,193,667)	
	-----	27,678,656	-----	(22,349,010)
Less: <u>Appropriations</u>				
Proposed Dividend	1,600,000		-	
Tax on Distributed Profits	271,920		-	
Transfer to General Reserve	5,100,000		-	
	-----	20,706,736	-----	(22,349,010)
Total		<u>25,936,836</u>		<u>(22,218,910)</u>

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	As at 31-3-2013		As at 31-3-2012	
	Details Rs.	Amount Rs.	Details Rs.	Amount Rs.

**NOTE - 4**  
**LONG TERM BORROWINGS**

**Secured**

Term Loan from Canara Bank		-		435,567
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4.1 The term loan from Canara Bank was secured by deposit of title deeds of land and building and hypothecation of poultry and electrical equipments, vehicles and stocks and personal guarantee of directors.

4.2 The term loan was preclosed during the year.

**NOTE - 5**  
**SHORT TERM BORROWINGS**

**Unsecured**

Inter Corporate Deposit from a Related Party		-		7,797,706
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**NOTE - 6**  
**OTHER CURRENT LIABILITIES**

Current Maturities of Long Term Borrowings

Term Loan from Canara Bank		-		1,068,000
Taxes and Contractual Liabilities		40,000		110,535
Advance against Sale of Assets		-		5,000,000
Directors Current Account		-		885,836
Balance due to Preference Shareholders		58,500		64,700
Total		<u>98,500</u>		<u>7,129,071</u>

**NOTE - 7**  
**SHORT TERM PROVISIONS**

Provision for Leave Encashment		8,285		13,785
Provision for Taxation (Net)		1,912,000		-
Proposed Dividend		1,600,000		-
Tax on Distributed Profits		271,920		-
Total		<u>3,792,205</u>		<u>13,785</u>

**NOTE - 9**  
**NON CURRENT INVESTMENTS**

Investments in Property Time Share Scheme of Sterling Holiday Resorts (India) Pvt. Ltd.		15,680		15,680
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**Investment in Equity Instruments (Unquoted)**

One Equity Share in Sterling Holidays (Ooty) Limited fully paid up		10		10
Total		<u>15,690</u>		<u>15,690</u>

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**BANGALORE FORT FARMS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE - 8****FIXED ASSETS**

PARTICULARS	COST				DEPRECIATION				BOOK VALUE	
	As at 1.4.2012	Additions	Deletions	As at 31.3.2013	Upto 1.4.2012	For the year	Withdrawal on Deletions	Upto 31.3.2013	As at 31.3.2013	As at 31.3.2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<u>Tangible Assets</u>										
Freehold Land	114,326	-	114,326	-	-	-	-	-	-	114,326
Building	5,529,868	-	5,529,868	-	4,384,383	26,507	4,410,890	-	-	1,145,485
Plant and Machinery	276,972	-	276,972	-	165,675	4,290	169,965	-	-	111,297
Furniture and Fixtures	6,190	-	6,190	-	6,190	-	6,190	-	-	-
Vehicle	374,538	-	-	374,538	345,415	7,540	-	352,955	21,583	29,123
<b>Total</b>	<b>6,301,894</b>	<b>-</b>	<b>5,927,356</b>	<b>374,538</b>	<b>4,901,663</b>	<b>38,337</b>	<b>4,587,045</b>	<b>352,955</b>	<b>21,583</b>	<b>1,400,231</b>
<b>As at 31.3.2012</b>	<b>6,496,255</b>	<b>-</b>	<b>194,361</b>	<b>6,301,894</b>	<b>4,824,146</b>	<b>156,273</b>	<b>78,756</b>	<b>4,901,663</b>	<b>1,400,231</b>	<b>1,672,109</b>

J.

	As at 31-3-2013		As at 31-3-2012	
	Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
<b>NOTE - 10</b>				
<b><u>LONG TERM LOANS AND ADVANCES</u></b>				
<i>(Unsecured, Considered Good)</i>				
Deposits with Government Departments		2,000		91,643
Deposits with Others		3,000		3,000
		5,000		94,643
Total				
<b>NOTE - 11</b>				
<b><u>INVENTORIES</u></b>				
Manure - At Estimated Realisable Value		-		50,000
<b>NOTE - 12</b>				
<b><u>TRADE RECEIVABLES</u></b>				
<i>(Unsecured, Considered Good)</i>				
Outstanding for a period exceeding six months		45,000		83,828
Other debts		30,000		-
		75,000		83,828
Total				
<b>NOTE - 13</b>				
<b><u>CASH AND CASH EQUIVALENTS</u></b>				
Cash and Cheques on hand		51,450		1,787
With Scheduled Banks in Current Accounts		9,975,514		869,498
<u>Other Bank Balances</u>				
In Deposit Accounts (with more than 3 months and less than 12 months maturity)		19,500,000		-
		29,526,964		871,285
Total				
<b>NOTE - 14</b>				
<b><u>SHORT TERM LOANS AND ADVANCES</u></b>				
<i>(Unsecured, Considered Good)</i>				
Interest Accrued on Deposits		459,120		-
Gratuity funded net of Provision		91,085		53,076
Other Receivables		450,193		8,160
		1,000,398		61,236
Total				

