

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

To The Members of Pavan Poplar Ltd.

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

Performance

During the year, the Company has incurred a net loss of Rs. 8.22 lakhs as against as net loss of Rs. 2.01 lakhs incurred in the last year.

Dividend

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

Directors

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

Responsibility Statement

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and no significant departures have been made from the same;
- (ii) appropriate accounting policies have been applied consistently and judgements and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2008 and of the loss for that period;

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

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

Audit Committee

The Audit Committee comprises of M/s. Samir Limaye, A. Mukerjee 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.

Information under Section 217 of the Companies Act, 1956

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

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

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

For and on behalf of the Board

S. Limaye *Director*

S. Agarwal *Director*

Mumbai, 7th May, 2008

REPORT OF THE AUDITORS' TO THE MEMBERS OF PAVAN POPLAR LIMITED

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

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

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, ('the Act') we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 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 31 March 2008;
- b. in the case of the profit and loss account, of the loss of the Company for the year ended on that date; and
- c. in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

For BSR & Co.

Chartered Accountants

Bhavesh Dhupelia

Partner

Mumbai, 7th May, 2008

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 Pavan Poplar Limited on the financial statements for the year ended 31st March, 2008, we report that:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any fixed assets during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.

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

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

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

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and with regard to the sale of goods. Further, on

the basis of our examination, and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.

- (v) In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products manufactured/services rendered by the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including 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 31st March, 2008 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, which have not been deposited with the appropriate authorities on account of any dispute.
- (x) The Company 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) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short term basis have not been used for long-term investment.
- (xviii) As stated in paragraph (iii) above, there are no companies/firms/parties covered in the register required to be maintained under section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Mumbai, 7th May, 2008

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	5,51,00,040	5,51,00,040
b) Reserves & Surplus	2	1,40,50,076	1,48,72,846
		<u>6,91,50,116</u>	<u>6,99,72,886</u>
2. Loan Funds			
Unsecured Loans	3	1,57,757	1,57,30,009
Total		<u>6,93,07,873</u>	<u>8,57,02,895</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	4	4,49,33,855	4,49,33,855
b) Less: Accumulated depreciation Provision for Impairment		1,46,13,895	1,34,62,386
		<u>32,59,487</u>	<u>32,59,487</u>
c) Net Block		2,70,60,473	2,82,11,982
2. Current Assets, Loans and Advances			
a) Inventories	5	27,63,002	19,81,193
b) Sundry Debtors	6	97,46,437	89,21,497
c) Cash and Bank Balances	7	2,30,942	7,47,153
d) Loans and Advances	8	3,22,93,161	4,85,30,272
		<u>4,50,33,542</u>	<u>6,01,80,115</u>
3. Less : Current Liabilities & Provisions			
a) Current Liabilities	9	23,21,204	21,97,618
b) Provisions	10	4,64,938	4,91,584
		<u>27,86,142</u>	<u>26,89,202</u>
Net Current Assets		<u>4,22,47,400</u>	<u>5,74,90,913</u>
Total		<u>6,93,07,873</u>	<u>8,57,02,895</u>
Notes to the 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 the Balance Sheet referred to in our Report of even date.

For BSR & Co.
Chartered Accountants
Bhavesh Dhupelia
Partner
Membership No :042070
Mumbai, 7th May, 2008

