REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2008

To The Members of Prag Agro Farm Limited

Your Directors present their report for the financial year ended on 31st March, 2008.

Performance

During the year, the Company has a net profit after tax of Rs. 2.64 lacs as against a loss of Rs. 14.06 lakhs suffered in the last year.

Dividend

In view of accumulated losses, your Directors regret their inability to recommend any dividend.

Directors

Mr. Sunil Agarwal, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-election.

Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors state that –

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed and no significant departures have been made from the same;

(ii) appropriate accounting policies have been applied consistently and judgements and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31st, 2008 and of the loss for that period;

(iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) the annual accounts have been prepared on a going concern basis.

Auditors

M/s. BSR & Co., Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Information pursuant to Section 217 of the Companies Act, 1956.

Having regard to the nature of Company's business, the Directors have nothing to report in terms of Section 217(1)(e) of the Companies Act, 1956.

There are no employees in respect of whom information as per Section 217(2A) of the Companies Act, 1956 is required to be given.

There is no foreign exchange earning and outgo during the year.

For and on behalf of the Board

S. Limaye *Director*
S. Agarwal *Director*

Mumbai, 7th May, 2008

REPORT OF THE AUDITORS' TO THE MEMBERS OF PRAG AGRO FARM LIMITED

We have audited the attached balance sheet of Prag Agro Farm Limited ('the Company') as at 31 March, 2008 and the related profit and loss account and the cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, ('the Act') we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
   (i) 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;
   (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (iii) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
   (iv) in our opinion, the balance sheet and profit and loss account 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;
   (v) on the basis of written representations received from the directors as on 31 March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act; and
   (vi) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts 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 31st March, 2008;
      (b) in the case of the profit and loss account, of the profit of the Company for the year ended on that date; and
      (c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For BSR & Co.
Chartered Accountants
Bhavesh Dhupelia
Partner
Membership No. : 042070

Mumbai, 7th May, 2008

ANNEXURE TO THE AUDITORS' REPORT

With reference to the Annexure referred to in paragraph 1 of the Auditors' Report to the members of Prag Agro Farm Limited ('the Company') on the financial statements for the year ended 31 March, 2008, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company has not disposed off any fixed assets during the year.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.

(b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) According to the information and explanations given to us, we are of the opinion that there are no companies, firms or other parties covered in the Register required under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and with regard to the sale of goods. Further, on the basis of our examination, and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.

(v) In our opinion and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under Section 301 of the Companies Act, 1956.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products manufactured/services rendered by the Company.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Income-tax,value added tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of provident fund, investor education and protection fund, employees' state insurance, wealth tax, service tax, customs duty and excise duty.

There were no dues on account of cess under Section 441A of the Companies Act, 1956 since the aforesaid section has not yet been made effective by the Central Government.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax and other material statutory dues were in arrears as at 31st March, 2008 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, which have not been deposited with the appropriate authorities on account of any dispute.

(x) *The Company has accumulated losses at the end of the financial year in excess of fifty percent of its net worth and has not incurred cash losses in the current financial year.* The Company has incurred cash losses in the immediately preceding financial year.

(xi) The Company did not have any outstanding dues to any financial institution, banks or debentureholders during the year.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) 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.

(xvi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.

(xviii) As stated in paragraph (iii) above, there are no companies/firms/parties covered in the register required to be maintained under section 301 of the Act.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For BSR & Co.
Chartered Accountants
Bhavesh Dhupelia
Partner
Membership No. : 042070

Mumbai, 7th May, 2008

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	**3,80,00,200**	3,80,00,200
Loan Funds			
Unsecured Loan	2	**7,33,37,148**	7,01,41,239
Total		**11,13,37,348**	10,81,41,439
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	**10,19,68,195**	10,19,68,195
Less : Accumulated Depreciation		**2,39,16,287**	2,27,61,274
Provision for impairment		**5,10,01,947**	5,10,01,947
Net Block		**2,70,49,961**	2,82,04,974
Investments	4	**15,000**	—
Current Assets			
Inventories	5	**36,39,141**	16,23,715
Sundry Debtors	6	**21,180**	21,180
Cash and Bank Balances	7	**16,10,770**	2,76,854
Loans and Advances	8	**13,98,678**	41
		66,69,769	19,21,790
Less : Current Liabilities and Provisions	9		
Current Liabilities		**3,76,453**	2,30,546
Provisions		**1,925**	500
		3,78,378	2,31,046
Net Current Assets/(Liabilities)		**62,91,391**	16,90,744
Profit & Loss Account		**7,79,80,996**	7,82,45,721
Total		**11,13,37,348**	10,81,41,439
Notes to the Accounts	11		
Related Party Disclosure	12		
Significant Accounting Policies	13		

The Schedules referred to above and the annexed notes form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our Report of even date.

