

## **PRAG AGRO FARM LIMITED**

### **DIRECTORS' REPORT**

To  
The Members of Prag Agro Farm Limited

Your Directors present their report for the financial year ended on 31<sup>st</sup> March 2009.

#### **Performance**

During the year the Company has earned a net profit after tax of Rs. 19.31 Lacs as against a profit of Rs. 2.64 lakhs 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 March 31, 2009 and of the profit for that period;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts have been prepared on a going concern basis.

#### **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.

#### **Secretarial Compliance Certificate**

The certificate from a Secretary in Whole-time Practice as required under proviso to Section 383(1) is attached with this Report.

#### **Information pursuant to Section 217 of the Companies Act, 1956**

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

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

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

**PRAG AGRO FARM LIMITED**

For and on behalf of the Board

Place : Mumbai  
Date : 4<sup>th</sup> May, 2009

S. Limaye  
Director

S. Agarwal  
Director

**COMPLIANCE CERTIFICATE**

CIN: U01100MH1997PLC128846

Authorised Capital: Rs. 4,00,00,000/-

**To,  
The Members,  
Prag Agro Farm Limited**

We have examined the registers, records, books and papers of **Prag Agro Farm Limited** ('the Company') as required to be maintained under the Companies Act, 1956 ('the Act') and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31<sup>st</sup> March, 2009**. In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the Company, its officers and agents, we report that in respect of the aforesaid financial year under review:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a Public Limited Company, this comment is not required.
4. The Board of Directors duly met four times on 7<sup>th</sup> May 2008, 1<sup>st</sup> August 2008, 16<sup>th</sup> December 2008 and 20<sup>th</sup> February 2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. There were no instances requiring the Company to close its Register of Members during the financial year under review.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2008 was held on 28<sup>th</sup> August, 2008 giving due notice to the members of the company and resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year under review.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has complied with the provisions of section 297 of the Act, during the financial year under review.
10. The Company has complied with the provisions of section 301 of the Act, during the financial year under review.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year under review.
13. The Company has:

## PRAG AGRO FARM LIMITED

- (i) delivered all the certificates on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
  - (ii) the Company has not declared any dividend including interim dividend during the financial year under review.
  - (iii) the Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
  - (iv) not transferred the amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investors Education and Protection Fund as there were no such amounts outstanding during the financial year under review.
  - (v) complied with the provisions of section 217 of the Companies Act.
14. The Board of Directors of the Company is duly constituted.
  15. The Company has not appointed any Managing Director during the financial year under review.
  16. The Company has not appointed any sole selling agents during the financial year under review.
  17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director or such other authorities as may be prescribed under the various provisions of the Act during the financial year under review.
  18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
  19. The Company has issued Nil equity shares during the financial year under review.
  20. The Company has not bought back any shares during the financial year under review.
  21. The Company has not issued any preference shares/debenture; therefore the comment is not required.
  22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
  23. As per explanation provided, the Company has not invited/ accepted any deposits falling within the purview of Section 58A during the financial year under review.
  24. The Company has not made any borrowings during the financial year.
  25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
  26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the financial year under review.
  27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year under review.
  28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under review.

**PRAG AGRO FARM LIMITED**

29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the financial year under review.
30. The Company has not altered its Articles of Association during the financial year under review.
31. As per the information given by the Management there was no prosecution initiated against or show cause notices received by the Company and, as informed by the Management, there was no fines and penalties or any other punishment imposed on the Company during the financial year for offences under the Act.
32. As per the information given by the Management, the Company has not received any money as security from its employees during the financial year under review.
33. As per the information given by the Management, Section 418 of the Act is not applicable to the Company.

Place: Mumbai

Signature :

Date: 3<sup>rd</sup> May, 2009

Name of CP Holder : Anchal R. Jain

CP Number : 5168

Enclosed: *Annexure A and Annexure B*

**PRAG AGRO FARM LIMITED****Annexure A**

Name of the Company : Prag Agro Farm Limited  
 Registration No. : U01100MH1997PLC128846  
 Authorised Capital : Rs. 4,00,00,000/-

## Registers as maintained by the Company

1. Register for Applications for and Allotment of shares
2. Register of Members u/s 150
3. Register of Transfers
4. Register of Directors, etc. u/s 303
5. Register of Directors' Share and Debenture holdings u/s 307
6. Register of Charges u/s 143
7. Register of Contracts, Companies and Firms in which directors are interested u/s 301
8. Board Minutes Book,
9. AGM Minutes Book,
10. EGM Minutes Book
11. Books of Accounts u/s 209

**Annexure B**

Name of the Company : Prag Agro Farm Limited  
 Registration No. : U01100MH1997PLC128846  
 Authorised Capital : Rs. 4,00,00,000/-

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31<sup>st</sup> March, 2009.