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	<b>2012 - 13</b>		<b>2011 - 12</b>	
	Details	Amount	Details	Amount
	Rs.	Rs.	Rs.	Rs.
<b>NOTE - 15</b>				
<b><u>REVENUE FROM OPERATIONS</u></b>				
Sales		48,325		755,230
Sale of Services - Vehicle Hire Charges		75,000		-
Other Operating Revenue		955		57,242
Total		<u>124,280</u>		<u>812,472</u>
<b>15.1 <u>Sale by Class of Goods</u></b>				
Commercial Broiler Birds		-		747,230
Manure		48,325		8,000
Total		<u>48,325</u>		<u>755,230</u>
<b>NOTE - 16</b>				
<b><u>FARM EXPENSES</u></b>				
Purchase of Commercial Broilers		-		221,382
Feed Consumed		-		583,718
Medicines and Vitamins Consumed		-		23,798
Stores and Spares Consumed		-		10,293
Total		<u>-</u>		<u>839,191</u>
<b>NOTE - 17</b>				
<b><u>CHANGES IN INVENTORY</u></b>				
Opening Stock - Manure		50,000		40,000
Closing Stock - Manure		-		50,000
Total		<u>50,000</u>		<u>(10,000)</u>
<b>NOTE - 18</b>				
<b><u>EMPLOYEE BENEFITS EXPENSE</u></b>				
Salaries, Wages and Bonus		443,304		929,888
Contribution to Provident and Other Funds		13,055		87,794
Staff Welfare		4,937		990
Total		<u>461,296</u>		<u>1,018,672</u>
<b>NOTE - 19</b>				
<b><u>FINANCE COSTS</u></b>				
Interest Expense		280,771		1,280,106
Other Finance Charges		3,186		15,369
Total		<u>283,957</u>		<u>1,295,475</u>

*J.*

	2012 - 13		2011 - 12	
	Details	Amount	Details	Amount
	Rs.	Rs.	Rs.	Rs.
Power, Fuel and Water		21,645		90,336
Repairs and Maintenance		24,805		24,163
Security Charges		-		196,092
Rent		-		23,136
Rates and Taxes		10,863		22,956
Vehicle Maintenance		25,480		101,015
Printing and Stationary		18,779		18,140
Postage and Telephone		21,415		40,893
Travelling and Conveyance		9,862		8,500
Legal and Professional Charges		46,968		46,041
Remuneration to Auditors		61,798		77,210
Director's Sitting Fee		8,000		9,600
Bad debts		75,784		-
Miscellaneous Expenses		4,784		30,467
Loss on Sale of Fixed Assets		-		18,880
	Total	<u>330,183</u>		<u>707,429</u>

**NOTE - 21**

**OTHER NOTES AND DISCLOSURES**

**21.1 Remuneration to Auditors**

Statutory Audit	44,944	44,120
Tax Matters	16,854	33,090
Total	<u>61,798</u>	<u>77,210</u>

**21.2 Managerial Remuneration**

Approval of the Central Government has been obtained only till September 2008 for the payment of remuneration to the Managing Director. Pending approval of the Central Government for remuneration from October 2008, provision has been made as per the resolution of the shareholders. The provision thus made, for which the approval from the Central Government is awaited is Rs. 7,81,560 (Previous year Rs. 7,20,342).

**21.3 Deferred Tax**

The company has not recognised any deferred tax asset, after an assessment, that it is not virtually certain and supported by convincing evidence that the deferred tax asset will be usable in future.

21.4 Expenditure/Earnings in Foreign Currency - Nil (Previous year Nil).

**21.5 Segment Reporting**

The Company was engaged in the business of poultry farming which as per Accounting Standard 17 is considered the only reportable business segment. The geographical segmentation is not relevant as the company operated in a single identifiable area.

**2012 - 13**

**2011 - 12**

21.6 The Company did not have any dues to Small Scale Industries to whom the company owes a sum in excess of rupees one lakh and for a period exceeding thirty days.

