

23rd ANNUAL REPORT
2012 – 2013

FARRY INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mrs. Disha A. Mehta	Chairman & Managing Director
Mr. Karsan Chitroda	Director
Mr. Mahesh R. Jethva	Director
Mr. Satyanarayan Agarwal	Director

Auditors : AMD & CO;
Chartered Accountants

Company law Consultants : Martinho Ferrao & Associates, Company Secretaries

Bankers : Oriental bank of Commerce

Registered Office : 289/2 Kalpatru Soc., "B" Bldg., Office No. 15,
Timber Market Road, Above Karing Hospital,
Ghorpade Peth, Pune – 411 042

Equity Shares Listed On : The Bombay Stock Exchange,
The Ahmedabad Stock Exchange,
The Delhi Stock Exchange

Registrar and share transfer agent:
System Support Services
209, Shivai Industrial Estate,
89, Andheri Kurla Road, Sakinaka, Andheri (East),
Mumbai – 400 072.

Day & Date of A.G.M : **Monday, 30th day of September, 2013**

Venue : 289/2 Kalpatru Soc., "B" Bldg., Office No. 15,
Timber Market Road, Above Karing Hospital,
Ghorpade Peth, Pune – 411 042

Time : **11.00 a.m.**

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 23RD ANNUAL GENERAL MEETING OF FARRY INDUSTRIES LIMITED WILL BE HELD ON MONDAY, 30TH SEPTEMBER, 2013, AT 11.00 A.M., AT THE REGISTERED OFFICE OF THE COMPANY AT 289/2 KALPATARU SOC., "B" BLDG., OFFICE NO. 15, TIMBER MARKET ROAD, ABOVE KARING HOSPITAL, GHORPADE PETH, PUNE - 42, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

- 1) To review, consider and adopt the Profit & Loss Account for the year ended 31st March, 2013, the Balance Sheet as on that date and the reports of the Directors and the Auditors thereon.
- 2) To appoint a Director in the place of Mr. Mahesh Jethva, who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint Auditors and to fix their remuneration and for this purpose to consider and if thought fit, to pass the following resolution with or without modification(s), as an Ordinary Resolution

SPECIAL BUSINESS:**1. APPOINTMENT OF DIRECTOR**

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

"RESOLVED THAT Mr. Karsan Keshav Chitroda who was appointed as an Additional Director of the Company with effect from July 31, 2012 pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds office up to the date of the ensuing Annual General meeting and in respect of whom the company has received a notice in writing under Section 257 of the Companies Act, 1956, from a shareholder proposing the candidature of Mr. Karsan Keshav Chitroda for officer of Director, be and is hereby appointed as a Director of the Company."

For and on behalf of Board of Directors

Place : Pune
Date : 30th May, 2013

Sd/-
Mrs. Disha A. Mehta
Chairman & Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company, will remain closed from Monday, 23rd September, 2013 to Monday, 30th September, 2013 (both days inclusive), in terms of the provision of Section 154 of the Companies Act, 1956.
3. Members desirous of getting any information about the accounts of the Company are requested to send their queries so as to reach at least 7 days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
4. Members are requested to intimate change in their address immediately to the Investor Relations Department of the Company.
5. The Shareholders are requested to send their request for D-mat of shares to our Depository Participant M/s. System Support Services, 209, Shivai Industrial Estate, 89 Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072, or to the Company's registered office to our Investors Relations Department.
6. Share Transfer Documents and all correspondence relating thereto, should be addressed to the Investors Relations Department, at the Registered Office of the Company.
7. Shareholders holding shares in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to Investors Relations Department, at the Registered Office of the Company.

8. Members are requested to bring copies of Annual Report to the Annual General Meeting.
9. The members/proxies should bring the attendance slip duly filed in and signed for attending the meeting.
10. Members are requested to quote Ledger Folio Number in their correspondence.

EXPLANATORY STATEMENT
(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No.1

Mr. Karsan Keshav Chitroda has been appointed as an Additional Director of the company pursuant to section 260 of the Companies Act, 1956 on 31st July, 2012 and would hold office till the date of the ensuing Annual General Meeting.

Pursuant to Section 257 of the Companies Act, 1956 the Company has received notices from members signifying their intention to propose the candidature of Mr. Karsan Keshav Chitroda for the office of the Director. The Board of Directors recommend passing of the resolution set out in Item No.1 of the accompanying Notice.

None of the directors of the Company are deemed to be concerned or interested in the Resolution except to the extent of their shareholding.

For and on behalf of Board of Directors

Sd/-
Mrs. Disha A. Mehta
Chairman & Managing Director

Place : Pune
Date : 30th May, 2013

REGISTERED OFFICE :
289/2 Kalpatru Soc., "B" Bldg.,
Office No. 15, Timber Market Road,
Above Karing Hospital, Ghorpade Peth,
Pune – 411 042

Details of the Directors proposed to be appointed/re-appointed as a Director of the Company at the Forthcoming Annual General Meeting.

(In pursuance of Clause 49(VI) (A) of the Listing Agreement)

a) Mr. Karsan K. Chitroda

Mr Karsan Chitroda is a Commerce graduate and has experience in industry of capital and financial markets, banking, with demonstrated leadership capabilities in business developments, relationship management and improved organizational productivity and performance.

b) Mr. Mahesh Jethva

Mr. Mahesh Jethva is BSE-IT Graduate. He has over Three Years of experience in Industry of IT in Software Development and 3 Years experience in Capital Financial Market, Commodities Market, and Banking finance Sector.

CORPORATE GOVERNANCE REPORT**Company's Philosophy on Corporate Governance:**

The Company's philosophy is to aim at the highest levels of quality management through transparency and commitment to all the shareholders viz. its shareholders, employees, Government, lenders and the promoters.

Your Company is committed to transparency in all its dealings, and conducts business with integrity and fairness and places high emphasis on business ethics. Your Company has established robust business practices and procedures to ensure that it remains fully compliant with all mandated regulations and achieves business excellence to enhance stakeholder value, retain trust and goodwill of its investors, business partners, employees and meet societal expectations as well.

