

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

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

Company Performance

During the year, the Company has incurred a net loss of Rs. 181.33 lakhs after considering provision for diminution of investment of Rs. 381.90 lakhs. The Company has sold 22,43,222 saplings during the year as against 12,56,409 saplings sold in the last year registering growth of 79%. Realisation per sapling has also been improved from Rs.16.12 to Rs.18.46.

Dividend

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

Directors

Mr. V. Malhotra, and Dr. J. P Chandra have resigned from the Board of the Company with effect from 31.03.2007. The Board places on record its appreciation for the services rendered by Mr. Malhotra and Dr. Chandra during their tenure as Director of the Company.

Mr. A. Saha, Director has been appointed as a Whole-time Director of the Company with effect from 1st April, 2007 for a period of 3 years. His appointment is subject to the approval of the members at the ensuing Annual General Meeting.

Mr. S. Agarwal, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-election.

Directors' 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 31st March, 2007 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.

Audit Committee

The audit committee comprises of M/s. A. Saha, C.R. Sivaramakrishnan and S. Agarwal.

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.

Subsidiaries

Particulars as required under Section 212 of the Companies Act, 1956, in respect of Company's subsidiaries M/s. Pavan Poplar Limited and Prag Agro Farm Limited, have been annexed to the Accounts of the Company.

Information under Section 217 of the Companies Act, 1956

The information required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to conservation of energy and technology absorption are annexed to this Report.

There are no employees in respect of whom information pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is required to be given.

For and on behalf of the Board

Bareilly, 18th April, 2007

A. Saha *Executive Director*
S. Agarwal *Director*

ANNEXURE TO THE DIRECTOR'S REPORT**a) Conservation of Energy**

The Company is engaged in agro forestry activities and nurseries. Its energy requirement is not significant and it uses limited quality of fossil fuel and electric energy for ploughing fields and watering nursery and farm plants.

Since the activity of the Company is not covered under list of industries specified in the Schedule to Form A, the information with regard to total energy consumption and consumption of energy per unit of production is not furnished.

b) Technology Absorption

The Company only utilises indigenous technologies. Embellishments

in the existing technological practices to match the practical field requirements if needed are carried out in house.

c) Expenditure on R & D

Particulars	2006-07 (Rs.)	2005-06 (Rs.)
Capital	Nil	Nil
Recurring	11,19,492	12,80,304
	<u>11,19,492</u>	<u>12,80,304</u>

Total R & D Expenditure as percentage of total turnover : **0.90%** 1.56%

d) Foreign Exchange Earnings : **Rs. 2,21,865** Nil
Foreign Exchange Outgo : **Rs. 3,574** Rs. 3,170

REPORT OF THE AUDITORS TO THE MEMBERS OF WIMCO SEEDLINGS LIMITED

We have audited the attached balance sheet of Wimco Seedlings Limited ("the Company"), as at 31, 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, 2006 and taken on record by the Board of Directors, we report that none of the Directors are 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;

(vi) the Company has made the provision for diminution in the value of its investments aggregating to Rs. 38,190,204 during the year; and

(vii) 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 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 loss 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 THE AUDITORS' REPORT

With reference to the Annexure referred to in paragraph 1 of the Auditors' Report to the members of Wimco Seedlings 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) (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 fixed assets and with regard to the sale of goods and services. 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 investor education and protection fund, provident fund, income tax, sales-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 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 provident fund, 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 sales tax which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Amount(Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax and interest demanded on license fee for use of land treated as business income instead of agricultural income and management fee for 8 years received in advance by the Company treated as business income in the year of receipt instead of accruing it over 8 years.	5,67,13,443	Assessment year 1996-1997, 1997-1998, 1999-2000.	Commissioner of Income Tax (Appeal), New Delhi
Income Tax Act, 1961	Tax and interest demanded on license fee for use of land assessed as business income instead of agricultural income.	9,51,826	Assessment year 2001-2002	Commissioner of Income Tax (Appeal), New Delhi
Income Tax Act, 1961	Penalty demanded under Section 271 (1) (c) of the Income Tax Act.	39,63,120	Assessment year 2003-2004	Commissioner of Income Tax (Appeal), New Delhi

- (x) *In our opinion, the accumulated losses of the Company are in excess of fifty percent of its net worth. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.*
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institutions 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 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, 20th April, 2007