**21.7 Disclosure pursuant to Accounting Standard (AS) 15 Revised:**

The Principal assumptions used in determining Gratuity Obligations for the Company are as follows

a) Discount Rate	8%	8%
b) Salary Escalation	7%	7%
c) Withdrawal Rate	1% to 3 % depending on age	1% to 3 % depending on age

Rs.

Rs.

Changes in the Present Value of Obligation

a) Present Value of Obligation as on 01-04-12	304,347	439,837
b) Interest Cost	24,348	35,187
c) Current Service Cost	18,546	32,216
d) Past Service Cost	-	-
e) Benefits Paid	(77,094)	(220,017)
f) Actuarial (Gain) / Loss	(17,507)	17,124
g) Present Value of Obligation as on 31-03-13	252,640	304,347

Changes in the Fair Value of Plan Assets

a) Fair Value of Plan Assets as on 01-04-12	357,423	536,986
b) Expected Return on Plan Assets	26,303	40,454
c) Contributions	37,093	-
d) Benefits Paid	(77,094)	(220,017)
e) Fair Value of Plan Assets as on 31-03-13	343,725	357,423

Amount Recognised in the Balance Sheet

a) Present Value of Obligations as at the Year End	252,640	304,347
b) Less: Fair Value of Plan Assets as at the Year End	343,725	357,423
c) Liability / (Asset) recognised in the Balance Sheet	(91,085)	(53,076)

(Income) / Expenses recognised in the Statement of Profit and Loss

a) Current Service Cost	18,546	32,216
b) Past Service Cost	-	-
c) Interest Cost on Benefit Obligation	24,348	35,187
d) Expected return on Plan Assets	(26,303)	(40,454)
e) Net Actuarial (Gain)/Loss	(17,507)	17,124
f) (Income) / Expenses recognised in the St. of Profit and Loss	(916)	44,073

Investment Details of Plan Assets

The Plan Assets are maintained with the Life Insurance Corporation Gratuity Scheme. The details of investment maintained by Life Insurance Corporation are not available with the company and have not been disclosed.

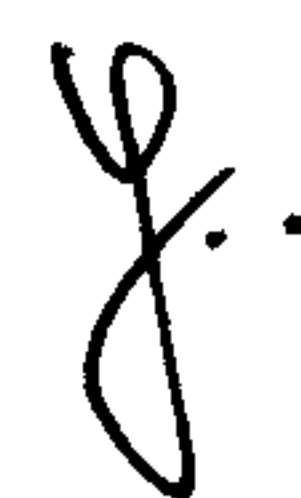


**21.8 Disclosure as per Accounting Standard 24 pertaining to Discontinuing Operations**

- (a) The company was engaged in the business of poultry farming which was the only reportable business segment of the company.
- (b) During the previous year (2011-12), the company had discontinued its entire operations due to mounting losses. The company had also entered into binding sale agreements for disposal of all of its immovable properties being land and buildings.
- (c) During the year (2012-13), the company has sold the entire fixed assets of the company alongwith associated plant and machinery.
- (d) The pre tax profit on sale of the entire fixed assets amounted to Rs. 64,673,234 and has been shown in the Statement of Profit and Loss as an exceptional item. The post tax profit on the sale amounted to Rs. 49,749,653.
- (e) On disposal of the entire assets, the company has no material assets or liabilities from its poultry operations on the date of the balance sheet. The entire consideration received post tax has been used to clear the liabilities of the company fully and the balance has been deposited in fixed deposits with banks.
- (f) The entire operations having been discontinued, the segregation of the revenue and expenses of the operations would be as under:

	<u>Continuing Operations</u>		<u>Discontinuing Operations</u>		<u>Total</u>	
	(Nil)		(Poultry)			
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Income	1,451,028	-	124,280	813,373	1,575,308	813,373
Expenses	-	-	(1,163,773)	(4,007,040)	(1,163,773)	(4,007,040)
	<u>1,451,028</u>	<u>-</u>	<u>(1,039,493)</u>	<u>(3,193,667)</u>	<u>411,535</u>	<u>(3,193,667)</u>
Profit on Sale of Assets	-	-	64,673,234		64,673,234	-
Profit / (Loss) before Tax	<u>1,451,028</u>	<u>-</u>	<u>63,633,741</u>	<u>(3,193,667)</u>	<u>65,084,769</u>	<u>(3,193,667)</u>
<u>Income Tax Expense</u>						
Current Tax	470,786	-	14,586,317	-	15,057,103	-
Deferred Tax	-	-	-	-	-	-
Profit / (Loss) for the Year	<u>980,242</u>	<u>-</u>	<u>49,047,424</u>	<u>(3,193,667)</u>	<u>50,027,666</u>	<u>(3,193,667)</u>

21.9 The entire operations of the company have been discontinued as detailed in note no. 21.8. The Company is in the process of evaluating its options and the businesses as per the objects of the company. The company has not yet fully firmed up its further course of action after the sale and disposal of assets. The accounts have been prepared on the 'Going Concern' basis though there is uncertainty about the future activities of the Company.