Sr. No.	Form No. / Return	Filed U/s	Date of Filing	Whether Filed within prescribed time (Y/N)	If delay in filing whether requisite additional fees paid (Y/N)
1.	Form 23AC/Form 23ACA	220	25.09.2008	Y	NA
2.	Form 20B	159	24.10.2008	Y	NA
3.	Form 32	303	09.03.2009	Y	NA

Place: Mumbai

Signature :

Date: 3<sup>rd</sup> May, 2009Name of CP Holder : Anchal R. Jain  
CP Number : 5168

Auditors' Report  
To the Members of  
Prag Agro Farm Limited

We have audited the attached balance sheet of Prag Agro Farm Limited ('the Company'), as at 31 March 2009 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 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 31 March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act; and
  - (vi) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a. in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2009;
    - b. in the case of the profit and loss account, of the profit of the Company for the year ended on that date; and
    - c. in the case of the cash flow statement, of the cash flows for the year ended on that date.

**For B S R & Co.**  
*Chartered Accountants*

Mumbai  
4<sup>th</sup> May, 2009

**Bhavesh Dhupelia**  
*Partner*  
Membership No: 042070

**Annexure to Auditors' Report**

(Referred to in our report of even date)

With reference to the Annexure referred to in paragraph 1 of the Auditors' Report to the members of Prag Agro Farm Limited ('the Company') on the financial statements for the year ended 31 March 2009, 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 substantial fixed assets during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, we are of the opinion that there are no companies, firms or other parties covered in the register required under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and with regard to the sale of goods. Further, on the basis of our examination, and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.
- (v) In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products manufactured/services rendered by the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including income-tax, value added tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of provident fund, investor education and protection fund, employees' state insurance, wealth tax, service tax, custom duty and excise duty.

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

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax and other material statutory dues were in arrears as at 31 March 2009 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.

**Prag Agro Farm Limited**

- (x) *The Company has accumulated losses at the end of the financial year in excess of fifty percent of its net worth* and has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.
- (xi) The Company did not have any outstanding dues to any financial institution, banks or debentureholders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- (xviii) As stated in paragraph (iii) above, there are no companies/firms/parties covered in the register required to be maintained under Section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For B S R & Co.**  
*Chartered Accountants*

Mumbai  
4<sup>th</sup> May 2009

**Bhavesh Dhupelia**  
*Partner*  
Membership No: 042070

**Prag Agro Farm Limited**  
**Balance Sheet as at March 31, 2009**

	Schedule	31.03.2009 Rs.	31.03.2008 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	38,000,200	38,000,200
<b>Loan Funds</b>			
Unsecured Loan	2	68,281,300	73,337,148
<b>TOTAL</b>		<b>106,281,500</b>	<b>111,337,348</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	3	101,953,195	101,968,195
Less : Accumulated Depreciation		25,066,961	23,916,287
: Provision for Impairment		51,001,947	51,001,947
Net Block		<b>25,884,287</b>	<b>27,049,961</b>
<b>Investments</b>	4	22,000	15,000
<b>Current Assets, Loans and Advances</b>			
Inventories	5	5,234,914	3,639,141
Sundry Debtors	6	-	21,180
Cash and Bank Balances	7	31,641	1,610,770
Loans and Advances	8	921,249	1,398,678
		<b>6,187,804</b>	<b>6,669,769</b>
<b>Less : Current Liabilities and Provisions</b>	9		
Current Liabilities		1,862,079	376,453
Provisions		-	1,925
		<b>1,862,079</b>	<b>378,378</b>
<b>Net Current Assets</b>		<b>4,325,725</b>	6,291,391
<b>Profit and Loss Account</b>		<b>76,049,488</b>	77,980,996
<b>TOTAL</b>		<b>106,281,500</b>	<b>111,337,347</b>
<b>Notes to the accounts</b>	11		
<b>Related Party Disclosure</b>	12		
<b>Significant accounting policies</b>	13		