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	17,77,62,150	17,77,62,150
Reserves and Surplus	2	1,57,01,735	1,57,64,446
		<u>19,34,63,885</u>	<u>19,35,26,596</u>
Loan Funds			
Secured Loans	3	—	75,00,000
Unsecured Loans		9,34,87,635	10,52,89,488
		<u>28,69,51,520</u>	<u>30,63,16,084</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	4,53,48,552	4,55,60,228
Less : Accumulated depreciation		1,70,18,632	1,68,76,185
Net Block		<u>2,83,29,920</u>	<u>2,86,84,043</u>
Capital Work-in-Progress		—	34,215
		<u>2,83,29,920</u>	<u>2,87,18,258</u>
Investments			
	5	5,99,11,230	9,81,07,434
Current Assets, Loans and Advances			
Plantation Work-in-Progress		4,68,91,742	11,45,72,079
Inventories	6	2,25,000	2,42,687
Sundry debtors	7	2,17,440	5,51,606
Cash and bank balances	8	62,07,862	38,59,576
Loans and advances	9	8,02,51,894	7,49,03,327
		<u>13,37,93,938</u>	<u>19,41,29,275</u>
Less : Current Liabilities and Provisions			
Current Liabilities	10	10,25,70,536	16,42,23,191
Provisions	11	11,11,298	12,36,152
		<u>10,36,81,834</u>	<u>16,54,59,343</u>
Net Current Assets		<u>3,01,12,104</u>	<u>2,86,69,932</u>
Profit and Loss Account		<u>16,85,98,266</u>	<u>15,08,20,460</u>
		<u>28,69,51,520</u>	<u>30,63,16,084</u>
Notes to the Accounts	18		
Related Party disclosure	19		
Significant accounting policies	20		

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

This is 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
A. Saha Executive Director
S. Agarwal Director
Nidhi Agarwal Company Secretary
Bareilly, 18th 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			
Sales and services	12	12,37,02,549	8,05,09,248
Other Income	13	42,303	5,64,271
		<u>12,37,44,852</u>	<u>8,10,73,519</u>
EXPENDITURE			
(Increase) /Decrease in Stocks	14	6,76,98,023	4,43,00,992
Purchases		82,463	1,06,045
Employee Costs	15	88,57,519	79,45,356
Other Costs	16	2,62,48,096	2,21,74,199
Interest	17	1,87,493	5,87,289
Depreciation		5,10,949	7,93,590
Less : Transfer from revaluation reserve		<u>(62,710)</u>	<u>(62,710)</u>
		<u>4,48,239</u>	<u>7,30,880</u>
		<u>10,35,21,833</u>	<u>7,58,44,761</u>
Profit before extra ordinary items and taxation		2,02,23,019	52,28,758
Extra ordinary items:			
Provision for diminution in value of investment		3,81,90,204	—
(Loss)/Profit before taxation		(1,79,67,185)	52,28,758
Less:			
Current Tax: related to earlier years		8,864	—
Fringe Benefits Tax		1,56,772	2,60,726
(Loss)/Profit after taxation		(1,81,32,821)	49,68,032
Profit and loss account deficit brought forward		(15,08,20,460)	(15,57,88,492)
Gratuity Transational Assets (Refer note No. 9 of Schedule 18) :		3,55,015	—
Balance Carried Over		(16,85,98,266)	(15,08,20,460)
Earnings per share (in rupees) - Basic and Diluted (Refer Note 5 of Schedule 18) :			
Excluding extra-ordinary items (net of tax expenses)		2.26	0.46
Including extra-ordinary items (net of tax expenses)		(2.29)	0.46
Notes to the Accounts	18		
Related Party disclosure	19		
Significant Accounting Policies	20		

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
A. Saha Executive Director
S. Agarwal Director
Nidhi Agarwal Company Secretary
Bareilly, 18th April, 2007

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

	(Rs.)	For the year ended 31st March, 2007 (Rs.)	(Rs.)	For the year ended 31st March, 2006 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit/(Loss) before Extraordinary items and Taxation		2,02,23,019	52,28,758	
Adjustments for :				
Depreciation	4,48,239		7,30,880	
Loss on sale of assets	33,272		—	
Sundry balances written back	24,303		43,996	
Income from Investments	—		(1,831)	
		<u>5,05,814</u>	—	
Operating Profit/(Loss) Before Working Capital Changes		2,07,28,833		60,01,803
Adjustments for :				
Plantation Work-in-Progress	6,76,80,337		4,44,19,107	
Inventories	17,687		(1,18,115)	
Debtors	3,34,166		(5,04,714)	
Loans and Advances	(1,71,449)		(11,94,670)	
Current Liabilities and Provisions	(6,15,30,438)		(4,36,10,868)	
		<u>63,30,303</u>		(10,09,259)
Direct Taxes paid		(52,59,114)		(2,57,533)
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		<u>2,18,00,022</u>		<u>47,35,011</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(1,95,705)		(1,02,195)	
Sale of Fixed Assets	39,822		—	
Income received from Investments	—		1,831	
Sale of Investments	6,000		—	
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		<u>(1,49,883)</u>		<u>(1,00,364)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceed from Borrowings :				
Loan from a Holding Company	(1,17,45,433)		(51,17,421)	
Loan from a Subsidiary Company	(56,420)		—	
Short Term Working Capital Loan paid	(75,00,000)		5,00,000	
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		<u>(1,93,01,853)</u>		<u>(46,17,421)</u>
D. NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS :				
(A+B+C)		<u>23,48,286</u>		<u>17,226</u>
E. RECONCILIATION				
CASH AND CASH EQUIVALENTS - AT BEGINNING OF THE YEAR		38,59,576		38,42,350
CASH AND CASH EQUIVALENTS - AT END OF THE YEAR		<u>62,07,862</u>		<u>38,59,576</u>
		<u>23,48,286</u>		<u>17,226</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 figure 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
A. Saha Executive Director
S. Agarwal Director
Nidhi Agarwal Company Secretary
Bareilly, 18th April, 2007