21.10 As required by the Accounting Standard 18 issued by The Institute of Chartered Accountants of India, the Company's related parties with whom transactions have taken place during the year are as below :

(a) Key Management Personnel

K.S.Akhilesh Babu  
K.G.Subbarama Setty  
P.S.Nandakumar  
J. Madhava Sharma  
Dr. K.Subba Reddy

(b) Associate Enterprises

Komarla Feeds and Foods Private Limited

The Company's transactions with the above related parties are summarised as follows :

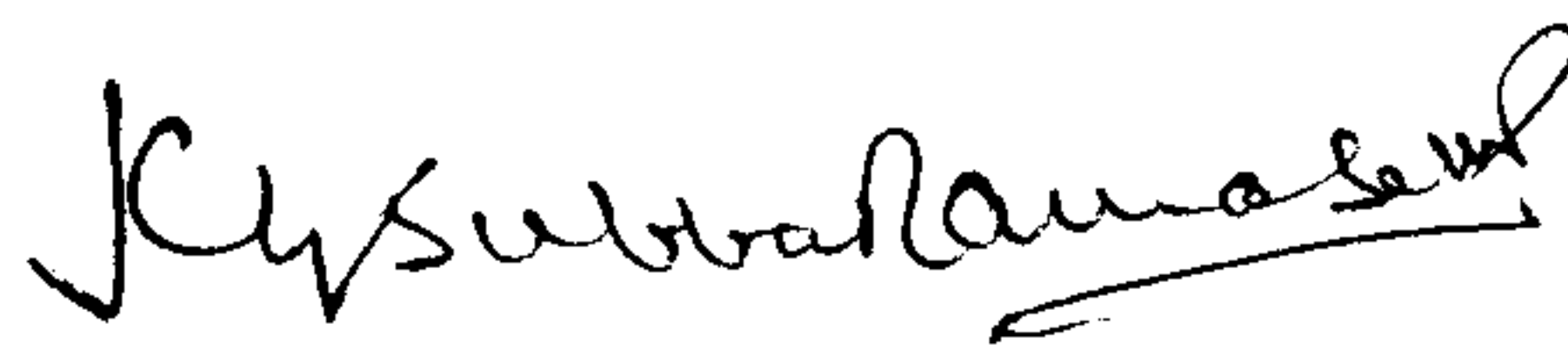
	<u>Associate Enterprise</u> Rs.	<u>Key Management Personnel</u> Rs.
Services Received	-	69,218
Interest paid for the year	235,620	-

21.11 Previous year's figures have been regrouped or reclassified wherever necessary to conform to those of the current year.

Per Our Report attached  
**For R. CHANDRASHEKAR**  
**ID ASSOCIATES**  
Firm Registration No. 006783S  
Chartered Accountants



**V. GANESH**  
Proprietor  
Mem. No. 202995



**K. G. SUBBARAMA SETTY**  
Chairman



**K. S. AKHILESH BABU**  
Managing Director



**P. S. NANDA KUMAR**  
Director



**J. MADHAVA SHARMA**  
Director



**Dr. K. SUBBA REDDY**  
Director

Place : Bangalore  
Date : August 26, 2013

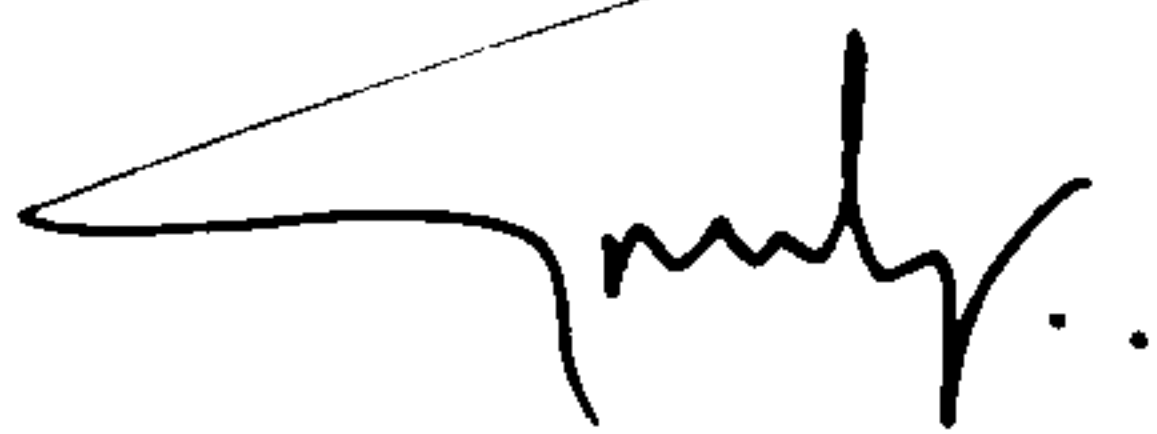
**BANGALORE FORT FARMS LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**