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

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

**For B S R & Co.**  
**Chartered Accountants**

For and on behalf of the Board

**BHAVESH DHUPELIA**  
Partner  
Membership No. 042070

**S AGARWAL**  
Director

**S LIMAYE**  
Director

Mumbai  
4th May, 2009

Mumbai  
4th May, 2009

**Prag Agro Farm Limited**  
**Profit and Loss Account for the year ended March 31, 2009**

	Schedule	31.03.2009 Rs.	31.03.2008 Rs.
<b>INCOME</b>			
Sales and services		37,852,849	21,120,318
Interest income		5,220	6,020
Profit on sale of assets		16,040	-
		37,874,109	21,126,338
<b>EXPENDITURE</b>			
Increase in Stock		(1,595,773)	(2,015,426)
Purchases		27,765,421	15,228,646
Other Costs	10	8,578,995	6,390,905
Depreciation / Amortisation	3	1,154,834	1,155,013
		35,903,477	20,759,138
<b>Profit / (Loss) Before Taxation</b>		1,970,632	367,200
Less: Provision for taxation			
Fringe Benefits Tax		20,275	17,038
Income Tax		18,849	85,414
Fringe Benefits Tax related to earlier years		-	23
<b>Profit after Taxation</b>		1,931,508	264,725
<b>Profit and Loss Account Balance Brought Forward</b>		(77,980,996)	(78,245,721)
<b>Balance Carried Forward</b>		(76,049,488)	(77,980,996)
Earnings Per Share - Basic and Diluted (Refer Note 4 of Schedule 11 )		0.51	0.07
<b>Notes to the accounts</b>	11		
<b>Related Party Disclosure</b>	12		
<b>Significant accounting policies</b>	13		

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

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

**For B S R & Co.**  
**Chartered Accountants**

For and on behalf of the Board

**BHAVESH DHUPELIA**  
Partner  
Membership No. 042070

**S AGARWAL**  
Director

**S LIMAYE**  
Director

Mumbai  
4th May, 2009

Mumbai  
4th May, 2009

**PRAG AGRO FARM LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009**

(Figures in Rupees)

	2008-09	2007-08
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before Taxation	1,970,632	367,200
Adjustments for:		
Bad Debt Written Off	21,180	-
Interest Income	(5,220)	-
Profit on Sale of Fixed Assets	(16,040)	-
Depreciation	1,154,834	1,155,013
Operating Profit before Working Capital Changes	3,125,386	1,522,213
<b>Adjustments for :</b>		
Loans and Advances	494,223	(1,336,744)
Inventories	(1,595,773)	(2,015,426)
Current Liabilities	1,485,626	145,907
Direct Tax paid	384,077	(3,206,263)
	(57,844)	(162,943)
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>3,451,619</b>	<b>(1,846,993)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Fixed Assets	26,880	-
Interest Received	5,220	-
Purchase of Investment	(7,000)	(15,000)
<b>NET CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES</b>	<b>25,100</b>	<b>(15,000)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loans (repaid to)/ taken from Holding Company	(5,055,848)	3,195,909
<b>NET CASH FLOW (USED IN)/ FROM FINANCING ACTIVITIES</b>	<b>(5,055,848)</b>	<b>3,195,909</b>
<b>D. NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS :</b>		
(A+B+C)	<b>(1,579,129)</b>	<b>1,333,916</b>
<b>E. RECONCILIATION</b>		
CASH AND CASH EQUIVALENTS - AT BEGINNING OF THE YEAR	1,610,770	276,854
CASH AND CASH EQUIVALENTS- AT THE END OF THE YEAR	31,641	1,610,770
	<b>(1,579,129)</b>	<b>1,333,916</b>

**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 B S R & Co.**  
**Chartered Accountants**

For and on behalf of the Board

**BHAVESH DHUPELIA**  
Partner  
Membership No. 042070

**S AGARWAL**  
Director

**S LIMAYE**  
Director

Mumbai  
4th May 2009

Mumbai  
4th May 2009

**Prag Agro Farm Limited**  
**Schedules to the Balance Sheet**

	<b>31.03.2009</b> Rs.	31.03.2008 Rs.
<b>SCHEDULE 1 - SHARE CAPITAL</b>		
<b>Authorised :</b>		
4,000,000 (2007-08: 4,000,000 ) Equity Shares of Rs. 10 each	<u><b>40,000,000</b></u>	<u>40,000,000</u>
<b>Issued, Subscribed and Paid -up :</b>		
3,800,020 ( 2007-08: 3,800,020 ) Equity Shares of RS. 10 each fully paid	<u><b>38,000,200</b></u>	<u>38,000,200</u>
	<u><b>38,000,200</b></u>	<u>38,000,200</u>

**Notes :**

- the above includes 3,800,000 ( 2007-08: 3,800,000 ) fully paid Equity Shares of Rs. 10 each issued for consideration other than cash to Wimco Limited, the Holding Company.