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)
1. SHARE CAPITAL		
Authorised :		
1,10,00,000 (2005-06 : 1,10,00,000) Equity Shares of Rs. 10 each	11,00,00,000	11,00,00,000
1,00,00,000 (2005-06 : 1,00,00,000) 1% redeemable cumulative preference share of Rs. 10 each	10,00,00,000	10,00,00,000
1,00,00,000(2005-06 :1,00,00,000) unclassified share of Rs. 10 each	10,00,00,000	10,00,00,000
	<u>31,00,00,000</u>	<u>31,00,00,000</u>
Issued, Subscribed and Paid up :		
83,95,626 (2005-06 : 83,95,626) equity shares of Rs. 10 each fully paid.	8,39,56,260	8,39,56,260
93,80,589 (2005-06 : 93,80,589) 1% redeemable cumulative preference shares of Rs. 10 each fully paid.	9,38,05,890	9,38,05,890
	<u>17,77,62,150</u>	<u>17,77,62,150</u>
Of the above :		
83,95,626 (2005-06 : 83,95,626) equity shares are held by Wimco Limited, the holding Company and its nominees.		
93,80,589 (2005-06 : 93,80,589) 1% redeemable preference shares are held by Wimco Limited, the holding Company.		
2. RESERVES AND SURPLUS		
Capital Reserve		
Surplus on sale of land	4,10,466	4,10,466
Revaluation reserve		
Balance at the beginning of the year	1,53,53,979	1,54,16,690
Less : Transfer to profit and loss account	62,710	62,710
Balance at the end of the year	<u>1,52,91,269</u>	<u>1,53,53,980</u>
	<u>1,57,01,735</u>	<u>1,57,64,446</u>
3. LOAN FUNDS		
SECURED		
Cash Credit (including working capital demand loan) with Banks (secured by a hypothecation of all stock in trade and book debts, present and future, other movable assets and all other tangible movable properties of the Company)	—	75,00,000
	<u>—</u>	<u>75,00,000</u>
UNSECURED		
Loans and advances from subsidiary - Pavan Poplar Limited (Refer Note below)	4,84,82,129	4,85,38,549
Other loans and advances Wimco Limited, holding company (Refer Note below)	4,50,05,506	5,67,50,939
	<u>9,34,87,635</u>	<u>10,52,89,488</u>
	<u>9,34,87,635</u>	<u>11,27,89,488</u>

Note :

The said loans are interest free, with no stipulation as to repayment terms.

SCHEDULES TO THE ACCOUNTS

4. FIXED ASSETS

(Rs.)

Description	Gross block				Accumulated Depreciation				Net block	
	As at 1 April, 2006	Additions	Deductions	As at 31 March, 2007	As at 1 April, 2006	Charge for the year	Deductions during the year	As at 31 March, 2007	As at 31 March, 2007	As at 31 March, 2006
Trangible Assets										
Land (freehold)	2,00,95,000	—	—	2,00,95,000	—	—	—	—	2,00,95,000	2,00,95,000
Buildings	1,44,28,171	95,946	—	1,45,24,117	73,24,588	1,58,380	46,700	74,36,268	70,87,849	71,03,584
Plant and machinery	35,86,674	5,800	48,132	35,44,342	31,24,394	75,412	—	31,99,806	3,44,536	4,62,280
Furniture and fixture	12,26,826	22,700	1,04,369	11,45,157	8,64,066	77,373	73,011	8,68,428	2,76,729	3,62,759
Office Equipments	20,14,745	1,05,474	2,82,936	18,37,283	17,12,697	46,513	2,43,045	15,16,165	3,21,118	3,02,049
Vehicle	42,08,812	—	6,159	42,02,653	38,50,440	1,53,271	5,746	39,97,965	2,04,688	3,58,371
	4,55,60,228	2,29,920	4,41,596	4,53,48,552	1,68,76,185	5,10,949	3,68,503	1,70,18,632	2,83,29,920	2,86,84,043
2005-06	4,54,92,248	67,980	—	4,55,60,228	1,60,82,595	7,93,590	—	1,68,76,185	—	—
CAPITAL WORK-IN-PROGRESS										34,215
									2,83,29,920	2,87,18,258