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

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

	Schedule	For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
I. INCOME			
Sales		65,96,361	64,18,699
Other Income	11	6,612	3,628
		<u>66,02,973</u>	<u>64,22,327</u>
II. EXPENDITURE			
(Increase) / Decrease in Stock		(7,81,809)	(7,61,041)
Purchase		7,36,659	2,09,641
Employee Costs	12	13,65,437	15,24,784
Other Costs	13	49,32,454	44,85,200
Depreciation/Amortisation	4	11,51,509	11,51,509
		<u>74,04,250</u>	<u>66,10,093</u>
III. Loss before Taxation		(8,01,277)	(1,87,766)
Fringe Benefit Tax		15,914	13,128
Income Tax		2,526	—
Income Tax related to earlier years		3,053	—
Loss after taxation		<u>(8,22,770)</u>	<u>(2,00,894)</u>
Balance in profit and loss account brought forward		<u>1,43,72,846</u>	<u>1,45,73,740</u>
Profit and loss account balance carried forward		<u>1,35,50,076</u>	<u>1,43,72,846</u>
Earnings per share (in Rs.) - Basic and Diluted (Refer Note 7 of Shedule 14)		(0.15)	(0.04)
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, 7th May, 2008

For and on behalf of the Board

S. Limaye Director
S. Agarwal Director

Mumbai, 7th May, 2008

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

		For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES :			
(Loss) / Profit before Taxation		(8,01,277)	(1,87,766)
Adjustments for :			
Amortisation		11,51,509	11,51,509
Operating (Loss) / Profit Before Working Capital Changes		<u>3,50,232</u>	<u>9,63,743</u>
Adjustments for :			
Debtors	(8,24,940)		(14,686)
Inventory	(7,81,809)		(7,61,042)
Loans and Advances	4,344		44,436
Current Liabilities and Provisions	93,848		2,13,308
		<u>(15,08,557)</u>	<u>(5,17,984)</u>
Direct Taxes Refund / (Paid)		15,802	(13,333)
NET CASH FLOW (USED IN) / FROM OPERATING ACTIVITIES		<u>(11,42,523)</u>	<u>4,32,426</u>
B. CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from Borrowings :			
Loan from a Holding Company	6,26,312		90,089
NET CASH FLOW FROM FINANCING ACTIVITIES		<u>6,26,312</u>	<u>90,089</u>
C. NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS :			
(A+B)		<u>(5,16,211)</u>	<u>5,22,515</u>
D. RECONCILIATION			
CASH AND CASH EQUIVALENTS - AT BEGINNING OF THE YEAR			
Cash and Bank Balances		7,47,153	2,24,638
CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR			
Cash and Bank Balances		<u>2,30,942</u>	<u>7,47,153</u>
		<u>(5,16,211)</u>	<u>5,22,515</u>

Notes :

- The Cash Flow Statement has been prepared under the " Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement.
- 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, 7th May, 2008

For and on behalf of the Board

S. Limaye Director
S. Agarwal Director

Mumbai, 7th May, 2008

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
1. SHARE CAPITAL		
Authorised :		
1,00,00,000 (2006-07: 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 (2006-07: 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 (2006-07: 38,00,000) equity shares of Rs. 10 each issued for consideration other than cash. 55,10,004 (2006-07: 55,10,004) equity shares are held by Wimco Limited, the holding company and its nominees.		
2. RESERVES AND SURPLUS		
General Reserve	5,00,000	5,00,000
Profit & Loss Account	<u>1,35,50,076</u>	<u>1,43,72,846</u>
	<u>1,40,50,076</u>	<u>1,48,72,846</u>
3. LOANS		
Unsecured :		
– Wimco Limited (Holding Company)	1,57,757	1,57,30,009
(Interest free, with no stipulation as to repayment terms)	<u>1,57,757</u>	<u>1,57,30,009</u>
4. FIXED ASSETS		

Description	GROSS BLOCK			ACCUMULATED DEPRECIATION/AMORTISATION/IMPAIRMENT					NET BLOCK	
	As at 1st April, 2007 (Rs.)	Additions during the period (Rs.)	As at 31st March, 2008 (Rs.)	Up to 1st April, 2007		Charge for the period (Rs.)	Up to 31st March, 2008		As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
				Depreciation (Rs.)	Impairment (Rs.)		Depreciation (Rs.)	Impairment (Rs.)		
Intangible Asset										
Leasehold Land	4,49,33,855	—	4,49,33,855	1,34,62,386	32,59,487	11,51,509	1,46,13,895	32,59,487	2,70,60,473	2,82,11,982
Total	4,49,33,855	—	4,49,33,855	1,34,62,386	32,59,487	11,51,509	1,46,13,895	32,59,487	2,70,60,473	2,82,11,982
2006-07	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	

