

REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2007

Your Directors present their Report for the financial year ended on 31st March, 2007.

Company Performance

During the year, the Company has earned net profit of Rs. 7.10 lakhs as against net loss of Rs. 18.02 lakhs incurred in the last year. The Company has subleased the land and factory building.

Dividend

Your Directors regret their inability to recommend any dividend for the year under review.

Directors

Mr. C. R. Sivaramakrishnan, retires by rotation, at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

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 judgments 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 31, 2007 and of the profit 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.

Audit Committee

The Audit Committee comprises of M/s. C. R. Sivaramakrishnan, A. Saha and V. S. Jain.

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.

Since the Company is not carrying on manufacturing operations, 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

C. R. Sivaramakrishnan *Director*

V. S. Jain *Director*

Mumbai, 20th April, 2007

REPORT OF THE AUDITORS' TO THE MEMBERS OF WIMCO BOARDS LIMITED

We have audited the attached Balance Sheet of **Wimco Boards Limited** ("the Company"), as at 31st March, 2007 and also the 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 purposes 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, 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 31st March, 2007 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2007 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, 2007;
 - b. in the case of the profit and loss account, of the profit of the Company for the year ended on that date.
 - c. in the case of the cash flow statements, of the cash flows for the year ended on that date.

For BSR & Co.
Chartered Accountants

Bhavesh Dhupelia
Partner

Mumbai, 20th April, 2007

Membership No. : 042070

ANNEXURE TO AUDITORS' REPORT

With reference to the Annexure referred to in paragraph 1 of the Auditors' Report to the members of Wimco Boards Limited ('the Company') on the financial statements for the year ended 31st March, 2007, 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) The Company does not hold inventories. Accordingly, paragraph 4(ii) of the Order is not applicable.

- (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) The Company has not purchased any inventory and fixed assets or sold any goods or rendered any services during the year.
- (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 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 investor education and protection fund, provident fund, employees' state insurance, sales tax, wealth tax, service tax, custom 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, 2007 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, sales tax, wealth tax, service tax, customs duty and excise duty 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.* It has not incurred any cash losses in the current financial year; and 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) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us the Company has not raised any short term funds.
- (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

Mumbai, 20th April, 2007

Membership No. : 042070

BALANCE SHEET AS AT 31ST MARCH, 2007

	Schedule	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	58,93,65,230	58,93,65,230
TOTAL		<u>58,93,65,230</u>	<u>58,93,65,230</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	2	8,59,49,280	8,59,49,280
Less : Accumulated Depreciation		57,14,286	28,57,143
Less : Provision for Impairment		<u>2,59,49,280</u>	<u>2,59,49,280</u>
Net Block		5,42,85,714	5,71,42,857
Current Assets, Loans and Advances			
Sundry Debtors	3	9,69,500	—
Cash and Bank Balances	4	6,41,221	28,46,371
Loans and Advances	5	4,96,73,381	4,53,71,843
		<u>5,12,84,102</u>	<u>4,82,18,214</u>
Less: Current Liabilities and Provisions			
Current Liabilities	6	2,99,400	8,00,654
		<u>2,99,400</u>	<u>8,00,654</u>
Net Current Assets		5,09,84,702	4,74,17,560
Profit and Loss Account			
TOTAL		<u>58,93,65,230</u>	<u>58,93,65,230</u>
Notes to the Accounts	10		
Related Party Disclosure	11		
Significant Accounting Policies	12		

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

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

For BSR & Co.
Chartered Accountants
Bhavesh Dhupelia
Partner
Membership No. : 042070
Mumbai, 20th April, 2007

For and on behalf of the Board
C. R. Sivaramakrishnan Director
Vikram Jain Director
Anu Rai Company Secretary
Mumbai, 20th April, 2007

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	Schedule	For the year ended 31st March, 2007 (Rs.)	For the year ended 31st March, 2006 (Rs.)
INCOME			
Rent Income	7	1,12,50,000	—
Other Income	8	35,82,840	27,00,000
		<u>1,48,32,840</u>	<u>27,00,000</u>
EXPENDITURE			
Other Costs	9	95,59,751	7,35,757
Depreciation		28,57,143	28,57,143
		<u>1,24,16,894</u>	<u>35,92,900</u>
Profit / (Loss) Before Taxation		24,15,946	(8,92,900)
Income Tax expenses:			
- Current Tax		17,05,947	9,08,820
Profit / (Loss) After Taxation		7,09,999	(18,01,720)
Profit and Loss Account Deficit Brought Forward		(48,48,04,813)	(48,30,03,093)
Profit and Loss Account Deficit Carried to Balance Sheet		(48,40,94,814)	(48,48,04,813)
Earnings Per Share - Basic and Diluted (Refer Note 3 to Schedule 10)		0.03	(0.11)
Notes to the Accounts	10		
Related Party Disclosure	11		
Significant Accounting Policies	12		

The Schedules referred to above and the annexed notes form an integral part of the Accounts.
This is the Profit and Loss Account referred to in our Report of even date.