Description	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)	Description	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)
5. INVESTMENTS					
A Long term investments			Liability towards investor education and protection fund		
Government securities (unquoted)			-Unclaimed balances of unit holders (not due)	25,90,360	25,90,360
National Saving Certificates	4,000	10,000	Other current liabilities	3,86,184	2,26,255
(All of the above have been pledged with various Mandi Samitis)				10,25,70,536	16,42,23,191
B Investments in wholly owned subsidiary companies (unquoted)			11. PROVISIONS		
Pavan Poplar Limited			Gratuity	—	2,68,184
55,10,004 (2005-06: 55,10,004) equity shares of Rs. 10 each fully paid	5,99,06,230	5,99,06,230	Leave encashment	11,11,298	9,64,775
(including 6 Equity Shares held by nominees)			Provision for Fringe Benefit Tax [net of advance tax of Rs. Nil (2005-06 : Rs. 2,57,533)]	—	3,193
Prag Agro Farm Limited				11,11,298	12,36,152
38,00,020 (2005-06: 38,00,020) equity shares of Rs. 10 each, fully paid (including 6 Equity Shares held by nominees)	3,81,90,204	3,81,90,204			
Less Provision for Diminution	(3,81,90,204)	—	12. SALES AND SERVICES		
C Current Investments			Sales	12,34,80,684	8,05,09,248
Billaspur Cane Development Corporation Limited (unquoted, non-trade) 100 (2005-06: 100) equity shares of Rs. 10 each, fully paid	1,000	1,000	Consultancy income	2,21,865	—
	5,99,11,230	9,81,07,434		12,37,02,549	8,05,09,248
Aggregate book value of unquoted investments	5,99,11,230	9,81,07,434	13. OTHER INCOME		
			Interest		
6. INVENTORIES			-On investments (Long term)	—	1,831
Finished and trade goods / produce	2,25,000	2,42,687	-On income tax refund	18,000	—
	2,25,000	2,42,687	Sundry balances written back	24,303	43,996
			Insurance Claim	—	5,02,432
7. DEBTORS			Miscellaneous income	—	16,012
(Unsecured)				42,303	5,64,271
Debts outstanding for a period exceeding six months			14. (INCREASE) /DECREASE IN STOCK		
Considered good	50,000	—	Plantation work-in-progress		
Considered doubtful	23,000	23,000	Opening stock	11,45,72,079	15,89,91,186
	73,000	23,000	Closing stock	4,68,91,742	11,45,72,079
Less : Provision for doubtful debts	(23,000)	(23,000)	Net (increase)/decrease	6,76,80,337	4,44,19,107
	50,000	—	Finished and traded goods/produce		
Other debts - Considered good	1,67,440	5,51,606	Opening stock	2,42,687	1,24,572
	2,17,440	5,51,606	Closing stock	2,25,000	2,42,687
			Net (increase)/decrease	17,687	(1,18,115)
8. CASH AND BANK BALANCES			Total net (increase) /decrease	6,76,98,023	4,43,00,992
Cash in hand	1,19,455	1,56,584	15. EMPLOYEE COSTS		
Cheques in hand	5,000	—	Salaries, wages and bonus	71,42,836	60,01,856
Balances with scheduled banks on -current accounts [includes Rs. 24,739 (2005-06: Rs. 24,739) lying in "Restricted" bank account]	34,93,047	11,12,632	Contribution to provident and other funds	8,26,729	7,74,510
unclaimed balances due to unit holders of Poplar Unit Schemes.	25,90,360	25,90,360	Staff and Workers welfare expenses	4,23,975	4,40,581
	62,07,862	38,59,576	Gratuity	2,67,428	4,47,444
			Leave encashment	1,96,551	2,80,965
				88,57,519	79,45,356
9. LOANS AND ADVANCES			16. OTHER COSTS		
(Unsecured)			(Refer Note 11 and 12 of Schedule 18)		
Advances recoverable in cash or in kind for value to be received			Plantation and cultivation	60,80,067	61,16,174
- Considered good	33,173	44,068	Travelling and conveyance	19,96,184	17,88,882
- Considered doubtful	1,01,08,570	1,01,08,570	Power and fuel	14,55,928	16,09,254
	1,01,41,743	1,01,52,638	Measurement and extraction	51,13,001	33,46,069
Less : Provision for doubtful advances	1,01,08,570	1,01,08,570	Rent	37,25,309	24,04,665
	33,173	44,068	Security Charges	15,37,457	14,65,162
Loans and advances to subsidiary			Freight outward	23,43,244	15,48,577
Prag Agro Farm Limited	6,66,66,892	6,68,01,860	Legal and professional fees	8,06,960	7,37,937
[maximum amount outstanding during the year Rs. 6,69,67,256 (2005-06: Rs. 6,68,01,860)]			Auditors' remuneration		
Trade tax recoverable	74,836	69,811	- Audit fees (Refer note 7 of Schedule 18)	3,50,000	3,50,000
Advance to suppliers	38,621	—	- Out of pocket expenses	12,043	11,815
Prepaid expenses	29,42,330	25,75,139	Insurance	4,63,337	5,69,908
Tax deducted at source/Advance Tax [Net of provision for taxation Rs. Nil (2005-06: Rs. 4,74,915)]	1,04,00,295	53,18,668	Repair and maintenance		
Advance Fringe Benefit Tax	8,658	—	- buildings	4,53,877	2,10,230
Interest accrued on investments	2,567	9,259	- plant and machinery	42,090	56,970
Security deposit	84,522	84,522	- others	7,62,568	6,21,059
	8,02,51,894	7,49,03,327	Doubtful advances written off	248	55,002
			Communication	4,39,499	4,04,283
10. CURRENT LIABILITIES			Printing and stationery	2,42,114	1,55,872
Advance received from Customers	6,08,050	2,83,664	Bank charges	99,670	1,36,513
Advance for purchase of poplar trees (Refer Note 2 on Schedule 18)	8,82,94,344	15,06,97,869	Rates and taxes	46,219	61,625
Sundry creditors	1,06,91,598	1,04,25,043	Advertisement	71,624	37,285
			Tools consumed	22,995	22,408
			Entertainment	15,369	9,472
			Loss on sale of fixed assets	33,272	—
			Other Expenses	1,35,021	4,55,037
				2,62,48,096	2,21,74,199
			17. INTEREST		
			On Cash Credit (including Working Capital Demand Loan)	1,87,493	5,87,289
				1,87,493	5,87,289

