

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.

Performance

During the year, the Company has incurred a net loss of Rs. 2.01 lakhs as against as net loss of Rs. 9.49 lakhs incurred in the last year.

Dividend

In view of loss during the year under review, your directors regret their inability to recommend any dividend.

Directors

During the year, Mr. V. Malhotra and Dr. J.P. Chandra, resigned as Directors of the Company with effect from 31st March, 2007. The Board places on record its appreciation for the services rendered by them during their tenure as Director of the Company.

Mr. A. Saha was appointed as Additional Director of the Company during the year and hold office up to the date of the ensuing Annual General Meeting. Notice in writing pursuant to Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the candidature of Mr. A. Saha for the office of Director. Your Directors have pleasure in recommending his appointment.

Mr. S. Agarwal, retires 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 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 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.

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. Saha Director

S. Agarwal Director

Bareilly, 18th April, 2007

REPORT OF THE AUDITORS TO THE MEMBERS OF PAVAN POPLAR LIMITED

We have audited the attached balance sheet of Pavan Poplar 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. 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 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) 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 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. : 04070

ANNEXURE TO AUDITORS' REPORT

With reference to the Annexure referred to in paragraph 1 of the Auditors' Report to the members of Pavan Poplar 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 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 provident fund, 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, 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 provident fund, income tax, and other material statutory dues were in arrears as at 31 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, which have not been deposited with the appropriate authorities on account of any dispute.
- (x) The Company does not have any accumulated losses at the end of the

financial year. The Company has not incurred cash losses in the financial year and also 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

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.)
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	5,51,00,040	5,51,00,040
b) Reserves & Surplus	2	1,48,72,847	1,50,73,740
		<u>6,99,72,887</u>	<u>7,01,73,780</u>
2. Loan Funds			
Unsecured Loans	3	1,57,30,009	1,56,39,921
Total		<u>8,57,02,896</u>	<u>8,58,13,701</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets	4		
a) Gross Block		4,49,33,855	4,49,33,855
b) Less : Accumulated depreciation		1,34,62,386	1,23,10,877
Provision for Impairment		32,59,487	32,59,487
c) Net Block		<u>2,82,11,982</u>	<u>2,93,63,491</u>
3. Current Assets, Loans and Advances			
a) Inventories	5	19,81,192	12,20,151
b) Sundry Debtors	6	89,21,498	89,06,812
c) Cash and Bank Balances	7	7,47,153	2,24,638
d) Loans and Advances	8	4,85,30,273	4,85,74,503
		<u>6,01,80,116</u>	<u>5,89,26,104</u>
Less :			
4. Less : Current Liabilities & Provisions			
a) Current Liabilities	9	21,97,618	22,33,128
b) Provisions	10	4,91,584	2,42,766
		<u>26,89,202</u>	<u>24,75,894</u>
Net Current Assets		<u>5,74,90,914</u>	<u>5,64,50,210</u>
Total		<u>8,57,02,896</u>	<u>8,58,13,701</u>
Notes to the Accounts	15		
Related Party Disclosure	16		
Significant Accounting Policies	17		

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

S. Agarwal Director
A. Saha Director
Dr. R. C. Dhiman Manager
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.)
I. INCOME			
Sales		64,18,699	28,64,657
Other Income	11	3,628	2,22,362
		<u>64,22,327</u>	<u>30,87,019</u>
II. EXPENDITURE			
(Increase) / Decrease in Stock		(7,61,041)	(12,20,151)
Purchase		2,09,641	2,89,591
Employee Costs	12	15,24,784	10,55,219
Other Costs	13	44,85,200	27,50,870
Depreciation/Amortisation		11,51,509	11,51,509
		<u>66,10,093</u>	<u>40,27,038</u>
III. (Loss) / Profit before Taxation			
Fringe Benefits Tax		(1,87,766)	(9,40,019)
		13,128	9,109
(Loss) / Profit after Taxation		(2,00,894)	(9,49,128)
Balance in profit and loss account brought forward		1,45,73,740	1,55,22,868
Profit and loss account balance carried forward		<u>1,43,72,847</u>	<u>1,45,73,740</u>
Earnings per share (in Rs.) - Basic and Diluted (Refer Note 7 of Schedule 14)		(0.04)	(0.17)