	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)		As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
5. INVENTORIES			9. CURRENT LIABILITIES		
Semi Finished Produce	26,81,019	19,48,065	Sundry Creditors	6,36,539	5,20,852
Finished Goods/Produce	81,983	33,128	Other current liabilities	16,84,665	16,76,766
	<u>27,63,002</u>	<u>19,81,193</u>		<u>23,21,204</u>	<u>21,97,618</u>
6. SUNDRY DEBTORS			10. PROVISIONS		
Unsecured, considered good			Leave encashment	66,823	64,376
[Refer Note (1) (ii) of Schedule 14]			Gratuity	3,95,023	4,27,208
Debts outstanding for a period exceeding six month.	82,87,088	82,87,088	Provision for FBT [Net of Advance Tax Rs. 37,586 (2006-07: Rs. Nil)]	566	—
Other debts	14,59,349	6,34,409	Provision for Income Tax	2,526	—
	<u>97,46,437</u>	<u>89,21,497</u>		<u>4,64,938</u>	<u>4,91,584</u>
(Debtors include Rs. 82,87,088 (2006-07: Rs. 82,87,088) due from Wimco Limited, the holding company)					
7. CASH AND BANK BALANCES				For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
Cash in Hand	278	1,010	11. OTHER INCOME		
Balance with Scheduled Banks			Provision no longer required written back	329	1,128
– On Current Accounts	2,30,664	7,06,143	Interest accrued on investments	307	2,500
– On Deposit Account	—	40,000	Miscellaneous Income	5,976	—
	<u>2,30,942</u>	<u>7,47,153</u>		<u>6,612</u>	<u>3,628</u>
8. LOANS AND ADVANCES			12. EMPLOYEE COSTS		
Unsecured and considered good			Salary, wages and bonus	11,57,583	10,83,258
Loans and advances	3,22,83,565	4,84,82,129	Staff & workers welfare expenses	70,573	38,423
[Refer Note (1) (i) of Schedule 14]			Contribution to provident & other funds	1,04,209	1,01,724
Maximum amount outstanding at any time during the year Rs.4,84,82,129 (2006-07: Rs. 4,85,38,549)			Leave encashment	3,872	33,513
Advances recoverable in cash or in kind or for value to be received	9,596	11,440	Gratuity	29,200	2,67,866
Taxes paid	—	33,854		<u>13,65,437</u>	<u>15,24,784</u>
Advance Fringe Benefits Tax [Net of Provision of Rs. Nil (2006-07: Rs. 22,237)]	—	349			
Interest accrued on investments	—	2,500			
	<u>3,22,93,161</u>	<u>4,85,30,272</u>			

SCHEDULES TO THE ACCOUNTS (Contd.)

(Rs.)

	For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
13. OTHER COSTS		
Plantation & cultivation	28,47,139	26,27,416
Travelling & conveyance expenses	1,54,730	1,53,903
Power & fuel	9,76,602	8,73,751
Rent	7,760	7,760
Rates and taxes	1,24,738	74,877
Legal and professional fees	4,17,321	3,90,751
Insurance	16,349	16,129
Auditors remuneration		
– Statutory audit fees	1,00,000	1,00,000
– Out of pocket expenses	3,260	5,120
Repair & maintenance		
– Building	34,307	27,024
– Plant and machinery	59,730	53,932
– Others	95,898	76,277
Communication	6,059	5,522
Printing & stationary	13,080	13,435
Bank charges	4,553	2,343
Tools consumed	3,800	2,331
Donation	2,001	500
Others expenses	65,127	54,129
	<u>49,32,454</u>	<u>44,85,200</u>