For BSR & Co.
Chartered Accountants
Bhavesh Dhupelia
Partner
Membership Number : 042070
Mumbai, 7th May, 2008

For and on behalf of the Board

S Limaye *Director*
S Agarwal *Director*
Mumbai, May 7, 2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule	For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
INCOME			
Sales and services		2,11,20,318	33,56,250
Provision written back		6,020	—
		2,11,26,338	33,56,250
EXPENDITURE			
(Increase)/Decrease in Stock		(20,15,426)	(9,13,704)
Purchase		1,52,28,646	3,51,855
Other Costs	10	63,90,905	41,56,505
Depreciation	3	11,55,013	11,55,013
TOTAL		2,07,59,138	47,49,669
Profit/(Loss) before taxation		3,67,200	(13,93,419)
Fringe Benefits Tax		17,038	12,095
Income Tax		85,414	—
Fringe Benifits Tax related to earlier years		23	—
Profit/(Loss) after taxation		2,64,725	(14,05,514)
Profit and Loss account Deficit Brought forward		(7,82,45,721)	(7,68,40,207)
Balance Carried Over		(7,79,80,996)	(7,82,45,721)
Earnings Per Share - Basic and Diluted (Refer Note 4 of Schedule 11)		0.07	(0.37)
Notes to the Accounts	11		
Related Party Disclosure	12		
Significant accounting policies	13		

The Schedules referred to above and the annexed notes form an integral part of this Profit and Loss Account.

This is the Profit and Loss Account referred to in our Report of even date.

For BSR & Co.
Chartered Accountants
Bhavesh Dhupelia
Partner
Membership Number : 042070
Mumbai, 7th May, 2008

For and on behalf of the Board
S Limaye *Director*
S Agarwal *Director*
Mumbai, May 7, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	For the year ended 31st March, 2008 (Rs.)	(Rs.)	For the year ended 31st March, 2007 (Rs.)	(Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit /(Loss) before Taxation		3,67,200		(13,93,419)
Adjustments for :				
Depreciation		11,55,013		11,55,013
Operating Profit /(Loss) Before Working Capital Changes		15,22,213		(238,406)
Adjustments for :				
Loans and Advances	(13,36,744)		19	
Sundry Debtors	—		80,946	
Inventory	(20,15,426)		(9,13,704)	
Current Liabilities	1,45,907		15,878	
		(32,06,263)		(8,16,861)
Direct Tax Paid		(1,62,943)		(11,483)
NET CASH FLOW USED IN OPERATING ACTIVITIES		(18,46,993)		(10,66,750)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Investment	(15,000)		—	
NET CASH FLOW USED IN INVESTING ACTIVITIES		(15,000)		—
C. CASH FLOW FROM FINANCING ACTIVITIES				
Loans from Holding Company	31,95,909		12,74,379	
NET CASH FLOW FROM FINANCING ACTIVITIES		31,95,909		12,74,379
D. NET INCREASE IN CASH AND CASH EQUIVALENTS: (A+B+C)		13,33,916		2,07,629
E. RECONCILIATION				
CASH AND CASH EQUIVALENTS - AT BEGINNING OF THE YEAR		2,76,854		69,225
CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR		16,10,770		2,76,854
		13,33,916		2,07,629

Notes :
1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement.
2. Cash and cash equivalents represent cash and bank balances only.
3. Previous year's figures have been regrouped wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

For BSR & Co.
Chartered Accountants
Bhavesh Dhupelia
Partner
Membership Number : 042070
Mumbai, 7th May, 2008

For and on behalf of the Board
S Limaye *Director*
S Agarwal *Director*
Mumbai, May 7, 2008

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
1. SHARE CAPITAL		
Authorised :		
40,00,000 (2006-07: 40,00,000) Equity Shares of Rs. 10 each	**4,00,00,000**	4,00,00,000
Issued, Subscribed and Paid-up :		
38,00,020 (2006-07: 38,00,020) Equity Shares of Rs. 10 each fully paid	**3,80,00,200**	3,80,00,200
	3,80,00,200	3,80,00,200

Notes:
- the above includes 38,00,000 (2006-07: 38,00,000) fully paid Equity Shares of Rs. 10 each issued for consideration other than cash to Wimco Limited, the Holding Company.
- All the above Equity Shares are held by Wimco Limited, the Holding Company and its Nominees.