For BSR & Co.
Chartered Accountants
Bhavesh Dhupelia
Partner
Membership No. : 042070
Mumbai, 20th April, 2007

For and on behalf of the Board
C. R. Sivaramakrishnan Director
Vikram Jain Director
Anu Rai Company Secretary
Mumbai, 20th April, 2007

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

		For the year ended 31st March, 2007 (Rs.)	For the year ended 31st March, 2006 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES :			
Profit / (Loss) before Exceptional Items and Taxation		24,15,946	(8,92,900)
Adjustments for :			
Depreciation	28,57,143		28,57,143
Interest Income	(28,63,172)		(27,00,000)
Liabilities written back	(7,19,668)		—
		<u>(7,25,697)</u>	<u>1,57,143</u>
Operating Profit / (Loss) Before Working Capital Changes		<u>16,90,249</u>	<u>(7,35,757)</u>
Adjustments for :			
Sundry Debtors	(9,69,500)		—
Loans and Advances	3,64,511		56,202
Current Liabilities and Provisions	2,18,414		(42,026)
		<u>(3,86,575)</u>	<u>14,176</u>
Direct Taxes Paid		(33,71,996)	(9,07,852)
NET CASH FLOW USED IN OPERATING ACTIVITIES		(20,68,322)	(16,29,433)
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Interest Received	28,63,172		27,00,000
Loan granted to a Holding Company	(30,00,000)		—
NET CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES		(1,36,828)	27,00,000
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES :			
		—	—
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS :			
(A+B+C)		<u>(22,05,150)</u>	<u>10,70,567</u>
E. RECONCILIATION :			
CASH AND CASH EQUIVALENTS - AT BEGINNING OF THE YEAR (Refer Schedule 4)		28,46,371	17,75,804
CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR (Refer Schedule 4)		<u>6,41,221</u>	<u>28,46,371</u>
		<u>(22,05,150)</u>	<u>10,70,567</u>

Notes :

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.
 - Cash and cash equivalents represent cash and bank balances only.
 - 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 No. : 042070
Mumbai, 20th April, 2007

For and on behalf of the Board
C. R. Sivaramakrishnan Director
Vikram Jain Director
Anu Rai Company Secretary
Mumbai, 20th April, 2007

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)
1. SHARE CAPITAL		
Authorised:		
2,50,00,000 (2005-06 : 2,50,00,000) Equity Shares of Rs.10 each	25,00,00,000	25,00,00,000
41,00,000 (2005-06 : 41,00,000) 0.05% Redeemable Preference Shares of Rs.100 each	41,00,00,000	41,00,00,000
	<u>66,00,00,000</u>	<u>66,00,00,000</u>
Issued, Subscribed and Paid-Up:		
1,79,36,523 (2005-06 : 1,79,36,523) Equity Shares of Rs. 10 each fully paid- up.	17,93,65,230	17,93,65,230
41,00,000 (2005-06 : 41,00,000) 0.05% Redeemable Cumulative Preference Shares of Rs. 100 each fully paid up	41,00,00,000	41,00,00,000
	<u>58,93,65,230</u>	<u>58,93,65,230</u>

Notes:

- (a) All the above Equity Shares are held by Wimco Limited, the holding company, and its nominees.
(b) The date of redemption of preference shares which were redeemable at par by August 31, 2006 has been extended by one year with the consent of preference shareholders.

2. FIXED ASSETS

Description	GROSS BLOCK			ACCUMULATED DEPRECIATION/IMPAIRMENT					NET BLOCK	
	Cost/Valuation as at 1st April, 2006 (Rs.)	Additions (Rs.)	Cost/Valuation As at 31st March, 2007 (Rs.)	As at April 1, 2006		Depreciation for the year (Rs.)	As at March 31, 2007		As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)
				Depreciation (Rs.)	Impairment (Rs.)		Depreciation (Rs.)	Impairment (Rs.)		
Intangible Assets										
Leasehold Land	2,59,49,280	—	2,59,49,280	—	2,59,49,280	—	—	2,59,49,280	—	—
Tangible Assets										
Buildings	6,00,00,000	—	6,00,00,000	28,57,143	—	28,57,143	57,14,286	—	5,42,85,714	5,71,42,857
Total	8,59,49,280	—	8,59,49,280	28,57,143	2,59,49,280	28,57,143	57,14,286	2,59,49,280	5,42,85,714	5,71,42,857
Previous Year	2,59,49,280	6,00,00,000	8,59,49,280	—	2,59,49,280	28,57,143	28,57,143	2,59,49,280	5,71,42,857	