14. NOTES TO THE ACCOUNTS

- Pursuant to the amalgamation of the holding company, Wimco Seedlings Limited (WSL) with Wimco Limited, all amounts recoverable/payable by WSL to the Company stand transferred to Wimco Limited with effect from 1 April, 2007. Consequent to the merger, the Company has become a wholly owned subsidiary of Wimco Limited. The following amounts are due from Wimco Limited, the holding company:
 - The Company had in earlier years granted loans to erstwhile Wimco Greens (AOP) of which the Company was a member. The balance outstanding from Wimco Greens as on March 31, 2002 amounted to Rs. 5,40,38,549. On merger of Wimco Greens with Wimco Seedlings Limited, the loan was taken over by WSL of which Rs. 1,61,98,564 was repaid during the current year and Rs. 55,56,420 was repaid in earlier years. The balance recoverable amount as on March 31, 2008 is Rs. 3,22,83,565 (2006-07 : Rs. 4,84,82,129).
 - Debtors include amount due Rs. 82,87,088 (2006-07: Rs. 82,87,088).
- Claims against the Company not acknowledged as debts Rs. 6,64,524 (2006-07 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 (2006-07 Rs. 6,64,524).
- Certain legal formalities in respect of the land leased to Wimco Seedlings Limited (now amalgamated with Wimco Ltd.) 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
The following table sets out the status as required under AS 15. (Revised)

(Rs.)

	Defined Benefit Plans			
	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2007-08	2006-07	2007-08	2006-07
Change in obligation during the year ended March 31, 2008				
1. Obligation at period beginning	4,27,208	1,90,242	64,376	52,524
2. Service Cost	48,092	34,395	20,971	14,755
3. Interest Cost	30,617	13,109	5,620	3,127
4. Actuarial (Gains) / Losses	(49,509)	2,20,362	(22,719)	15,629
5. Benefits payments	(61,385)	(30,900)	(1,425)	(21,659)
6. Obligations at period end	<u>3,95,023</u>	<u>4,27,208</u>	<u>66,823</u>	<u>64,376</u>

	Defined Benefit Plans			
	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2007-08	2006-07	2007-08	2006-07
Change in plan Assets				
1. Plan assets at the beginning of the year	—	—	—	—
2. Expected return on plan assets	—	—	—	—
3. Contribution by employers	61,385	30,900	1,425	21,659
4. Actual benefits paid	(61,385)	(30,900)	(1,425)	(21,659)
5. Actuarial (Gains) / Losses	—	—	—	—
6. Plan assets at the end of the year	Nil	Nil	Nil	Nil
Reconciliation of present value of the obligation and fair value of the plan assets				
1. Fair value of plan assets at the end of the year	—	—	—	—
2. Present value of the defined benefit obligations at the end of the period	3,95,023	4,27,208	66,823	64,376
3. Asset recognised in the balance sheet	(3,95,023)	(4,27,208)	(66,823)	(64,376)
Cost for the period				
1. Service cost	48,092	34,395	20,971	14,755
2. Interest cost	30,617	13,109	5,620	3,127
3. Expected Return on Plan Assets	—	—	—	—
4. Actuarial (Gains)/Losses	(49,509)	2,20,362	(22,719)	15,629
Net cost	<u>29,200</u>	<u>2,67,866</u>	<u>3,872</u>	<u>33,511</u>
Actual return on plan assets				
Actuarial Assumptions				
1. Discount Rate	7.50%	7.50%	7.50%	7.50%
2. Salary Escalation	3.50%	5.00%	3.50%	5.00%
3. Expected return on plan assets	N/A	N/A	N/A	N/A

Basis used to determine expected rate of return on assets:

The invested returned 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 :

	2007-08	2006-07
Loss of the Year		
after Taxation (Rs.) (A)	(8,22,770)	(2,00,894)
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)	(0.15)	(0.04)
Nominal Value of an Equity Share	10	10

8. Segment information

The Company's activities involve predominantly business of growing & selling agriculture 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 on Segment are 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 year.