Notes to Accounts	14
Related Party disclosure	15
Significant Accounting Policies	16

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

This is 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

S. Agarwal Director
A. Saha Director
Dr. R. C. Dhiman Manager
Bareilly, 18th 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 :		
(Loss) / Profit before Taxation	(1,87,766)	(9,40,019)
Adjustment for :		
Amortisation	11,51,509	11,51,509
Operating (Loss) / Profit Before Working Capital Changes	<u>9,63,743</u>	<u>2,11,490</u>
Adjustment for :		
Debtors	(14,686)	(6,19,724)
Inventory	(7,61,042)	(12,20,151)
Loans and Advances	44,436	(259)
Current Liabilities and Provisions	<u>2,13,308</u>	<u>(1,76,161)</u>
	(5,17,984)	(20,16,295)
Direct Taxes Paid	(13,333)	(9,253)
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>4,32,426</u>	<u>(18,14,058)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from Borrowings :		
Loan from a Holding Company	90,089	20,20,000
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>90,089</u>	<u>20,20,000</u>
C. NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS :		
(A+B+C)	<u>5,22,515</u>	<u>2,05,942</u>
E. RECONCILIATION		
CASH AND CASH EQUIVALENTS - AT BEGINNING OF THE YEAR		
Cash and Bank Balances	2,24,638	18,696
CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR		
Cash and bank Balances	<u>7,47,153</u>	<u>2,24,638</u>
	<u>5,22,515</u>	<u>2,05,942</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 : 40780
Mumbai, 20th April, 2007

For and on behalf of the Board

S. Agarwal Director
A. Saha Director
Dr. R. C. Dhiman Manager
Bareilly, 18th April, 2007

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)
1. SHARE CAPITAL		
Authorised :		
1,00,00,000 (2005-06 : 1,00,00,000) equity shares of Rs. 10 each	<u>10,00,00,000</u>	<u>10,00,00,000</u>
Issued, Subscribed and paid up capital :		
55,10,004 (2005-06 : 55,10,004) equity shares of Rs. 10 each fully paid up.	<u>5,51,00,040</u>	<u>5,51,00,040</u>
Of the above, 38,00,000 (2005-06 : 38,00,000) equity shares of Rs. 10 each issued for consideration other than cash.		
55,10,004 (2005-06 : 55,10,004) equity shares are held by Wimco Seedlings Limited, the holding company and its nominees.		
2. RESERVES AND SURPLUS		
General Reserve	5,00,000	5,00,000
Profit & Loss Account	<u>1,43,72,847</u>	<u>1,45,73,740</u>
	<u>1,48,72,847</u>	<u>1,50,73,740</u>
3. LOAN		
Unsecured :		
– Wimco Limited (Ultimate Holding Company) (Interest free, with no stipulation as to repayment terms)	<u>1,57,30,009</u>	<u>1,56,39,921</u>
	<u>1,57,30,009</u>	<u>1,56,39,921</u>
4. FIXED ASSETS		

Description	GROSS BLOCK			ACCUMULATED DEPRECIATION/AMORTISATION/IMPAIRMENT				NET BLOCK		
	As at 1st April, 2006 (Rs.)	Additions during the period (Rs.)	As at 31st March, 2007 (Rs.)	Accumulated As at April, 2006		Charge for the period (Rs.)	Accumulated As at 31st March, 2007		As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)
				Depreciation (Rs.)	Impairment (Rs.)		Depreciation (Rs.)	Impairment (Rs.)		
Intangible Asset										
Leasehold Land	4,49,33,855	—	4,49,33,855	1,23,10,877	32,59,487	11,51,509	1,34,62,386	32,59,487	2,82,11,982	2,93,63,491
Total	4,49,33,855	—	4,49,33,855	1,23,10,877	32,59,487	11,51,509	1,34,62,386	32,59,487	2,82,11,982	2,93,63,491
2004-05	4,49,33,855	—	4,49,33,855	1,11,59,368	32,59,487	11,51,509	1,23,10,877	32,59,487	2,93,63,491	