Board of Directors:

The Board of Directors provides the strategic direction and thrust to the operations of the Company. The Board has a Managing Director and three other Directors.

Board procedures:

The Chairman prepares the agenda in consultation with the Board of Directors and the Chairman of the various committees. The agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents, are circulated well in advance of the meetings. The meetings are generally held in Pune.

Attendance at Board Meeting:

During the year under review, the Board of Directors met 6 times on 30.04.2012, 31.07.2012, 30.08.2012, 24.09.2012, 31.10.2012, 10.01.2013 & 31.01.2013.

Name of Director	Type of Director	Board Meeting Attended	AGM Attended	No. of Committee Memberships held (excl. Private Cos.)	No. of outside Directorships Held (excl. Private Cos.)
#Farhang Azar Chairman & Managing Director	Promoter Director	2	No	NIL	NIL
#Gulshan Azar Director	Promoter Director	2	No	NIL	NIL
**Mrs. Disha Mehta	Managing Director	6	Yes	1	1
*Mr. Karsan Chitroda	Director	5	Yes		
**Mr. Satyanarayan Agarwal	Independent Director	4	Yes	4	3
Mr. Mahesh Jethva	Non-Executive/ Independent Director	4	Yes	2	2
##Mr. Hemang Sampat	Non-Executive/ Independent Director	4	Yes	NIL	NIL

The attendance record of the Directors at each Board meeting, and the last Annual General Meeting held on 27th September, 2012 is given below:

#resigned w.e.f 31/07/2012 as Director

** appointed w.e.f. 24/09/2013 as Independent Director

Resigned w.e.f. 24/09/2013 as Independent Director

Audit Committee:

The Audit Committee consists of one Chairman, Promoter Director and two Non- Executive Directors viz.

Sl. No.	Name	Category of Membership
1.	Disha A. Mehta	Chairman
2.	Mahesh Jethva	Member
3.	Hemang Sampat	Member

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges.

During the year under review, the committee met 5 times on 30.04.2012, 31.07.2012, 24.09.2012, 10.01.2013 & 31.01.2013

The Attendance of Directors at the Audit Committee Meetings held during the year ended 31st March 2013 is given below:

Sl. No.	Name	Meetings Held	Meetings Attended
1.	#Farhang Azar	4	4
2.	Mahesh Jethva	4	4
3.	Hemang Sampat	4	4

#resigned w.e.f 31/07/2012 as Director

POWER & TERMS OF REFERENCE:-

The Power and Terms of Reference of the Audit Committee are mentioned in Clause 49II(C), (D) & (E) of the Listing Agreement entered into with Stock Exchanges and includes overseeing the Company's financial reporting process, reviewing with the management the financial statements and the adequacy of the internal audit function and to discuss significant internal audit findings, statutory compliance issue and issues related to risk management and compliances. The Director Finance and the Statutory Auditors are invited to the meeting.

SHAREHOLDERS' GRIEVANCE COMMITTEE:

The Company has constituted a Shareholders' Committee to specifically look into Investors' complaints, if any, and to redress the same expeditiously. The Committee redresses complaints of investors like transfer of shares, non-receipt of Balance Sheet and non-receipt of declared Dividend etc. The Shareholder's Grievance Committee met 1 [Once] during the year ended March 31, 2013.

Shareholders/Investors Grievance and Share Transfer Committee consist of two Independent Directors and one Executive Director viz.

Sl. No.	Name	Category of Membership
1.	Disha Mehta	Chairman
2.	Mahesh Jethva	Member
3.	# Hemang Sampat	Member

#resigned w.e.f 24/09/2012 as Director

The Committee oversees the performance of share transfer and recommends measures to improve the shareholders/investors service. Mrs. Disha Mehta, is the Compliance officer. During the Financial Year ended 31st March, 2013.

The Attendance of Directors at the Shareholders/Investors

Sl. No.	Name	Meetings Held	Meetings Attended
1.	* Disha A. Mehta	2	2
2.	Mahesh Jethva	2	2
3.	** Satyanarayan Agarwal	2	2

*Appointed w.e.f 31/07/2012 as a Independent Director

** Appointed w.e.f. 24.09.2012 as a Independent Director

Remuneration Committee:

Although Remuneration Committee has been constituted by the Company, all matters relating to review and approval compensation payable to the Executive and Non Executive Directors are considered by the Board within the overall limits approved by the Members.

The Managing Director is entitled to Salary, perquisites and allowances. Salary is paid within the range as approved by the Shareholders. The Committee approves all the revisions in salary, allowances and perquisites subject to the overall ceiling prescribed by Section 198, 309 and Schedule XIII of the Companies Act, 1956.

The Remuneration Committee comprise of three Directors viz:

Sl. No.	Name	Category of Membership
1.	Mr. Satyanarayan Agarwal	Chairman
2.	Mr. Mahesh Jethva	Member
3.	Mr. Karsan Chitroda	Member

The terms of reference of the Remuneration Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges that include determination of the Company's policy on specific remuneration packages for Directors. Given below are the details of remuneration paid to Directors during the financial year 2012-13:

Sl. No.	Name	Amount
1.	Disha A. Mehta	NIL
2.	Karsan Chitroda	NIL
3.	Satyanarayan Agarwal	NIL
4.	Mahesh Jethva	NIL

The Non-executive Directors are neither paid any commission nor any sitting fees for attending a meeting of the Board or Committee thereof.