- All the above Equity Shares are held by Wimco Limited, the holding Company and its Nominees.

**SCHEDULE 2 - UNSECURED LOAN**

Wimco Limited ( Holding Company)	<u><b>68,281,300</b></u>	<u>73,337,148</u>
	<u><b>68,281,300</b></u>	<u>73,337,148</u>

(Above loans are interest free, with no stipulation as to repayment terms)

Prag Agro Farm Limited  
Schedules to the Balance Sheet

SCHEDULE 3 - FIXED ASSETS

DESCRIPTION	Rs.											
	GROSS BLOCK				ACCUMULATED DEPRECIATION /IMPAIRMENT						NET BLOCK	
	As at 01.04.2008	Additions during the year	Deduction during the year	As at 31.03.2009	Up to 01.04.2008		Charge For the year	Deduction/ Adjustment During the Year	Up to 31.03.2009		As at 31.03.2009	As at 31.03.2008
					Depreciation	Impairment			Depreciation	Impairment		
<b>Intangible Asset</b>												
Leasehold Land	101,690,195	-	-	101,690,195	23,822,372	51,001,947	1,143,228	-	24,965,600	51,001,947	25,722,648	26,865,876
<b>Tangible Assets</b>												
Building	179,500	-	-	179,500	41,379	-	5,878	-	47,257	-	132,243	138,121
Plant and Machinery	60,500	-	15,000	45,500	29,405	-	1,769	4,160	27,014	-	18,486	31,095
Furniture and Fixture	1,500	-	-	1,500	1,500	-	-	-	1,500	-	-	-
Vehicle	36,500	-	-	36,500	21,631	-	3,959	-	25,590	-	10,910	14,869
Total	101,968,195	-	15,000	101,953,195	23,916,287	51,001,947	1,154,834	4,160	25,066,961	51,001,947	25,884,287	27,049,961
2007-08	101,968,195	-	-	101,968,195	22,761,274	51,001,947	1,155,013	-	23,916,287	51,001,947	27,049,961	

**Prag Agro Farm Limited**  
**Schedules to the Balance Sheet**

	31.03.2009 Rs.	31.03.2008 Rs.
<b>SCHEDULE 4 - INVESTMENTS</b>		
<b>LONG TERM INVESTMENT (UNQUOTED)</b>		
<b>Government Securities (Trade)</b>		
National Saving Certificates	21,000	14,000
Kissan Vikas Patra	1,000	1,000
	<u>22,000</u>	<u>15,000</u>
<b>All the above investments are pledged with various Mandi Samities</b>		
<b>SCHEDULE 5 - INVENTORIES</b>		
Semi Finished Produce	5,168,334	2,289,223
Finished Goods / Produce	66,580	1,349,918
	<u>5,234,914</u>	<u>3,639,141</u>
<b>SCHEDULE 6 - DEBTORS</b>		
Unsecured - Considered Good		
Debts outstanding for less than six months	-	21,180
	<u>-</u>	<u>21,180</u>
<b>SCHEDULE 7 - CASH AND BANK BALANCES</b>		
Cash in Hand	8,368	44,001
Balance with a Scheduled Bank		
-In Current Account	23,273	1,516,769
-In Deposit Account	-	50,000
	<u>31,641</u>	<u>1,610,770</u>
<b>SCHEDULE 8 - LOANS AND ADVANCES</b>		
Advances recoverable in Cash or in Kind or for Value to be received	801,542	1,181,528
Advance tax	76,231	61,934
Advance Fringe Benefits Tax	2,496	-
Prepaid Expenses	8,637	5,735
Interest accrued on investment	1,125	623
Advance to suppliers	31,218	148,858
	<u>921,249</u>	<u>1,398,678</u>
<b>SCHEDULE 9 - CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors (Refer Note 7 of Schedule 11)	1,793,286	253,383
Advance received from customers	50,000	106,302
Other Liabilities	18,793	16,768
	<u>1,862,079</u>	<u>376,453</u>
<b>Provisions</b>		
Fringe Benefits Tax	-	1,925
	<u>-</u>	<u>1,925</u>