	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)
3. SUNDRY DEBTORS		
Unsecured, considered good		
– Due from ultimate holding company	9,69,500	—
	<u>9,69,500</u>	—
4. CASH AND BANK BALANCES		
With Scheduled Bank on :		
– Current Account	6,41,189	28,46,188
Cash in Hand	32	183
	<u>6,41,221</u>	<u>28,46,371</u>
5. LOANS AND ADVANCES		
(Unless otherwise stated, unsecured and considered good)		
Loan to Wimco Limited, the holding company maximum amount due at any time during the year Rs. 4,80,00,000 (2005-2006 : Rs. 4,50,00,000)	4,80,00,000	4,50,00,000
Advances recoverable in Cash or in kind or for value to be received		
- Considered Good	—	3,64,511
- Considered Doubtful	3,000	3,000
	<u>3,000</u>	<u>3,67,511</u>
Less : Provision for doubtful deposits	<u>3,000</u>	<u>3,000</u>
	—	3,64,511
Advance Tax and Tax deducted at source (Net of Provision for Taxation Rs. 46,82,476 (2005-06 : Rs. 29,76,529))	16,73,381	7,332
	<u>4,96,73,381</u>	<u>4,53,71,843</u>
6. CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities:		
Sundry Creditors (Refer note below)	2,99,400	8,00,654
	<u>2,99,400</u>	<u>8,00,654</u>

Notes:

Sundry Creditors include :

- Rs. Nil (2005-06: Rs. 65,500) due for more than 30 days to small scale industrial undertaking.
– Rs. Nil - due to Micro, Small and Medium Scale Enterprises

SCHEDULES TO THE ACCOUNTS

	For the year ended 31st March, 2007 (Rs.)	For the year ended 31st March, 2006 (Rs.)
7. RENT INCOME		
Lease Rent (Tax Deducted at Source Rs. 25,24,500)	1,12,50,000	—
	<u>1,12,50,000</u>	<u>—</u>
8. OTHER INCOME		
Interest on Loan given to Wimco Limited [Tax Deducted at Source Rs. 6,42,496; (2005-06 : Rs. 6,05,876)]	28,63,172	27,00,000
Liabilities written back as no longer required	7,19,668	—
	<u>35,82,840</u>	<u>27,00,000</u>
9. OTHER COSTS		
Lease Rent	90,45,000	1,80,000
Legal and Professional fees	28,500	20,000
Filing fees	8,151	1,084
Rates and Taxes	36,073	28,619
Insurance	3,58,040	4,17,713
Auditor's Remuneration - Audit Fees	75,000	75,000
Provision for Doubtful Debts, advances and deposits	—	3,000
Other Expenses	8,987	10,341
	<u>95,59,751</u>	<u>7,35,757</u>

10. NOTES TO THE ACCOUNTS

- Unexpired lease commitments in respect of cancellable lease as on 31st March, 2007 as lessee amounts to Rs. 23,70,00,000 (2005-06 : Rs. 37,35,000).
 - Arrears of dividend on redeemable cumulative preference shares aggregate Rs. 11,44,583 (2005-06 : Rs. 9,39,583).
- There are no timing differences resulting in a deferred tax liability. In view of absence of virtual certainty of taxable profits arising in future, the cumulative deferred tax assets as at 31st March, 2007 have not been accounted for.
- Earnings Per Share**

	2006-07	2005-06
Profit/ (Loss) for the Year After Taxation (Rs.) (A)	7,09,999	(18,01,720)
Add : Arrears of Preference Dividend and including Preference Dividend Tax (Rs.) (B)	(2,39,840)	(2,33,751)
Profit/ (Loss) Attributable to Equity Shareholders (Rs.) (C=A+B)	4,70,159	(20,35,471)
Number of Equity Shares outstanding during the year (D)	1,79,36,523	1,79,36,523
Earnings per Share - Basic and Diluted (Rs.) (C/D)	0.03	(0.11)
Nominal Value of an Equity Share	10	10
- No remuneration is payable to the Manager during the year (2005-06 : Nil).
- Information with regard to the other matters specified in paragraphs 3, 4, 4-A, 4-C and 4-D of Part II of Schedule VI to The Act, are either nil or not applicable to the Company for the financial year ended 31st March, 2007.
- Refer annexure for additional information pursuant to Part IV of Schedule VI to The Act.
- The Company has discontinued its operations and accordingly there are no operating segments, which are reportable segments under AS-17.
- Prior year's figures have been regrouped/rearranged wherever necessary to conform to current year's presentation.