No Remuneration Committee Meeting held during the year ended 31st March 2013:

General Body Meetings:

The particulars of Annual General Meetings held during the last three years are as under:

Year	Date and Time	Venue
2012	27 th September, 2012 at 11.00 A.M.	289/2 Kalpatru Soc., "B" Bldg., Office No. 15, Timber Market Road, Above Karing Hospital, Ghorpade Peth, Pune – 411 042
2011	28 th September, 2011 at 10.30 A.M.	289/2 Kalpatru Soc., "B" Bldg., Office No. 15, Timber Market Road, Above Karing Hospital, Ghorpade Peth, Pune – 411 042
2010	30 th September, 2010 at 10.30 A.M.	289/2 Kalpatru Soc., "B" Bldg., Office No. 15, Timber Market Road, Above Karing Hospital, Ghorpade Peth, Pune – 411 042

The particulars of Extra-Ordinary General Meetings held during the last three years are as under:

Year	Date and Time	Venue
2012	-- N.A.--	-- N.A.--
2011	-- N.A.--	-- N.A.--
2010	-- N.A.--	-- N.A.--

No special resolutions were passed by the Company necessitating postal ballot during the year.

SUBSIDIARY COMPANIES

The Company does not have any non listed Indian Subsidiary Company in term of Clause 49 (III) of the Listing Agreement

CEO/ CFO CERTIFICATION

As required by clause 49 (V) of the Listing Agreement, a certificate from Managing Director and Acting Chief Financial Officer of the Company, on the financial statements of the Company was placed before the Board.

Disclosures:

- Related Party Transactions: Disclosure on transaction(s) with related party as required under Accounting Standard 18 has been incorporated in the Notes to the Accounts.
- There have been no instances of non-compliance with Stock Exchange (except those related to furnishing of quarterly results, reports and related communication) or SEBI regulations, nor any cases of penalties or strictures imposed by any Stock Exchange or SEBI or any statutory authority for any violation related to Capital Markets during the last three years.
- The Company has complied with the requirements of the Listing Agreement with the Stock Exchanges as well as with the Regulations of the Securities and Exchange Board of India, subject to note (b) above.

- d. Our risk management procedures ensure that the management control risks through means of a properly defined framework.
- e. Our whistle blower policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personnel action. The Company's personnel has not been denied access to the Audit Committee.

Management discussion and Analysis Report:

A detailed discussion on the Company's operations is presented in the chapter on Management Discussion and Analysis, which forms part of this Annual Report.

The global economy witnessed significant volatility during the year. While growth and employment in the US economy appeared to be improving, the crisis in the Euro Zone threatened to plunge the entire financial world into turmoil. European Central Bank's intervention has seemingly defused the situation but it is expected that other steps need to be taken for the threat of a crisis to recede. The deleveraging of the European Banks is expected to affect capital flows to emerging markets and the resultant liquidity crunch might drive up the interest rates.

Faced with global uncertainty, cyclical and structural factors, India's growth slowed down to less than 7 per cent for the Financial Year 2012-13. While the services continued to grow at a rapid pace (8.7 per cent growth), there was a sharp slowdown in industrial growth to 2.8 per cent. During the year, inflation continued to be a key concern for the Reserve Bank of India (RBI) and the various steps taken by it in the first half helped in reducing the inflation rate to 6.9 per cent by March 2012. However, this led to a steep rise in the interest costs and the weighted average lending rates of the five major public sector banks increased from 11 per cent in March 2011 to 12.8 per cent by March 2013. The slowdown in growth coupled with high interest rates has led to a decline in investment rates.

Opportunities, Threats, Risks, Concern and Outlook:

Opportunities-

- Low retail penetration of financial services/ products in India
- Tremendous brand strength and extensive distribution reach
- Opportunity to cross sell services
- Increasing per-capita GDP
- Changing demographic profile of the country in favor of the young

Threats-

- Competition from local and multinational players
- Execution risk
- Regulatory changes
- Attraction and retention of human capital

Risks:

Any slowdown in economic growth in India could cause the business of the Company to suffer. While the Indian economy has shown sustained growth over the last several years, the growth in industrial production has been variable. Any slowdown in the Indian economy and particularly in the demand for housing and infrastructure, could adversely affect the Company's business. Similarly, any sustained volatility in global commodity prices, including a significant increase in the prices of oil and petroleum products, could once again spark off a new inflationary cycle, thereby curtailing the purchasing power of financial products by consumers. RCL manages these risks by maintaining a conservative financial profile and following prudent business and risk management practices.

Internal Control System and Their Adequacy:

Internal Control accountability of executive action to the management's authorization. The Statutory Auditors have evaluated the system of internal controls of the Company and have reported that the same are adequate and commensurate with the size of the Company and nature of its business.

The internal control systems are reviewed by the top Management and by the Audit Committee of the Board and proper follow up action ensured wherever required.

Future Outlook:

India's GDP growth is expected to consolidate around 7 per cent in financial year 2012-13 compared to 8 per cent in financial year 2011-12 on account of continued tightening by RBI to manage inflation. But medium term prospects remain positive due to robust expansion in private services, strong consumption in both rural and urban sectors, acceleration in export demand and strong investment pipeline with emphasis on infrastructure. In the short term, outlook may turn cautious and growth may disappoint if oil price remain high, interest rates and inflation remain sticky. Higher cost of financing might lower capital expenditure and delay expansion plans of companies. Consumer demand, that has remained robust till now, may also get impacted as interests on auto loans, personal loans, educational loans, housing loans will increase.

Human Resources:

The Company considers the quality of its human resources to be its most important asset and focuses on attracting, motivating and retaining the best talent. Communication exercises are treated as continuous process to keep the employees in formed of the challenges being faced by the Company and also motivate them to take up higher responsibilities, in tune with the requirements of the Company.

Code of Conduct:

The code of Conduct for all the members of the Board and senior management of the Company has been prepared.

Disclosure of material transactions:

Under Clause 49, senior management is required to make periodical disclosures to the board relating to all material financial and commercial transactions where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company. Provision regarding the above has been adhered to.

Re-appointment of Director:

Retiring director is Mr. Mahesh Jethva; being eligible, has offered his candidature for re-appointment. Brief profile of the retiring director is given in the notice convening the ensuing Annual General Meeting.