SCHEDULES TO THE ACCOUNTS (Contd.)

11. Quantitative details :

Particulars	Unit	31-March-08		31-March-07	
		Quantity	Rs.	Quantity	Rs.
(a) OPENING STOCK					
Semi Finished					
- Agriculture produce			19,48,065		12,06,913
Finished stock					
- Agriculture produce			33,128		13,238
(b) PURCHASE					
- Poplar ETPs			2,68,338		—
- Seeds			4,68,320		2,09,641
			7,36,658		2,09,641
(c) SALES					
- Sugarcane	Qtls	18,354	23,30,907	22,497	28,94,763
- Paddy	Qtls	851	6,62,995	1,481	5,30,863
- Wheat	Qtls	3,444	33,87,696	3,261	26,19,993
- Others			2,14,763		3,73,080
(d) CLOSING STOCK					
Semi Finished					
- Agriculture produce			26,81,019		19,48,065
Finished stock					
- Agriculture produce			81,983		33,128

12. The Company has not appointed a whole time Company Secretary as required by Section 383 A of The Act and accordingly, the accounts have not been authenticated by a whole-time Company Secretary.

13. The following disclosures are made for amounts due to Micro, Small and Medium Enterprises :

31 March, 2008

Rs.

Principal amount and interest due thereon remaining unpaid to any supplier as at the year end

—

Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year

—

Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED

—

Amount of interest accrued and remaining unpaid at the end of the accounting year.

—

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

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

15. RELATED PARTY DISCLOSURES

a) Parties exercising control over the Company:

ITC Limited #	- Ultimate holding company of Wimco Limited
Russell Credit Limited #	- Holding Company of Wimco Limited
Wimco Limited	- Holding Company
Wimco Seedling Limited	- Holding Company
(From April 1, 2007 merged with Wimco Ltd.)	
# no transaction during the financial year 2007-08.	

b) Other related parties with whom the Company had transactions

Prag Agro Farm Limited (PAFL) - Fellow Subsidiary Company

(Rs.)

c) Transaction between related parties

PARTICULARS	HOLDING COMPANY		ERSTWHILE HOLDING COMPANY		FELLOW SUBSIDIARY		TOTAL	
	Wimco Limited		Wimco Seedlings Limited		PAFL			
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Purchase of raw materials and components	2,68,338	—	—	—	1,20,015	—	3,88,353	—
Sales	—	—	—	—	55,880	—	55,880	—
Loans given	12,99,098	—	—	25,87,388	—	—	12,99,098	25,87,388
Receipts towards Loan Repayments	1,74,97,662	—	—	26,43,808	—	—	1,74,97,662	26,43,808
Loans Taken	5,07,748	23,90,088	—	—	73,21,348	34,57,394	78,29,096	58,47,482
Loan repayment	1,60,80,000	23,00,000	—	—	73,85,483	34,57,394	2,34,65,483	57,57,394
Outstanding Loans and Advances	3,22,83,565	—	—	4,84,82,129	—	—	3,22,83,565	4,84,82,129
Outstanding Unsecured Loans	1,57,757	1,57,30,009	—	—	—	—	1,57,757	1,57,30,009
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 in accordance with provisions of the Companies Act, 1956 and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by Central Government, in consultation with the National Advisory Committee on Accounting Standards, 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 recognised 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 assets, the carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of an assets or a cash-generating unit exceeds its recoverable amount. Impairment loss is recognised in the profit and loss account or against revaluation surplus where applicable.

4. Inventories

In valuing poplar trees included under semi finished products, no adjustment is made to the total cost of trees on account of undeveloped/ diseased trees being normal loss during the period of maturity of plantation (based on a technical estimate) except that realisation / insurance claim for such trees is reduced from the total cost. Every year plantation cost already incurred is compared with