2. UNSECURED LOANS		
Wimco Limited (Holding Company)	**7,33,37,148**	34,74,347
Wimco Seedlings Limited (*)	**—**	6,66,66,892
	7,33,37,148	7,01,41,239

*From April 1, 2007 merged with Wimco Limited
(Above loans are Interest free, with no stipulation as to repayment terms)

3. FIXED ASSETS

(Rs.)

Description	Gross Block				Depreciation/Impairment					Net Block	
	As at 1st April, 2007	Additions	Deductions	As at 31st March, 2008	Up to 1st April 2007 Depreciation	Up to 1st April 2007 Impairment	Charge for the period	Up to 31st March, 2008 Depreciation	Up to 31st March, 2008 Impairment	As at 31st March, 2008	As at 31st March, 2007
Intangible Asset											
Leasehold Land	10,16,90,195	—	—	10,16,90,195	2,26,79,144	5,10,01,947	11,43,228	2,38,22,372	5,10,01,947	2,68,65,876	2,80,09,104
Tangible Assets											
Building	1,79,500	—	—	1,79,500	35,501	—	5,878	41,379	—	1,38,121	1,43,999
Plant & Machinery	60,500	—	—	60,500	27,457	—	1,948	29,405	—	31,095	33,043
Furniture & Fixture	1,500	—	—	1,500	1,500	—	—	1,500	—	—	—
Vehicle	36,500	—	—	36,500	17,672	—	3,959	21,631	—	14,869	18,828
Total	10,19,68,195	—	—	10,19,68,195	2,27,61,274	5,10,01,947	11,55,013	2,39,16,287	5,10,01,947	2,70,49,961	2,82,04,974
2006-07	10,19,68 ,195	—	—	10,19,68,195	2,16,06,261	5,10,01,947	11,55,013	2,27,61,274	5,10,01,947	2,82,04,974	

	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
4. INVESTMENTS		
National Saving Certificates	**14,000**	—
Kissan Vikas Patra	**1,000**	—
	15,000	—
5. INVENTORIES		
Semi Finished Produce	**22,89,223**	15,40,915
Finished Goods / Produce	**13,49,918**	82,800
	36,39,141	16,23,715
6. DEBTORS		
Unsecured - Considered Good:		
Less than six months	**21,180**	21,180
	21,180	21,180
7. CASH AND BANK BALANCES		
Cash in Hand	**44,001**	9,842
Balance with a Scheduled Bank		
– On Current Account	**15,16,769**	2,67,012
– On Deposit Account	**50,000**	—
	16,10,770	2,76,854
8. LOANS AND ADVANCES		
Advance recoverable in Cash or in Kind or for value to be received	**1,20,993**	—
Taxes paid [Net of provision of Rs. 92,580(2006-07:Rs.7,166)]	**11,22,469**	41
Prepaid Expenses	**5,735**	—
Interest accrued on investment	**623**	—
Advance to suppliers	**1,48,858**	—
	13,98,678	41

	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
9. CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors	**2,53,382**	1,44,936
Advance received from customers	**1,06,303**	80,000
Other Liabilities	**16,768**	5,610
	3,76,453	2,30,546
Provisions		
Fringe Benefits Tax [Net of Advance Tax of Rs.41,296(2006-07: Rs25,661)]	**1,925**	500
	1,925	500

	For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
10. OTHER COSTS		
Plantation & Cultivation	**29,78,495**	15,78,264
Deputation Charges	**11,12,974**	9,23,127
Travelling and Conveyance	**2,30,222**	1,45,097
Power & Fuel	**9,69,852**	8,49,839
Rent	**8,197**	8,197
Rates and Taxes	**38,721**	22,059
Freight outward	**2,33,434**	5,445
Legal & Professional Fees	**3,66,650**	3,00,079
Insurance	**9,628**	11,003
Auditor's Remuneration		
– Audit Fees	**1,00,000**	1,00,000
– Out of pocket expenses	**3,040**	5,040
Repair & Maintenance		
– Building	**34,314**	27,029
– Plant and Machinery	**59,738**	53,938
– Others	**98,635**	76,282
Communication	**18,308**	7,071
Printing & Stationery	**29,701**	16,930
Bank Charges	**50,452**	1,451
Tools Consumed	**3,530**	2,335
Others Expenses	**45,014**	23,319
	63,90,905	41,56,505

SCHEDULES TO THE ACCOUNTS

11. NOTES TO THE ACCOUNTS

1. Pursuant to the amalgamation of the holding company, Wimco Seedlings Limited (WSL) with Wimco Limited, all amount recoverable/payable by WSL to the Company stand transferred to Wimco Limited with effect from 1 April, 2007. Consequent to the merger, the Company has become a wholly owned subsidiary of Wimco Limited.