Review of Legal Compliance Reports:-

During the year, the Board periodically reviewed compliance report with respect to the various laws applicable to the company, as prepared and placed before it by the management.

MEANS OF COMMUNICATIONS

The Company has promptly reported all material information including Quarterly Results and press releases to the Stock Exchanges where the Company's securities are listed. The Quarterly results were communicated to the shareholders by way of advertisement in a national daily and in a vernacular language newspaper.

Shareholders' Information:**1. Annual General Meeting**
Time: 11 A.M.Date: 30th September, 2013

Venue : 289/2 Kalpatru Soc., "B" Bldg., Office No. 15, Timber Market Road, above Kering Hospital Ghorpade Peth, Pune - 4

2. Book Closure DateThursday, 23rd September, 2013 to Thursday, 30th September, 2013 (Both days inclusive)**3. Financial Calendar**

April, 2013 to March, 2014

Results for the quarter ending June 30, 2013	By 15 th August, 2013 (tentative)
Results for the quarter ending September 30, 2013	By 15 th November, 2013 (tentative)
Results for the quarter ending December 31, 2013	By 15 th February, 2014 (tentative)
Results for the quarter ending 31 st March, 2014	By 15 th May, 2014 (tentative)
Annual General Meeting for financial year 31 st March, 2014	On or before 30 th September, 2014 (tentative)

4. Listing of Shares on Stock Exchanges

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited, Delhi Stock Exchange Limited & Ahmedabad Stock Exchange Limited.
Stock Code: BSE 531252

The ISIN No. is INE720D01019

5. Status of Listing Fees

The company has paid the listing fees for the financial year 2013-14 to the Stock Exchange on which Company's shares are listed. The Company has also paid custodial fees for the year 2013-14 to Central Depository Services (India) Limited. The Company has paid one time custody fees to National Securities Depository Limited under onetime payment scheme..

6. Stock Price Data

The monthly high and low quotations of shares traded on the Bombay Stock Exchange Limited is as follows: Company's Share:

Month	High(Rs.)	Low(Rs.)
April 2012	31.00	25.50
May 2012	27.95	22.10
June 2012	31.00	25.35
July 2012	36.25	22.90
August 2012	31.35	25.50
September 2012	31.00	19.30
October 2012	27.75	14.65
November 2012	17.98	11.60
December 2012	14.71	09.84
January 2013	17.01	11.03
February 2013	12.70	10.10
March 2013	16.05	10.28

7. Shareholding Pattern as on 31.03.2013

Category	No. of Shares	Percentage
Promoters and Persons acting in concert	1535164	50.95
Mutual Funds	-	-
Financial Institutions/Banks	-	-
Foreign Institutional Investors	-	-
Private Corporate Bodies	297526	9.87
Individuals/Others	1180207	39.17
NRI's (Repatriation)	200	0.01
Clearing Members		
TOTAL	3013100	100

8. Distribution Schedule As On 31.3.2013

Holding of nominal value of Rs. (No. of Shares)	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1-500	776	55.28	206989	6.87
501-1000	397	28.28	280078	9.30
1001-2000	126	8.97	181119	6.01
2001-3000	31	2.21	81615	2.70
3001-4000	13	0.92	49114	1.63
4001-5000	7	0.50	32519	1.08
5001-10000	26	1.85	187789	6.23
10001 & above	28	1.99	1993877	66.18
Total	1403	100	3013100	100

9. Percentage of Shares held in physical & dematerialized form:

As on 31st March 2013, 80.18% of Shares was held in dematerialized form and the rest 19.82% in physical form. The ISIN Number of Company is "INE720D01019"

Address for Correspondence:

289/2 Kalpatru Soc., "B" Bldg., Office No. 15, Timber Market Road, Above Karing Hospital, Ghorpade Peth, Pune – 411 042

10. Address of Registrar & Share Transfer Agents:

(Unit- Farry Industries Limited)

System Support Services

209, Shivai Industrial Estate, 89, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management personnel have confirmed compliance with the code of conduct for the financial year ended 31st March 2013.

For And On Behalf Of Board of Directors

Date: 30th May, 2013
Place: Mumbai

Sd/-
Mrs. Disha A. Mehta
Chairman & Managing Director

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Farry Industries Limited
Pune

We have examined the compliance of conditions of Corporate Governance by Farry Industries Limited for the year ended on 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our Examination was limited to the procedures and implementation thereof, adopted by the Company to ensure Compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above-mentioned Listing Agreement under the clause 49 except that, the website designing and posting of necessary information of the listing requirements on the company's website is not done. However, though it has been explained to us the management of the company is committed to be persistent in their efforts to ensure that these conditions are also fulfilled at the earliest.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

AMD & CO
Chartered Accountants

Sd/-
(Arvind M Darji)
Place: Mumbai
Membership No. 41748

30th May, 2013

CEO/CFO CERTIFICATION TO THE BOARD**(Under Clause 49(V) of Listing Agreement)**

I, Mrs. Disha Mehta, Managing Director of Farry Industries Limited Certify that --

- a. I have reviewed the financial statements and the cash flow statement for the year 2012-2013 and that to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year 2012-2013 which are fraudulent, illegal or violative of the Bank's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Bank and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee -
 - i) Significant changes in internal control over the financial reporting during the year 2012-2013
 - ii) Significant changes in accounting policies during the year 2012-2013 and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over the financial reporting.

For and behalf of the Board of Directors

Farry Industries Limited

Sd/-

Mrs. Disha A. Mehta
Managing Director

Date: 30th May, 2013

Place: Pune

FARRY INDUSTRIES LIMITED**(Pursuant to Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1998)**

To,
The Board of Directors

We have audited the attached Balance Sheet of Farry Industries Ltd as at March 31, 2013 and the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto.

Further to our audit report of even date issued under section 224 of the Companies Act, 1956, as required by the Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 1998, we provide below a statement on matters specified in paragraph 3 of the said Directions.