	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)		As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)
5. INVENTORIES			Taxes paid	33,854	33,854
Semi Finished Produce	19,48,064	12,06,913	Advanced Fringe Benefits Tax	349	144
Finished Goods/Produce	<u>33,128</u>	13,238	Interest accrued on investments	<u>2,500</u>	—
	<u>19,81,192</u>	<u>12,20,151</u>		<u>4,85,30,273</u>	<u>4,85,74,503</u>
6. SUNDRY DEBTORS			9. CURRENT LIABILITIES		
Unsecured, considered good [Refer Note (1) (ii) of Schedule 14]			Sundry Creditors	5,20,852	5,61,416
Debts outstanding for a period exceeding six months.	82,87,088	82,87,088	Other current liabilities	<u>16,76,766</u>	<u>16,71,712</u>
Other debts	<u>6,34,410</u>	6,19,724		<u>21,97,618</u>	<u>22,33,128</u>
	<u>89,21,498</u>	<u>89,06,812</u>	10. PROVISIONS		
(Debtors include Rs. 82,87,088 (2005-06: Rs. 82,87,088) due from Wimco Seedlings Limited, the holding company)			Leave encashment	64,376	52,524
			Gratuity	<u>4,27,208</u>	<u>1,90,242</u>
				<u>4,91,584</u>	<u>2,42,766</u>
7. CASH AND BANK BALANCES			For the year ended 31st March, 2007 (Rs.)		For the year ended 31st March, 2006 (Rs.)
Cash in Hand	1,010	1,716	11. OTHER INCOME		
Balance with Scheduled Banks			Provision no longer required written back	1,128	2,22,362
– On Current Accounts	7,06,143	1,82,922	Interest accrued on investment	<u>2,500</u>	—
– On Deposit Accounts	<u>40,000</u>	40,000		<u>3,628</u>	<u>2,22,362</u>
	<u>7,47,153</u>	<u>2,24,638</u>	12. EMPLOYEE COSTS		
8. LOANS AND ADVANCES			Salary, wages and bonus	10,83,258	9,47,811
Unsecured and considered good			Staff & worker expenses	38,423	22,168
Loans and advances to Wimco Seedlings Limited, the holding company [Refer Note (1) (i) of Schedule 14]	4,84,82,129	4,85,38,549	Contribution to provident & other funds	1,01,724	85,240
Maximum amount outstanding at any time during the year Rs. 4,85,38,549 (2005-06: Rs. 4,85,38,549)			Leave encashment	33,513	—
Advances recoverable in cash or in kind or for value to be received	11,441	1,956	Gratuity	<u>2,67,866</u>	—
				<u>15,24,784</u>	<u>10,55,219</u>

SCHEDULES TO THE ACCOUNTS

	For the year ended 31st March, 2007 (Rs.)	For the year ended 31st March, 2006 (Rs.)
13. OTHER COSTS		
Plantation & cultivation	26,27,416	13,62,187
Travelling & conveyance expenses	1,53,903	81,758
Power & fuel	8,73,751	7,38,807
Rent	7,760	7,760
Rates and taxes	74,877	33,580
Legal and professional fees	3,90,751	1,86,275
Insurance	16,129	14,068
Auditors remuneration		
– Statutory audit fees	1,00,000	1,00,000
– Out of pocket expenses	5,120	3,840
Repair & maintenance		
– Building	27,024	25,377
– Plant and machinery	53,932	51,632
– Others	76,277	1,07,715
Communication	5,522	6,630
Printing & stationary	13,435	8,893
Bank charges	2,343	4,368
Tools consumed	2,331	2,741
Donation	500	10,933
Other expenses	54,129	4,306
	<u>44,85,200</u>	<u>27,50,870</u>