SCHEDULES TO THE ACCOUNTS

18. Notes to Accounts

1. (a) Claims against the Company not acknowledged as debts Rs. 7,25,75,714 (2005-06 Rs. 8,48,51,307). These comprise :

- ♦ Excise Duty, Sales Taxes and Indirect Taxes claims disputed by the Company relating to issues of applicability and classification aggregating Rs. 74,836 (2005-06: Rs. 69,811).
- ♦ Local authority Taxes/Cess/Royalty on property, utilities etc. claims disputed by the Company relating to issues of applicability and determination aggregating Rs. Nil (2005-06 Rs. Nil).
- ♦ Third party claims arising from disputes relating to contracts aggregating to Rs. 8,87,180 (2005-06 Rs. 33,87,180).
- ♦ Other matters: Income Tax aggregating to Rs. 7,16,13,698 (2005-06 Rs. 8,13,94,316).

The above does not include provident fund contribution on leave encashment relating to the period prior to May 1, 2005, the matter being kept in abeyance by the concerned authorities. (Estimated amount Rs. 0.70 lacs).

- (b) Arrears of tax-free dividend on 93,80,589 , 1% redeemable cumulative preference shares of Rs. 10 each amounting to Rs. 84,60,521 (2005-06: Rs. 75,22,462) excluding dividend tax.
2. Advances against purchase of poplar aggregating Rs. 8,82,94,344 (2005-06: Rs. 15,06,97,869) represents advances received by the erstwhile WGL and erstwhile WG from Wimco Limited, the holding company, and interest thereon, to be adjusted against the consideration payable by Wimco Limited to the Company for supply of wood of the poplar trees on their maturity/appropriate use.
3. The Company had issued 15% Redeemable Cumulative Preference Shares redeemable one third each year in the 8th, 9th and 10th year from the date of issue, 25th March, 1996 or on earlier date at the discretion of Board of Directors of the Company. The rate of dividend on these shares has been reduced to 1% with effect from the date of allotment after obtaining the requisite consent of the concerned class of shareholders. One third of redeemable preference shares were due to for redemption on 24th March, 2004. However, in view of the inadequacy of funds, the Company has extended the period of redemption in respect of all the aforesaid shares to 24th March, 2011 after obtaining the consent of the concerned class of shareholders.
4. As at 31st March, 2007, the Company has an investment of Rs. 3,81,90,204 (2005-06 : Rs. 3,81,90,204) in its subsidiary Prag Agro Farm Limited which have been fully provided for. The Company has also granted an interest free loan of Rs. 6,66,66,892 (2005-06 : Rs. 6,68,01,860) to the subsidiary. In terms of the new arrangements, the plantation activity is begin carried out by the Prag Agro Farm Limited on the land over which it has leasehold rights and aforesaid loan will be repaid based on the projected cash flow.
5. **Earnings per share**

The computation of earnings per share is set out below :

	31-03-2007		31-03-2006	
	Excluding Extraordinary Items	Including Extraordinary Items	Excluding Extraordinary Items	Including Extraordinary Items
Net Profit after tax (Rs.)	2,00,57,383	(1,81,32,821)	49,68,032	49,68,032
Less : Arrears of Preference dividend and including preference dividend tax for the year (Rs)	(10,97,482)	(10,97,482)	(10,69,622)	(10,69,622)
Net Profit attributable to equity shareholders (A)	1,89,59,621	(1,92,30,303)	38,98,410	38,98,410
Weighted average number of equity shares outstanding during the year (B)	83,95,626	83,95,626	83,95,626	83,95,626
Earnings per share of face value Rs. 10(A/B)	2.26	(2.29)	0.46	0.46

6. 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.