1. The Company is engaged in business of Non Banking Financial Institution and has obtained certificate of registration as required under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) on 26th May, 1998 having Registration No 13.00906.
2. The Company is entitled to continue to hold Certificate of Registration in terms of its assets/ income pattern as on 31st March, 2013.
3. The Board of Directors has passed a resolution in their meeting held on May 13, 2013 for the non-acceptance of any public deposits.
4. The company has not accepted any public deposits during the relevant year.
5. The company has complied with the prudential norms relating to income recognition, assets classification, accounting standards and provisioning for bad and doubtful debts as applicable to it in terms of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007) during the year ended March 31, 2013.
6. **The Company has not complied with the Prudential Norms in respect of systematically important Non Deposit taking Non Banking Financial Company with regards to Concentration of Credit as defined in paragraph 2(1) (xix) of the Non Banking Financial of the (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007).**

For AMD & CO
Chartered Accountants
Firm Registration No 130247W

Sd/-
Arvind M Darji
Partner
Membership No 041748
Mumbai, 30th May, 2013

Independent Auditor's Report

To the Members of

Farry Industries Limited.

We have audited the accompanying financial statements of Farry Industries Limited, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information. 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 presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. 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 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 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. In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2013;
 - b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 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 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;
 - 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 comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For AMD and Co.
Chartered Accountants
Firm Registration No.: 130247W**

**Sd/-
Arvind M Darji
Partner
Membership No.: 41748
Place: Mumbai
Date: 30.05.2013**

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Farry Industries Limited Limited. on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management 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 any substantial part of fixed asset during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, the company does not have any inventories.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year end balance is Rs. 5,45,000/-.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lakhs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company does not have an internal audit system commensurate with its size and the nature of its business. Internal audit is carried out by in house staff. ***In our opinion, there is a scope for further improvement in the internal audit system.***
8. The clause relating to maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 is not applicable.
9. (a) According to the records of the company, 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 to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable **except TDS on Contract amounting to Rs. 2,366/-**.

(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. In our opinion, the accumulate losses of the company are not more than fifty percent of its net worth. The Company has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.

11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For AMD and CO
Chartered Accountants
Firm Registration No.: 130247W

Sd/-

Arvind M Darji
Partner
Membership No.: 41748
Place: Mumbai
Date; 30.05.2013

Balance Sheet as at 31 March 2013

(Figures in Rs)

Particulars		Note No.	As at 31 March 2013	As at 31 March 2012
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	30,131,000	30,131,000
	(b) Reserves and surplus	2	13,417,506	12,229,809
	(c) Money received against Share Warrants	3	210,000,000	-
2	Share Application Pending Allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings	4	16,875,000	53,442,357
	(b) Deferred Tax Liabilities	5	-	771,167
4	Current liabilities			
	(a) Other current liabilities	6	596,376	489,966
	(b) Short-term provisions	7	-	1,990,008
	TOTAL		271,019,882	99,054,307
II.	ASSETS			
1	Non-current assets			
	(a) Fixed assets	8	390,282	9,674,655
	(b) Non-current investments	9	18,000,000	18,000,000
	(c) Deferred Tax Asset	5	135,707	-
2	Current assets			
	(a) Trade receivables	10	-	263,608
	(b) Cash and cash equivalents	11	947,405	2,302,870
	(c) Short-term loans and advances	12	251,546,488	68,813,174
	TOTAL		271,019,882	99,054,307
	Significant Accounting Policies			
	Notes on Financial Statements	1 to 19		

As per our Report attached

For AMD & CO

Chartered Accountants

Firm Registration No:130247W

Sd/-

Arvind M Darji

Partner

Membership No : 041748

Place : Mumbai

Date : 30.05.2013

For and on behalf of the Board

Sd/-

Karsan Chitroda

Director

Sd/-

Disha Mehta

Director

Place : Mumbai

Date : 30.05.2013

Profit and loss statement for the year ended 31 March 2013.

(figures in Rs)

Particulars		Note No.	Year ended 31 March 2013	Year ended 31 March 2012
I.	Revenue from operations	13	3,892,695	6,253,243
II.	Other income	14	-	483,271
III.	Total Revenue (I + II)		3,892,695	6,736,514
IV.	Expenses:			
	Finance costs	15	6,874	2,042
	Depreciation and amortization expense		251,235	295,489
	Payment to Employees	16	653,227	-
	Administrative and Other expenses	17	2,100,536	467,320
	Total expenses		3,011,872	764,851
V	Profit before tax (VII- VIII)		880,823	5,971,663
VI	Tax expense:			
	(1) Current tax		600,000	1,819,000
	(2) Deferred tax		(906,874)	(26,759)
VII	Profit (Loss) for the period (V+VI)		1,187,697	4,179,422
	Balance carried to Balance Sheet		1,187,697	4,179,422
VIII	Earnings per equity share:			
	(1) Basic	19	0.39	1.39
	(2) Diluted	19	0.39	1.39
	Significant Accounting Policies	1 to 19		
	Notes on Financial Statements			

As per our Report attached

For AMD & CO

Chartered Accountants

Firm Registration No:130247W

Sd/-

Arvind M Darji

Partner

Membership No : 041748

Place : Mumbai

Date : 30.05.2013

For and on behalf of the Board

Sd/-

Karsan Chitroda

Director

Sd/-

Disha Mehta

Director

Place : Mumbai

Date : 30.05.2013

Cash flow statement pursuant to Clause 32 of the Listing Agreement for the year ended 31st March,2013