2. The Company is yet to obtain possession of certain portion of leasehold land since the demarcation in the land revenue records is yet to be completed and additionally is in dispute, for which court proceedings are in progress.

3. The Order passed by the District Magistrate authorising the State revenue authorities to take possession of the land leased to the Company has been stayed by the order of the High Court.

4. **Earning per share**

   The computation of earnings per share is set out below:

	As at 31st March, 2008	As at 31st March, 2007
Net (loss)/ Profit attributable to equity shareholders (A) (Rs.)	2,64,725	(14,05,514)
Weighted average number of equity shares outstanding during the year (B) (Rs)	38,00,020	38,00,020
Earnings per share of face value Rs. 10 [(A)/(B)]	0.07	(0.37)

5. **Segment information**

   The Company's activities involve predominantly business of growing & selling agricultural produce in India which is considered to be a single business segment since these are subject to similar risks and returns. Further, the business is carried out in India and product sold primarily in India and hence there are no reportable geographical segments. Hence the financial statements are reflective of the information required by Accounting Standard 17 - Segment Reporting issued by the Institute of Chartered Accountants of India.

6. Information with regard to other matters specified in paragraphs 4-A, 4-C and 4-D of Part II of Schedule VI to the Companies Act, 1956 are either nil or not applicable to the Company for the current as well as previous financial years.

7. Quantitative details

Particulars	Unit	31-Mar-2008		31-Mar-2007	
		Quantity	Rs.	Quantity	Rs.
(a) OPENING STOCK					
Semi Finished					
- Agriculture produce		—	15,40,915	—	7,10,011
- Finished Stock					
- Agriculture produce		—	82,800	—	—
(b) PURCHASE					
- Wood	CMH	2,572.807	1,45 40,987	—	—
- Seeds		—	4,28,708	—	3,18,735
- Poplar ETPs		—	2,58,951		33,120
(c) SALES					
- Wheat	Qtls	2,446	26,87,835	1,921	17,53,635
- Paddy	Qtls	2,446	18,25,706	2,011	12,52,546
- Sugarcane	Qtls	14,452	18,35,348	77	19,509
- Wood	CMH	2,352.188	1,42,37,745	—	—
- Others		—	5,33,684	—	3,30,560
(d) CLOSING STOCK					
Semi Finished					
- Agriculture produce		—	22,89,223	—	15,40,915
Finished Stock					
- Wood	CMH	220.619	10,97,805	—	—
- Agriculture produce		—	2,52,113	—	82,800

8. The following dislosures are made for amounts due to Micro, Small and Medium Enterprises.

	Rs. 31 March 2008
Principal amount and interest due thereon remaining unpaid to any supplier as at the year end	—
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	—
Amount of interest due and payable for the period of delay in making payment(which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	—
Amount of interest accrued and remaining unpaid at the end of the accounting year	—

   On the basis of information and records avaible with the Company, the above disclosures are made in respect of amount due to the Micro, Small and Medium enterprises and Small Scale Industrial Undertakings, who have registered with the relevant competent authorities. This has been relied upon by the auditors.

9. Prior year's figures have been regrouped/rearranged wherever necessary to conform to current year's presentation.

12. RELATED PARTIES DISCLOSURES

1. Parties exercising control over Company
   ITC Limited - Ultimate Holding Company #
   Russell Credit Limited - Holding Company of Wimco Limited #
   Wimco Limited - Holding Company
   Wimco Seedlings Ltd. (WSL) - Holding Company
   (From April 1, 2007 merged with Wimco Limited)
   # no transaction during the year 2007-08
2. Other related parties with whom the Company had transactions
   Pavan Poplar Limited (PPL) - Fellow Subsidiary
3. **Transaction between related parties**

PARTICULARS	HOLDING COMPANY		ERSTWHILE HOLDING COMPANY		FELLOW SUBSIDIARY		TOTAL	
	Wimco Limited		Wimco Seedlings Limited		PPL			
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Purchases	2,58,951	—	—	33,120	55,880	—	3,14,831	33,120
Sales	1,48,73,534	—	—	—	1,20,015	—	1,49,93,549	—
Loans taken	2,13,31,581	22,09,347	—	9,40,386	—	—	2,13,31,581	31,49,733
Loan repayment	1,81,35,672	8,00,000	—	10,75,354	—	—	1,81,35,672	18,75,354
Loans given	—	—	—	—	73,21,348	34,57,394	73,21,348	34,57,394
Receipts towards loan repayments	—	—	—	—	73,85,483	34,57,394	73,85,483	34,57,394
Outstanding unsecured loans	7,33,37,148	34,74,347	—	6,66,66,892	—	—	7,33,37,148	7,01,41,239

13. SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of Accounting**

   The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and in accordance with provisions of the Companies Act, 1956 and the accounting principles generally accepted in India and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

   The accumulated losses of the Company as at 31st March, 2008 have resulted in erosion of Company's net worth. At the year end, the Company's current assets exceeded its current liabilities by Rs. 62,91,391 (2006-07:16,90,744) and its total liabilities exceeded its current assets by Rs. 6,70,45,757(2006-07:6,84,50,495). These accounts have been prepared on a going concern basis as the Company has received a letter of financial support from Wimco Limited (Holding Company).