7. Auditor's Remuneration

	2006-2007	2005-2006
Audit fees	3,50,000	3,50,000
Out of pocket expenses	12,043	11,815
	<u>3,62,043</u>	<u>3,61,815</u>

8. Quantitative details

Particulars	Unit	31-03-2007		31-03-2006	
		Quantity	Rs.	Quantity	Rs.
(A) Opening stock					
Plantation work in Progress					
Agricultural produce/plants*			53,730		19,84,207
Livestock*			—		14,954
Poplar ETPs*			56,61,743		58,83,674
Poplar and Kadam trees	Nos.	2,56,637	10,88,56,606	3,23,936	15,11,08,351
			<u>11,45,72,079</u>		<u>15,89,91,186</u>
Finished					
Agricultural produce/plants*			14,931		43,816
Hiko trays**	Nos.	1,282	80,756	1,309	80,756
Wood (from own trees)			1,47,000		—
			<u>2,42,687</u>		<u>1,24,572</u>
(b) Purchases					
Others			82,463		1,06,045
			<u>82,463</u>		<u>1,06,045</u>
(c) Sales					
Agricultural produce/plants*			28,94,211		65,34,010
Hiko trays**	Nos.	1282	—	27	1,350
Livestock*			—		25,532
Poplar and Kadam wood* (from own trees)			7,20,54,280		4,46,70,933
Poplar ETPs	Nos.	22,43,222	4,14,14,914	12,56,409	2,02,56,157
Others*			71,17,279		90,21,266
			<u>12,34,80,684</u>		<u>8,05,09,248</u>
(d) Closing stock					
Plantation work in Progress					
Agricultural produce/plants*			5,59,400		53,730
Poplar ETPs*			61,35,925		56,61,743
Poplar and Kadam trees	Nos.	1,35,619	4,01,96,417	2,56,637	10,88,56,606
			<u>4,68,91,742</u>		<u>11,45,72,079</u>
Finished					
Agricultural produce/plants*			—		14,931
Hiko trays**	Nos.	—	—	1,282	80,756
Wood (from own trees)			2,25,000		1,47,000
			<u>2,25,000</u>		<u>2,42,687</u>

* Due to the typical nature of product, it is not possible to state quantities.

** Sales includes Hiko trays used in household activity.

SCHEDULES TO THE ACCOUNTS

9. Employee Defined Benefits

Effective April 1, 2006 the Company adopted the revised accounting standard on employee benefits. Pursuant to the adoption, the transitional asset of the Company amounted to Rs. 3.55 lacs. As required by the standard, the asset has been recorded with the transfer of Rs. 3.55 lacs to debit balance of Profit and Loss Account.

The following table set out the status as required under AS 15. (Rs.)

	Defined Benefit Plans	
	Gratuity	Leave Encashment
Change in obligation during the year ended March 31, 2007		
1. Obligation at period beginning	15,95,424	9,64,775
2. Service Cost	1,53,134	1,02,638
3. Interest Cost	1,19,657	70,482
4. Actuarial (Gains) / Losses	1,51,979	23,431
5. Benefits payments	(2,00,828)	(50,028)
6. Obligations at period end	18,19,366	11,11,298
Change in plan Assets		
1. Plan assets at the beginning of the year	16,82,255	—
2. Expected return on plan assets	1,26,169	—
3. Contribution by employers	2,93,322	—
4. Actual benefits paid	(2,00,828)	—
5. Actuarial Gains / (Losses)	31,173	—
6. Plan assets at the end of the year	19,32,091	—
Reconciliation of present value of the obligation and the fair value of the plan assets		
1. Fair value of plan asset at the end of the year	19,32,091	
2. Present value of the defined benefit obligations at the end of the period	18,19,366	
3. Asset / (Liability) recognised in the balance sheet	1,12,725	
Cost for the period		
1. Service Cost	1,53,134	1,02,638
2. Interest Cost	1,19,657	70,482
3. Return on Plan Asset	(1,57,342)	—
4. Actuarial (Gains) / Losses	1,51,979	23,431
Net cost	2,67,428	1,96,551
Investment details of plan assets		
The Gratuity Scheme is invested in a Group-cum-Life Assurance cash accumulation policy offered by Life Insurance Corporation (LIC) of India		
Actual return on plan assets	1,57,342	—
Actuarial Assumptions:		
1. Discount Rate	7.50%	7.50%
2. Salary Escalation	5.00%	5.00%
3. Expected return on plan assets	7.50%	—

Basis used to determine expected rate of return on assets:

The invested return earned on the policy comprises bonuses declared by LIC having regard to LIC's investment earnings. The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. We understand that LIC's overall portfolio of assets is well diversified and as such, the long-term return on the policy is expected to be higher than the rate of return on Central Government bonds.