Particulars		Year ended 31 March, 2013	Year ended 31 March, 2012
A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax as per Profit and Loss Account	880,823	5,971,663
	Adjusted for:		
	Depreciation	251,235	295,489
	Loss on sale of asset	513,138	-
	Operating Profit before Working Capital Changes	1,645,196	6,267,152
	Adjusted for:		
	Trade and Other Receivables	263,608	451,375
	Loan & Advances	(185,323,322)	23,122,575
	Other Current Provisions	-	(351,372)
	Trade and Other Payables	106,410	353,668
	Cash generated from operations	(183,308,108)	29,843,398
	Less: Taxes paid	-	147,263
	Net Cash from Operating Activities	(183,308,108)	29,696,135
B)	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Investments	-	(18,000,000)
	Sale of Fixed Asset	8,520,000	-
	Net Cash (used in) Investing activities	8,520,000	(18,000,000)
C)	CASH FLOW FROM FINANCING ACTIVITIES		
	Issue of Share Warrants	210,000,000	-
	Long Term borrowing	(36,567,357)	(10,566,377)
	Net Cash (used in) / from financing activities	173,432,643	(10,566,377)
	Net Increase in Cash and Cash Equivalent	(1,355,465)	1,129,758
	Opening Balance of Cash and Cash Equivalents	2,302,870	1,173,112
	Closing Balance of Cash and Cash Equivalents	947,405	2,302,870

As per our Report of even date

For AMD & Co

Chartered Accountants

Firm Registration No.: 130247W

Sd/-

Arvind M Darji

Partner

Membership No.: 041748

Place: Mumbai

Date: 30.05.2013

For And On Behalf Of The Board

Sd/-

Karsan Chitroda
Director

Sd/-

Disha Mehta

Director

Place: Mumbai

Date: 30.05.2013

Basis of Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the companies Act 1956. The Financial statements have been prepared on an accrual basis. The accounting policies adopted in the preparation of financial statements are considered with those of previous year, except for the change in accounting policy explained below.

Summary of significant accounting policies**a. Change in accounting policy.****Presentation and disclosure of financial statements**

During the year ended 31 March 2013, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. However it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Tangible fixed assets

Fixed assets, except land and buildings are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. Other expense on existing fixed assets including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period.

d. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a WDV method using the rates specified under the Schedule XIV to the Companies Act, 1956 arrived on the basis of the useful lives estimated by the management.

e. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to

reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognizing of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

f. Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a Substantial period of time to get ready for its Intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g. Impairment of tangible and Intangible assets

Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use i.e. the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognized.

h. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

i. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.

The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore these are not economic benefits flowing to the company. Hence, they excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from services

Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore it is not an economic benefit flowing to the company. Hence it is excluded from revenue.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" In the statement of profit and loss.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

j. Taxes on Income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred Income taxes reflect the impact of timing differences between taxable income and accounting Income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and *the* same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period. i.e the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the *Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax* under the *Income-tax Act, 1961*, the said asset is created by way of credit to the statement

of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period

k. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders after deducting preference dividends and attributable taxes by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue bonus element in a rights issue, share split, and reverse share split consolidation of shares that have changed the number of equity shares outstanding without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

l. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best

estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

m. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

n. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

o. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the company are segregated.

p. Lease Accounting

- a) The onetime expense incurred and management fees earned, at the time of execution of Lease / Hire Purchase Agreements are charged to revenue, in the year of execution itself, as they are deemed to accrue then itself.
- b) Hire Purchase Assets are sold at cost and interest is charged to Hire Purchase Debtors as per the terms of the Hire Purchase Agreement.
- c) The Hire Purchase Debtors are accounted for at cost only and the outstanding balances therein, reflect the cost of the Hire Purchase Sales, yet to be recovered.
- d) The Company writes off lease assets under finance lease, over the lease period, by providing for Lease Equalization as per Guidance Note of the ICAI, in respect of accounting for leases.

Notes on Financials Statements for the Year ended 31st March, 2013

Note 1 Share Capital

<u>Share Capital</u>	As at 31 March 2013		As at 31 March 2012	
	Number	Rs	Number	Rs
Authorised				
10250000 Equity shares of Rs.10/- each.	10,250,000	102,500,000	3,250,000	32,500,000
Total	10,250,000	102,500,000	3,250,000	32,500,000
Issued, Subscribed & Paid up shares.				
30,13,100 Equity Shares of Rs.10/- each fully paid (out of above 6,00,000 shares issued by way of bonus shares)	3,013,100	30,131,000	3,013,100	30,131,000
Total	3,013,100.00	30,131,000	3,013,100	30,131,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Particulars	Equity Shares		Preference Shares	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	3,013,100	30,131,000	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,013,100	30,131,000	-	-

b. Details of Shareholders holding more than 5% shares in the company.

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Obike Trading Pvt Ltd	1,111,900	36.90	1,111,900	36.90
Tien Trading Pvt Ltd	845,972	28.08	822,380	27.29
Total	1,957,872	64.98	1,934,280	64.19

Note 2 Reserves and Surplus

<u>Reserves & Surplus</u>	As at 31 March 2013 Rs	As at 31 March 2012 Rs
a. Capital Reserves	2,055,000	2,055,000
Closing Balance	2,055,000	2,055,000
b. Share Premium Account	9,065,500	9,065,500
Closing Balance	9,065,500	9,065,500
c. Special Reserve Fund	548,628	548,628
Closing Balance	548,628	548,628
d. General Reserve	5,507,365	5,507,365
Closing Balance	5,507,365	5,507,365
e. Surplus		
Opening balance	(4,946,684)	(9,126,106)
(+) Net Profit/(Net Loss) For the current year	1,187,697	4,179,422
Closing Balance	(3,758,987)	(4,946,684)
Total reserves and surplus	13,417,506	12,229,809

Note 3 Money Received Against Convertible Share Warrants

<u>Money Received Against Share Warrants</u>	As at 31 March 2013 Rs	As at 31 March 2012 Rs
Ceeplast Trading Co Pvt Ltd	3,000,000	-
Fiber Texfab Pvt Ltd	3,000,000	-
Karma Stock Trade Ltd	42,000,000	-
Kyner Trading Pvt Ltd	24,000,000	-
Murlidhar Exim Pvt Ltd	12,000,000	-
Ram Distributors Pvt Ltd	9,000,000	-
Ram Laminates	9,000,000	-
Starbright Stock Trading Pvt Ltd	12,000,000	-
Texfab Yarns Pvt Ltd	12,000,000	-
VRB Capital Services Pvt Ltd	42,000,000	-
Zeltzin Trading Pvt Ltd	42,000,000	-
Total	210,000,000	-