	2013		2012	
	Details Rs.	Amount Rs.	Details Rs.	Amount Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit After Tax		50,027,666		(3,193,667)
Provision for Taxation		15,057,103		-
Profit Before Tax		65,084,769		(3,193,667)
Depreciation	38,337		156,273	
Interest Paid	280,771		1,280,106	
(Profit)/Loss on Sale of Assets	(64,673,234)		18,880	
Interest Earned	(1,451,028)		(901)	
	-----	(65,805,154)	-----	1,454,358
Operating Loss Before Working Capital Changes		(720,385)		(1,739,309)
Trade Receivables and Other Advances	(840,691)		138,376	
Inventory	50,000		43,011	
Trade Payables Other Current Liabilities	(15,638,671)		7,157,284	
	-----	(16,429,362)	-----	7,338,671
<b>Net Cash from Operating Activities</b>		<b>(17,149,747)</b>		<b>5,599,362</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale of Fixed Assets net of expenses		66,013,545		96,725
Direct Taxes paid on Sale of Fixed Assets		(13,145,103)		-
Interest Earned		1,451,028		901
<b>Net Cash from Investing Activities</b>		<b>54,319,470</b>		<b>97,626</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Short Term Borrowings		(7,797,706)		(2,962,294)
Cash Credit Account		-		(1,142,332)
Term Loan		(435,567)		435,567
Interest paid		(280,771)		(1,280,106)
<b>Net Cash from Financing Activities</b>		<b>(8,514,044)</b>		<b>(4,949,165)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>28,655,679</b>		<b>747,823</b>
Cash and cash equivalent as on April 1, 2012		871,285		123,462
Cash and cash equivalent as on March 31, 2013		<u>29,526,964</u>		<u>871,285</u>

For **R. CHANDRASHEKAR****AND ASSOCIATES**

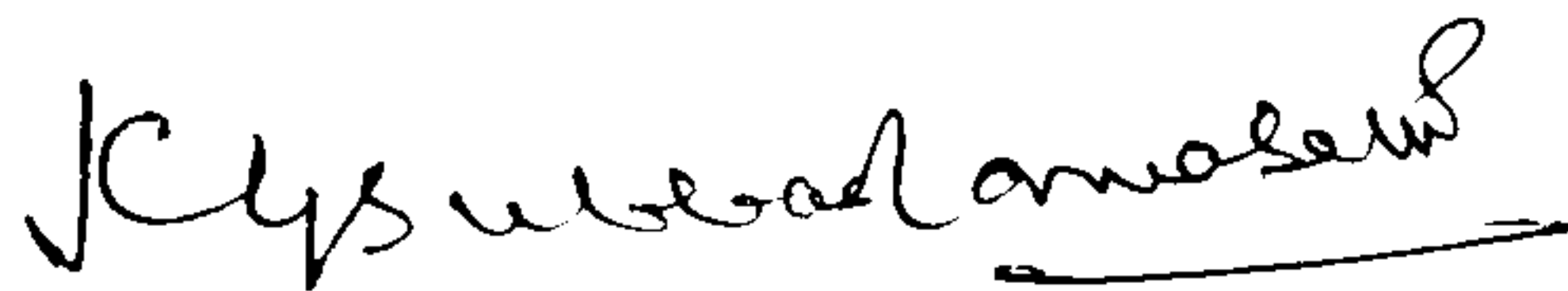
Firm Registration No. 006783S

Chartered Accountants


**V. GANESH**

Proprietor

Mem. No. 202995


**K. G. SUBBARAMA SETTY**

Chairman


**K. S. AKHILESH BABU**

Managing Director


**P. S. NANDA KUMAR**

Director


**J. MADHAVA SHARMA**

Director


**Dr. K. SUBBA REDDY**

Director

Place : Bangalore

Date : August 26, 2013