10. (a) Expenditure in foreign currency

	2006-07	2005-06
Travel	3,574	3,710

(b) Earning in foreign currency

	2006-07	2005-06
Consultancy Income	2,21,865	—

- Research and development expenses incurred during the year as ascertained by the management, amounting to Rs. 11,19,492 (2005-06 : Rs. 12,80,304) have been charged to appropriate heads of expenses.
- Plantation and cultivation expenses include amounts paid to casual labourers Rs. 49,38,912 (2005-06 : Rs. 48,94,241).
- Land and building located at Rudrapur were revalued on 31st March, 1994 by a registered valuer after considering depreciation upto that date based on the current replacement cost/value to the Company. The excess on

revaluation of Rs. 1,61,06,500 was transferred to revaluation reserve. The excess depreciation charge on account of the revaluation is adjusted against the revaluation reserve as detailed below :

Particulars	For the year ended 31st March, 2007	For the year ended 31st March, 2006
Depreciation for the year calculated in accordance with accounting policy	5,10,949	7,93,590
Less : Adjusted against revaluation reserve	62,710	62,710
Depreciation for the year charged to the profit and loss account	4,48,239	7,30,880

- The Order passed by the District Magistrate authorizing the State revenue authorities to take possession of the land leased to Pavan Poplar Limited and Prag Agro Farm Limited, subsidiaries of the Company, has been stayed by the Order of the High Court. In the circumstances no provision has been made for advances to subsidiary companies.
- Prior year's figures have been regrouped/ rearranged wherever necessary to conform to current year's presentation.

SCHEDULES TO THE ACCOUNTS

19. RELATED PARTIES TRANSACTIONS

a) Parties exercising control over the Company

ITC Ltd.	— Ultimate holding company of Wimco Limited
Russell Credit (ITC)	— Holding company of Wimco Limited #
Wimco Limited	— Holding company
#	no transaction during the financial year 2006-07

b) Parties over whom Company exercises control

Subsidiary Companies :	
Pavan Poplar Limited	(PPL)
Prag Agro Farm Limited	(PAFL)

c) Transactions with related parties.

(Rs.)

PARTICULARS	HOLDING COMPANIES				Subsidiary Companies				TOTAL	
	Wimco Limited		ITC LIMITED		PPL		PAFL		2006-07	2005-06
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06		
Sale of Goods (Including Sales Tax)	6,48,00,111	4,50,95,577	14,455	—	—	86,480	33,120	—	6,48,43,431	4,51,82,057
Loans taken	1,32,75,682	1,30,03,697	—	—	25,87,388	11,69,125	—	—	1,58,63,070	1,41,72,822
Loan repayment	2,26,24,528	1,64,80,474	—	—	26,43,808	10,82,645	—	—	2,52,68,336	1,75,63,119
Loans given	—	—	—	—	—	—	9,07,266	14,74,738	9,07,266	14,74,738
Receipts towards loan repayments	—	—	—	—	—	—	10,75,354	10,74,284	10,75,354	10,74,284
Outstanding Loans and Advances	—	—	—	—	—	—	6,66,66,892	6,68,01,860	6,66,66,892	6,68,01,860
Outstanding unsecured loans	4,50,05,506	5,67,50,939	—	—	4,84,82,129	4,85,38,549	—	—	9,32,78,569	10,52,89,488
Outstanding Receivable	—	—	14,455	—	—	—	—	—	14,455	—
Outstanding Payables (Excluding TDS Cert.)	8,82,94,344	15,06,97,870	—	—	82,87,088	82,87,088	—	—	9,65,81,432	15,89,84,958
Investments	—	—	—	—	5,99,06,230	5,99,06,230	3,81,90,204	3,81,90,204	9,80,96,434	9,80,96,434

20. 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 comply with the Accounting Standards issued by the Institute of Chartered Accountants of India ("ICAI") and the relevant provision of the Companies Act, 1956, ("the Act") to the extent applicable.

The accumulated losses of the Company as at 31st March, 2007 have resulted in erosion of substantial portion of the Company's net worth. During the year the Company has reported improved performance and the Company has also received a letter of financial support from its holding Company, Wimco Limited. In view of the above and also considering the cash flow projections, the financial statements are prepared on a going concern basis.