14. NOTES TO THE ACCOUNTS

- The following amounts are due from the Holding Company:
 - The Company had in earlier years granted loans to erstwhile Wimco Greens (AOP), now merged with Wimco Seedlings Limited, the Holding Company, of which the Company was a member and a balance of Rs. 5,40,38,549 was out standing as on March 31, 2002. The loan was thus taken over by Wimco Seedlings Limited who have repaid Rs. 55,00,000 during an earlier year. The balance outstanding and recoverable as on March 31, 2007 is Rs. 4,84,82,129 (2005-06: Rs. 4,85,38,549).
In view of the fact that the profitability of Wimco Seedlings Limited has improved considerably and based on the commitment given by Wimco Seedlings Limited towards repayment of these loans, the management is confident of recovering these loan and advances and accordingly no provision considered necessary.
 - Debtors include amount due Rs. 82,87,088 (2005-06: Rs. 82,87,088).
- Claims against the Company not acknowledged as debts Rs.6,64,524 (2005-06: Rs.6,64,524). These comprise:
Local authority Taxes/Cess/Royalty on property, utilities etc. claims disputed by the Company relating to issues of applicability and determination aggregating Rs. 6,64,524 (2005-06: Rs. 6,64,524)
- Certain legal formalities in respect of the land leased to Wimco Seedlings Limited, the holding company are pending for which the company has agreed to bear the costs. Accordingly a liability of Rs 16,49,000 was created in the books of account in an earlier year.
- 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.
- The order passed by the District Magistrate authorizing the State revenue authorities to take possession of the land leased to the Company has been stayed by the order of the High Court.
- Employee Defined Benefits
Effective April 1, 2006 the Company adopted the revised accounting standard on employee benefits. Pursuant to the adoption, there are no transitional obligations. The following table sets out the status as required under AS 15.

	Defined Benefit Plans	
	Gratuity UNFUNDED	Leave Encashment UNFUNDED
Change in obligation during the year ended March 31, 2007		
1. Obligation at period beginning	1,90,242	52,524
2. Service Cost	34,395	14,755
3. Interest Cost	13,109	3,127
4. Actuarial (Gains) / Losses	2,20,362	15,629
5. Benefits payments	(30,900)	(21,659)
6. Obligations at period end	<u>4,27,208</u>	<u>64,376</u>
Change in plan Assets		
1. Plan assets at the beginning of the year	—	—
2. Expected return on plan assets	—	—
3. Contribution by employers	30,900	21,659
4. Actual benefits paid	(30,900)	(21,659)
5. Actuarial (Gains) / Losses	—	—
6. Plan assets at the end of the year	<u>Nil</u>	<u>Nil</u>

	Defined Benefit Plans	
	Gratuity UNFUNDED	Leave Encashment UNFUNDED
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	—	—
2. Present value of the defined benefit obligations at the end of the period	4,27,208	64,376
3. Asset recognised in the balance sheet	(4,27,208)	(64,376)
Cost for the period		
1. Service Cost	34,395	14,755
2. Interest Cost	13,109	3,127
3. Expected Return on Plan Asset	—	—
4. Actuarial (Gains) / Losses	2,20,362	15,629
Net cost	<u>2,67,866</u>	<u>33,511</u>
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	—	—
Actuarial Assumptions:		
1. Discount Rate	7.50%	7.50%
2. Salary Escalation	5.00%	5.00%
3. Expected return on plan assets	N/A	N/A

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

7. Earnings per share :

	2006-07	2005-06
(Loss) / Profit for the Year		
After Taxation (Rs.) (A)	(2,00,894)	(9,49,128)
Weighted Average number of Equity Shares outstanding during the year (B)	55,10,004	55,10,004
Earnings per Share – Basic and Diluted (Rs.) (A/B)	(0.04)	(0.17)
Nominal Value of an Equity Share	10	10

8. 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.