11. RELATED PARTY DISCLOSURE

1. Parties exercising control over Company

Related Party	Relationship
ITC Limited	Ultimate Holding Company
Russell Credit Limited	Holding Company of Wimco Limited #
Wimco Limited	Holding Company

no transaction during the year

2. Transaction with related parties

Particulars	Ultimate Holding Company		Holding Company		Total	
	ITC Limited		Wimco Limited			
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Lease Income	1,12,50,000	—	—	—	1,12,50,000	—
Interest Income	—	—	28,63,172	27,00,000	28,63,172	27,00,000
Lease Rent payment	—	—	90,45,000	1,80,000	90,45,000	1,80,000
Inter Corporate Loan granted	—	—	30,00,000	—	30,00,000	—
Loans Outstanding	—	—	4,80,00,000	4,50,00,000	4,80,00,000	4,50,00,000
Receivable	9,69,500	—	—	—	9,69,500	—

SCHEDULES TO THE ACCOUNTS

12. SIGNIFICANT ACCOUNTING POLICIES

1. Basis for Preparation of Accounts

The accounts have been prepared under the historical cost convention on the accrual basis of accounting and comply in all material aspects with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956, of India ("the Act") to the extent applicable.

The accumulated losses of the Company as at March 31, 2007 have substantially eroded the net worth of the Company. During the year, the Company has leased out its building and leasehold land to its ultimate holding company at a monthly rent of Rs. 12,50,000/-. In view of this, the management of the Company is of the opinion that it will continue to operate as a going concern.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. Fixed Assets / Amortisation / Impairment / Depreciation

Fixed assets are stated at cost less accumulated amortisation/impairment/ depreciation. Cost includes all incidental expenses related to acquisition and installation and include interest cost specifically relatable to the acquisition of the qualifying asset and in respect of self-constructed assets, the cost of material, labour and allocable overheads. Depreciation on building on leasehold land is charged on straight line basis over the remaining period of lease.

Leasehold Land is carried at cost less accumulated amortisation and impairment loss if any. Leasehold land is amortised over a period of 30 years.

In accordance with AS 28, with effect from April 1, 2004 where there is an indication of impairment of the Company's asset 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 is estimated, as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. Impairment loss is recognized in the profit and loss account or against revaluation surplus where applicable.

4. Incidental Expenditure Pending Capitalisation/Allocation

Expenses incurred prior to the commencement of commercial production are carried forward as "Incidental Expenditure Pending Capitalisation / Allocation". These expenses are to be allocated, in the year of commencement of commercial production.

5. Taxes on Income

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). 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 substantively 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 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 realized.

6. Revenue Recognition

Revenue from interest is accrued taking into account the amount outstanding, period and the rate applicable.

7. 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.

Mumbai, 20th April, 2007

For and on behalf of the Board
C. R. Sivaramakrishnan *Director*
Vikram Jain *Director*
Anu Rai *Company Secretary*

ANNEXTURE

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. 9 6 2 9 0 State Code

Balance Sheet Date 3 1 0 3 2 0 0 7
Date Month Year

Application of Funds

Net Fixed Assets 5 4 2 8 6 Investments N I L

Net Current Assets 5 0 9 8 5 Miscellaneous Expenditure N I L

Accumulated Losses 4 8 4 0 9 4

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

Public Issue N I L Rights Issue N I L

Bonus Issue N I L Private Placement N I L

III. Position of mobilisation and deployment of funds: (Amount in Rs. Thousands)

Total Liabilities 5 8 9 3 6 5 Total Assets 5 8 9 3 6 5

Sources of Funds

Paid up Capital 5 8 9 3 6 5 Reserves and Surplus N I L

Secured Loans N I L Unsecured Loans N I L

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

Turnover (Including other Income) 1 4 8 3 3 Total Expenditure 1 2 4 1 7

+ - Profit/Loss Before Tax 2 4 1 6 + - Profit/Loss After Tax 7 1 0
(Please tick appropriate box + for profit, - for loss)

+ - Earnings per Share in Rs. 0 . 0 3 Dividend Rate % age N I L
(Please tick appropriate box + for Earnings, - for loss)

V. Generic Names of Three Principal Products / Services of the Company: (As per monetary terms)

Item Code No. (ITC Code) 4 8 0 5 2 2 0 0

Product Description P A P E R
 B O A R D S