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 or revaluation less accumulated depreciation. Cost includes all expenses attributable to the acquisition and installation of the assets. Fixed Assets acquired on take over of a business from Wimco Limited are capitalized at the amount attributed as per the deed of assignment.

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.

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. Investments

Long-term investments are stated at cost. Provision is made for diminution other than temporary, in the value of long-term investments.

5. Plantation Work-in-Progress and Inventories

(A) Plantation Work-in-Progress

- 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 realization /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 realizable value of intercropping, waste, etc. is reduced from the above cost because entire farm cost is first added to cost of plantation.

- Agricultural produce/standing crops and plants are valued at 75% of their net realizable value.
- Fuel wood arising from poplar trees and lying in stock is valued at 75% of their net realizable value.
- Livestock is valued at 75% of their net realizable value.

- The Company has considered an average yield of 0.22cmh per tree based on the evaluation carried out by the Company's technical expert and further certified by an external technical expert. The Company has considered a price of Rs. 3,250 per cmh of match wood being the market price prevailing for match wood of similar quality. As in the past, the Company has also considered Rs. 500 per cmh towards fire wood (lops and tops).

(B) Inventories

Finished goods are valued at cost or net realizable value whichever is lower. Entire Transplants included in semi-finished goods are valued at cost. Cost represents direct expenses including cost of Entire Transplants purchased specifically for multiplication and other direct costs.

6. Retirement benefits

- Provision for leave encashment, which is a defined benefit, is accrued based on an actuarial valuation at Balance Sheet date performed by an independent actuary.
- The Company has taken a group policy with the Life Insurance Corporation of India ("LIC") to cover its liabilities towards employees' gratuity and superannuation. The Gratuity liability is determined based on an actuarial valuation performed by an independent actuary at the Balance Sheet date.

SCHEDULES TO THE ACCOUNTS

20. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

7. Revenue recognition

Consultancy income is recognized on rendering service in accordance with related contracts with the customers.

8. Foreign exchange transactions

Foreign currency assets and liabilities are restated at rates ruling as at the year-end. Exchange differences relating to imported fixed assets are adjusted in the cost of the asset. Any other exchange differences are dealt with in the Profit and Loss Account.

9. 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.

10. 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 or 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 under Income Tax. Accordingly, there are no deferred tax assets/liabilities arising therefrom.

11. Research and development costs

Revenue expenditure incurred on different projects are charged to appropriate expenses heads in the period these are incurred and amounts recovered from the customer forms part of the Consultancy income.

12. 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

A. Saha Executive Director
S. Agarwal Director
Nidhi Agarwal Company Secretary
Bareilly 18th April, 2007

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES.

	PAVAN POPLAR LIMITED	PRAG AGRO FARM LIMITED
1 Name of the subsidiary Company	March 31, 2007	March 31, 2007
2 Financial year of the subsidiary company ended	55,10,004 Equity Shares of Rs. 10 each	38,00,020 Equity Shares of Rs. 10 each
3 Number of Shares held in subsidiary	55,10,004 Equity Shares of Rs. 10 each	38,00,020 Equity Shares of Rs. 10 each
4 Total Issued share Capital of the subsidiary Company	100%	100%
5 Percentage of share held in the subscribed capital of the subsidiary (including shares held by nominees)		
6 The net aggregate amount so far as it concerns members of the company and is not dealt with in the company's accounts of subsidiary		
i) Profit / (Loss) for the financial year ended.	31st March, 2007 Rs. (2.01) Lacs	31st March, 2007 Rs. (14.06) Lacs
ii) Profit / (Losses) for the previous financial year of the subsidiary since it become the company's subsidiary	Rs. 145.74 Lacs	Rs. (768.40) Lacs
7 The net aggregate amount so far as it concerns members of the company and is not dealt with in the company's accounts of subsidiary		
i) Profit for the financial year ended.	31st March, 2007 Nil	31st March, 2007 Nil
ii) Profit for the previous financial year of the subsidiary since it become the company's subsidiary.		

For and on behalf of the Board

A. Saha Executive Director
S. Agarwal Director
Nidhi Agarwal Company Secretary
Bareilly, 18th April, 2007

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. State Code

Balance Sheet Date
Date Month Year

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

Public Issue Rights Issue

Bonus Issue Private Placement

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

Sources of Funds

Total Liabilities Total Assets

Paid-up Capital Reserves and Surplus

Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets Investments

Net Current Assets Misc. Expenditure

Accumulated Losses

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

Turnover (including other income) Total Expenditure

+ - Profit/Loss Before Tax + - Profit/Loss After Tax

(Please tick appropriate box + for profit, - for loss)

+ - Earnings per Share in Rs. Dividend Rate %

(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)
Product Description