- No remuneration is payable to the Manager during the year. (Previous year : Nil)
- 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.
- Refer annexure for additional information pursuant to Part IV of Schedule VI to the Act.
- Quantitative details*

Particulars	Unit	31st March, 2007		31st March, 2006	
		Quantity	Rs.	Quantity	Rs.
(a) OPENING STOCK					
Semi Finished					
– Agriculture produce		—	12,06,913	—	—
Finished stock					
– Agriculture produce		—	13,238	—	—
(b) PURCHASE					
– Poplar ETPs		—	—	—	34,960
– Seeds		—	2,09,641	—	2,54,631
(c) SALES					
– Sugarcane	Qtls	22,497	28,94,763	23,647	28,28,661
– Paddy	Qtls	1,481	5,30,863	42	24,721
– Wheat	Qtls	3,261	26,19,993	—	—
– Others		—	3,73,080	—	11,275
(d) CLOSING STOCK					
Semi Finished					
– Agriculture produce		—	19,48,064	—	12,06,913
Finished stock					
– Agriculture produce		—	33,128	—	13,238

- The Company has not appointed a whole time Company Secretary as required by Section 383 A of The Companies Act, 1956 and accordingly, the accounts have not been authenticated by a whole-time Company Secretary.
- Prior year's figures have been regrouped/rearranged wherever necessary to conform to current year's presentation.

SCHEDULES TO THE ACCOUNTS

15. RELATED PARTIES TRANSACTION

a) Parties exercising control over the Company

ITC Limited #	- Ultimate holding Company of Wimco Limited
Russell Credit Ltd. #	- Holding Company of Wimco Limited
Wimco Limited	- Holding Company of Wimco Seedlings Limited
Wimco Seedlings Ltd.	- Holding Company

no transaction during the financial year 2006-07

b) Other related parties with whom the company had transactions, etc

Fellow Subsidiary Company

Pavan Poplar Limited (PPL)

c) Transactions between related parties

(Rs.)

	HOLDING COMPANY				FELLOW SUBSIDIARY COMPANIES		TOTAL	
	Wimco Limited		Wimco Seedlings Limited		PAFL		2006-07	2005-06
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06		
Purchases of raw materials and components	—	—	—	86,480	—	—	—	86,480
Loans given	—	—	25,87,388	11,69,125	—	—	25,87,388	11,69,125
Receipts towards loan repayments	—	—	26,43,808	10,82,645	—	—	26,43,808	10,82,945
Loans taken	23,90,088	20,20,000	—	—	34,57,394	13,83,441	58,47,482	34,03,441
Loan repayment	23,00,000	—	—	—	34,57,394	13,83,441	57,57,394	13,83,441
Outstanding Loans and Advances	—	—	4,84,82,129	4,85,38,549	—	—	4,84,82,129	4,85,38,549
Outstanding unsecured loans	1,57,30,009	1,56,39,921	—	—	—	—	1,57,30,009	1,56,39,921
Outstanding Debtors	—	—	82,87,088	82,87,088	—	—	82,87,088	82,87,088

16. 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 provisions of the Companies Act, 1956, ("the Act") to the extent applicable.

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.

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 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 (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 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. Inventories

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

5. Retirement benefits

Contribution to Provident Fund is charged to Profit and Loss account as incurred. Gratuity and leave encashment costs, which are defined benefits, are accrued based on actuarial valuations performed by an independent actuary at the Balance Sheet date.

6. Revenue recognition

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

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.

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

9. 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.

Bareilly, 18th April, 2007

For and on behalf of the Board
S. Agarwal Director
A. Saha Director
Dr. R. C. Dhiman Manager