Note 4 Long term Borrowings

<u>Long Term Borrowings</u>	As at 31 March 2013 Rs	As at 31 March 2012 Rs
(a) Other loans and advances		
From Corporates	15,875,000	52,442,357
From Others	1,000,000	1,000,000
Total	16,875,000	53,442,357
The above amount includes Secured borrowings	-	-

Unsecured borrowings	16,875,000	53,442,357
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Note 5 Deferred Tax Liability

<u>Deferred Tax Liability</u>	As at 31 March 2013 Rs	As at 31 March 2012 Rs
Deferred Tax Liability		
Related to fixed assets	(135,707)	771,167
Total	(135,707)	771,167

Note 6 Other Current Liabilities

<u>Other Current Liabilities</u>	As at 31 March 2013 Rs	As at 31 March 2012 Rs
Lease Deposit	125,000	125,000
TDS Payable	11,305	13,594
Other liabilities	460,071	351,372
Total	596,376	489,966

Note 7 Short Term Provisions

<u>Short Term Provisions</u>	As at 31 March 2013 Rs	As at 31 March 2012 Rs
(a) Others (Specify nature)		
Provision for Tax	-	1,990,008
Total	-	1,990,008

Tangible Assets

Note 8

Fixed Assets	Gross Block					Accumulated Depreciation			Net Block	
	Balance as at 1 April 2012	Additions/ (Disposals)	Balance as at 31 March 2013	Balance as at 1 April 2012	Depreciation charge for the year	On disposals	Balance as at 31 March 2013	Balance as at 1 April 2012	Balance as at 31 March 2013	
Own Assets :										
Land	6,213,503	(6,213,503)	-	-	-	-	-	6,213,503	-	
Air Conditioner	74,317	-	74,317	54,684	2,731	-	57,415	19,633	16,902	
Computer Systems	1,043,068	-	1,043,068	1,024,293	7,510	-	1,031,803	18,775	11,265	
Fax	37,390	-	37,390	26,145	1,564	-	27,709	11,245	9,681	
Refrigerator	102,150	-	102,150	71,558	4,255	-	75,813	30,592	26,337	
Office equipments	141,230	-	141,230	99,527	5,801	-	105,328	41,703	35,902	
Inverter	25,500	-	25,500	10,081	2,145	-	12,226	15,419	13,274	
Premises	5,121,240	(5,121,240)	-	2,156,623	144,982	(2,301,605)	-	2,964,617	-	
Sub-Total	12,755,398		1,423,655	3,442,911	168,988	(2,301,605)	1,310,294	9,315,487	113,361	
Leased Assets :										
Motor Vehicles	6,882,004	-	6,882,004	6,660,727	57,289	-	6,718,016	221,277	163,988	
Furniture and Fixtures	1,661,741	-	1,661,741	1,523,850	24,958	-	1,548,808	137,891	112,933	
Sub-Total	8,543,745	-	8,543,745	8,184,577	82,247	-	8,266,824	359,168	276,921	
Total	21,302,143	-	9,967,400	11,627,488	251,235	(2,301,605)	9,577,118	9,674,655	390,282	
Previous Year	21,302,143	-	21,302,143	11,331,999	295,489	-	11,627,488	9,970,144	9,674,655	

Note 9 Non-Current Investments

Non-Current Investments	As at 31 March 2013 Rs	As at 31 March 2012 Rs
Other Investments		
2,00,000 Equity Shares of Ashapura Garments of face value Rs. 10/- each, fully paid up at a premium of Rs. 80/- per share	18,000,000	18,000,000
Total	18,000,000	18,000,000

Note 10 Trade Receivables

Trade Receivables	As at 31 March 2013 Rs	As at 31 March 2012 Rs
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	-	263,608
Unsecured, considered doubtful		
Less: Provision for doubtful debts	-	-
Total	-	263,608

Note 11 Cash and bank balances

Cash and cash equivalents	As at 31 March 2013 Rs	As at 31 March 2012 Rs
a. Balances with banks		
On current Accounts	(4,555)	79,666
b. Cash on hand	951,960	2,223,204
Total	947,405	2,302,870

Note 12 Short-term loans and advances

Short-term loans and advances	As at 31 March 2013 Rs	As at 31 March 2012 Rs
Loans and advances.		
Unsecured, considered good		
Income Tax & TDS	883,452	3,099,158
Deposits with others	102,500	144,187
Other loans and advances	250,026,556	65,035,849
Advances Recoverable in cash or in kind or for Value to be received	533,980	533,980
TOTAL	251,546,488	68,813,174

Note 13 Revenue from Operations

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
	Rs	Rs
Interest Received	3,892,695	6,253,243
Total	3,892,695	6,253,243

Note 14 Other Income

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
	Rs	Rs
Income Tax Refund Received	-	483,271
Total	-	483,271

Note 15 Finance Cost

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
	Rs	Rs
Bank Charges and Commission	6,874	2,
Total	6,874	2,042

Note 16 Payment to employees

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	Salary Paid	614,925
Staff welfare	38,302	-
Total	653,227	-

Note 17 Administration and Other Expenses

Administration and Other Expenses	For the year ended 31 March 2013	For the year ended 31 March 2012
	Rs	Rs
Rent, Rates & Taxes	168,000	50,000
Repairs & Maintenance	9,210	-
Telephone Expenses	41,687	7,062
Mobile Expenses	20,402	-
Interest Paid	1,214	-
News Paper & Subscription	15,910	-
BSE Charges	112,360	-
Car Expenses	-	23,921
ROC Charges	380,020	-
Electricity	-	5,590
Stamp Duty	140,000	-