2. **Use of estimates**

   The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the

disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. **Fixed Assets / Amortisation / Impairment / Depreciation**

   Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment loss. Cost includes all expenses attributable to the acquisition and development of the assets.

   Building and civil works on leasehold land are charged on straight-line basis over the period of lease.

   Assets individually costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

   Leasehold Land is carried at cost less accumulated amortisation and impairment loss, if any. The lease agreement is effective upto 2031. Accordingly, expenditure incurred on leasehold land is amortised on a straight-line basis over the remaining period of the lease.

   In accordance with AS 28, where there is an indication of impairment of the Company's assets, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment loss is recognised in the profit and loss account or against revaluation surplus where applicable.

4. **Inventories**

   (i) In valuing poplar trees included under semi finished products, no adjustment is made to the total cost of trees on account of undeveloped / diseased trees being normal loss during the period of maturity of plantation (based on a technical estimate) except that realisation / insurance claim for such trees is reduced from the total cost. Every year plantation cost already incurred is compared with net realizable value which is determined on the basis of estimated selling price less estimated cost likely to be incurred in future for bringing the plantation to maturity and the cost necessarily to be incurred in order to make sale.

   Cost includes all direct and indirect expenses in respect of the poplar plantation.

   Further, 75% of net standard realizable value of intercropping, waste, etc is reduced from the above cost because entire farm cost is first added to cost of plantation.

   (ii) Agriculture produce/standing crops and plants are valued at 75% of their net realizable value.

5. **Revenue recognition**

   Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer.

6. **Contingencies and Provisions**

   A provision is created where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

   A contingent liability is disclosed when there is a possible or a present obligation that may, but probably will not require an outflow of resources. Where there is a possible or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure is made.

7. **Taxation**

   Income tax expense comprises current tax, fringe benefit tax and deferred tax charge or credit. Current tax and fringe benefit tax is determined in accordance with the Income Tax Act 1961. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised. As the Company is engaged in growing and selling agricultural produce, such income is exempt form Income Tax. Accordingly, there are no deffered tax assets / libilities arising therefrom.

8. **Earnings per share ('EPS')**

   The basic earnings per share ('EPS') is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and equivalent dilutive equity shares outstanding during the year, except where the results would be anti-dilutive.

For and on behalf of the Board

S. Limaye *Director*

Mumbai, 7th May, 2008 S. Agarwal *Director*

ANNEXURE

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(Additional Information pursuant to Part IV of Schedule VI to The Act)

I. Registration Details:

Registration No. 1 2 8 8 4 8 State Code 1 1

Balance Sheet Date 3 1 (Date) 0 3 (Month) 2 0 0 8 (Year)

II. Capital raised during the year: (Amount in Rs. Thousands)

Public Issue	Rights Issue
N I L	N I L
Bonus Issue	**Private Placement**
N I L	N I L

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

Total Liabilities	Total Assets
1 1 1 7 1 6	1 1 1 7 1 6

Sources of Funds

Paid up Capital	Reserves and Surplus
3 8 0 0 0	N I L
Secured Loans	**Unsecured Loans**
N I L	7 3 3 3 7

Application of Funds

Net Fixed Assets	Investments
2 7 0 5 0	1 5
Net Current Assets	**Misc. Expenditure**
6 2 9 1	N I L
	Accumulated Losses
	7 7 9 8 1

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

Turnover (including other income)	Total Expenditure
2 1 1 2 6	2 0 7 5 9
Profit/Loss Before Tax	**Profit/Loss After**
+ ✓ 3 6 7	+ ✓ 2 6 5

Tax(Please tick appropriate box + for profit, – for loss)

Earnings per Share in Rs.	Dividend Rate %
+ ✓ 0 . 0 7	+ ✓ N i l

(Please tick appropriate box + Earnings, – for loss)

V. Generic Names of Three Principal Products / Services of the Company:

(As per monetary terms)

Item Code No. (ITC Code) NOT APPLICABLE

Product Description NOT APPLICABLE