Petrol Expense ³	65,890	-
Travelling & Conveyance	48,440	13,552
Advertisement Expense	219,300	168,040
CDSL Fees	18,123	12,133
NSDL Fees	-	12,133
Printing & Stationery	41,772	22,745
Professional Fees (Legal)	-	54,818
Loss on sale of Assets	513,138	-
Registrar Fees	82,034	42,176
Miscellaneous Expense	166,856	-
Audit Fees	56,180	55,150
Total	2,100,536	467,320

Note 18 Related Party Transaction

Related Party Transaction	Nature of Transaction	For the year ended 31 March 2013 Rs	For the year ended 31 March 2012 Rs
Karma Stock Trade Ltd	Share Warrants Issued	42,000,000	-
Kyner Trading Pvt Ltd	Share Warrants Issued	24,000,000	-
Zeltzin Trading Pvt Ltd	Share Warrants Issued	42,000,000	-
Obike Trading Pvt Ltd	Loan Taken	490,000	-
Acclaim Industries Ltd	Loan Taken	55,000	-
Total		108,545,000	-

Note 19 Earnings per shares

The following reflects the profit and share data in the basic and diluted EPS Computation.

Earnings per shares	For the year ended 31 March 2013 Rs	For the year ended 31 March 2012 RS
(A) Profit after tax and taxation adjustments of earlier years	1,187,697	4,179,422
(B) Weighted average number of equity shares	3,013,100	3,013,100
(C) Basic Earnings per equity share (EPS) (A/B)	0.39	1.39
(D) Nominal value of equity share	10	10

Note 20 As required in terms of paragraph 13 of Non-Banking Financial (Non-deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directors,2007

Particulars	Amount outstanding	Amount Overdue
Liabilities side:		
1 Loans and Advances availed by the NBFC's inclusive of interest accrued thereon but not paid		
(a) Debenture: Secured	-	-
Unsecured (other than failing within the meaning of public deposits*)	-	-
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter Corporate loans and borrowings	15,875,000	52,442,357
(e) Commercial paper	-	-
(f) Other Loans	1,000,000	1,000,000
Overdraft balance with Banks (Secured against Fixed Deposit)	-	-
* Please see note 1 below		
Assets Side:		
2 Break up of loans and advances including bills receivables (other than those included in (4) below)		
(a) Secured	-	-
(b) Unsecured	250,026,556	65,035,849
3 Break up of Leased Assets and Stock on hire and other assets counting towards		
AFC activities		
i Lease assets including lease rentals under sundry debtors:	-	-
(a) Financial lease	-	-
(b) Operating lease	-	263,608
ii Stock on hire including hire charges under sundry debtors		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
iii Other loans counting towards AFC activities	-	-
(a) loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
4 Break-up of Investments:		
Current Investments:		
1 Quoted		
(i) Shares (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-

Note 20 As required in terms of paragraph 13 of Non-Banking Financial (Non-deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directors,2007

		Amount outstanding	Amount Overdue
2 Unquoted			
(i)Shares (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units Of mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others (Please Specify)		-	-
Long Term Investments :			
3 Quoted			
(i)Shares (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units Of mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others (Please Specify)		-	-
4 Unquoted			
(i)Shares (a) Equity		18,000,000	18,000,000
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units Of mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others (Please Specify)		-	-
5 Borrower group-wise classification of assets financed as in (2) and (3) above	Please see Note 2 below		
Category	Amount net of provision		
	Secured	Unsecured	Total
1 Related Parties***			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2 Other than related parties	-	250,026,556	250,026,556
Total	-	250,026,556	250,026,556

6 Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted)		
Please see Note 2 below		
Category	Market value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1 Related Parties***		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-

Note 20 As required in terms of paragraph 13 of Non-Banking Financial (Non-deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directors,2007 (Contd...)

Category	Market Value/Break up or fair value or NAV	Book Value (Net of provisions)
2 Other than related parties		18,000,000
Total		
** As per Accounting standard of ICAI (Please see Note 3)		
7 Other information		
Particulars		Amount
(i) Gross Non-Performing Assets		
(a) Related parties		-
(b) Other than related parties		-
(ii) Net Non-Performing Assets		
(a) Related parties		-
(b) Other than related parties		-
(iii) Assets acquired in satisfaction of debt		
Notes:		
1. As defined in Paragraph 2 (1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank)Directions,1998.		
2. Provisioning norms shall be applicable as prescribed in the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions,1998.		
3.All Accounting Standard and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.		

FARRY INDUSTRIES LIMITED
 Regd. Office : 289/2 Kalpatru Soc., "B" Bldg., Office No. 15, Timber Market Road, Above Karing
 Hospital, Godhrpade Peth, Pune - 411 042

PROXY

Folio No. _____ No. of Shares held _____ I/We _____
 _____ of _____
 being a member/members of Farry Industries Limited hereby appoint
 _____ of _____ failing him
 _____ of _____ as my/our proxy in
 my/our absence to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be
 held at registered office of the Company on Monday, 30th September, 2013 at 11.00 a.m.

Signed this _____ day of _____ 2013

Signature

This form is to be used in favour of/against the resolution. Unless otherwise instructed, the proxy will act as he
 thinks fit.

NOTE : The proxy must be so as to reach the Investor Relationship Department of the Company : not less than
 FORTY EIGHT HOURS before the time for holding the aforesaid meeting.

----- TEAR HERE -----

FARRY INDUSTRIES LIMITED
Regd. Office : 289/2 Kalpatru Soc., "B" Bldg., Office No. 15, Timber Market Road, Above Karing
 Hospital, Ghorpade Peth, Pune - 411 042

Folio No. _____ No. of Shares held _____

Full Name of the Shareholder _____

Full Name of Proxy/Representative _____

I hereby record my presence at the Annual General Meeting of the Company to be held at registered office of the
 Company on Monday, 30th September, 2013 at 11.00 a.m.

Signature of the Shareholder/Proxy/Representative* _____

NOTE : Please fill in this attendance slip and hand over at the entrance of the Meeting hall.

* Strike out whichever is not applicable