**Prag Agro Farm Limited**  
**Schedules to the Profit and Loss Account**

	<b>2008-09</b>	2007-08
	<b>Rs.</b>	Rs.
<b>SCHEDULE 10 - OTHER COSTS</b>		
Plantation and Cultivation	<b>4,550,742</b>	2,978,495
Deputation Charges	<b>1,673,018</b>	1,112,974
Travelling and Conveyance	<b>217,167</b>	230,222
Power and Fuel	<b>1,002,022</b>	969,852
Rent	<b>8,197</b>	8,197
Rates and Taxes	<b>48,327</b>	38,721
Freight outward	<b>81,333</b>	233,434
Legal and Professional	<b>519,255</b>	366,650
Insurance	<b>19,037</b>	9,628
Auditors' Remuneration		
-Audit Fees	<b>100,000</b>	100,000
-Out of Pocket Expenses	-	3,040
Repair and Maintenance		
-Building	<b>14,862</b>	34,314
-Plant and machinery	<b>83,590</b>	59,738
-Others	<b>94,917</b>	98,635
Communication	<b>32,337</b>	18,308
Printing and Stationery	<b>20,890</b>	29,701
Bank Charges	<b>14,301</b>	50,452
Tools Consumed	<b>4,213</b>	3,530
Donation	<b>251</b>	-
Bad debts written off	<b>21,180</b>	-
Other Expenses	<b>73,356</b>	45,014
	<b><u>8,578,995</u></b>	<b><u>6,390,905</u></b>

**Schedule 11 - 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 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.
- Earnings per share**

The computation of earnings per share is set out below:

	<b>2008-09</b>	2007-08
Net (Loss) / Profit attributable to equity shareholders (A) (Rs.)	<b>1,931,508</b>	264,725
Weighted average number of equity shares outstanding during the year (B) (Rs.)	<b>3,800,020</b>	3,800,020
Earnings per share of face value Rs.10 Basic and diluted((A)/(B))	<b>0.51</b>	0.07

**5. Segment information**

The Company's activities involve, predominantly, business of growing and 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.

**6. Quantitative details:**

Particulars	Unit	31-Mar-09		31-Mar-08	
		Quantity	Rs.	Quantity	Rs.
<b>(a) Opening stock</b>					
<u>Semi Finished</u>					
- Agriculture produce*			<b>2,289,223</b>	-	1,540,915
<u>Finished Stock</u>					
- Agriculture produce*			<b>252,113</b>	-	82,800
- Wood	CMH	<b>220.619</b>	<b>1,097,805</b>	-	-
<b>(b) Purchases</b>					
- Wood*			<b>26,423,559</b>	2572.807	14,540,987
- Seeds*			<b>332,728</b>	-	428,708
- Poplar ETPs	Nos	<b>48054</b>	<b>1,009,134</b>	-	258,951
<b>(c) Sales</b>					
- Wheat	Qtls	<b>3,502</b>	<b>4,183,952</b>	2,446	2,687,835
- Paddy	Qtls	<b>2,556</b>	<b>2,456,364</b>	2,446	1,825,706
- Sugarcane	Qtls	<b>13,065</b>	<b>1,854,912</b>	14,452	1,835,348
- Wood*			<b>28,347,466</b>	-	14,237,745
- Others*			<b>1,010,155</b>	2352.188	533,684
<b>(d) Closing Stock</b>					
<u>Semi Finished</u>					
- Agriculture produce*			<b>5,168,334</b>	-	2,289,223
<u>Finished stock</u>					
- Wood	CMH		-	220.619	1,097,805
- Agriculture produce*			<b>66,580</b>		252,113

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

7. There are no Micro, Small and Medium Enterprises to whom the Company owes any amounts which are outstanding for more than 45 days as at 31<sup>st</sup> March 2009. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
8. 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 is either nil or not applicable to the Company for the current as well as previous financial year.
9. Previous year's figures have been re-grouped/ re-arranged wherever necessary to conform to current year's presentation.

**Schedule 12 - Related Party Disclosures**

**1. Parties exercising control over the Company**

ITC Limited - Ultimate Holding Company #  
 RusselCredit Limited - Holding Company of Wimco Limited#  
 Wimco Limited - Holding Company

# no transaction during the year 2008-09.

**2. Other related parties with whom the Company had transactions**

Pavan Poplar Limited (PPL) – Fellow subsidiary

**3. Transaction between related parties**

(Amount in Rupees)

PARTICULARS	HOLDING COMPANY		Fellow subsidiary Company		TOTAL	
	Wimco Limited		PPL		2008-09	2007-08
	2008-09	2007-08	2008-09	2007-08		
Purchases	997,353	258,951	41,811	55,880	1,039,164	314,831
Sales	30,072,543	14,873,534	205,185	120,015	30,277,728	14,993,549
Expenses Reimbursed	4,144,491	2,387,630	4,524,606	4,819,741	8,669,097	7,207,371
Expenses Recovered	2,475,149	1,662,138	217,083	9,446	2,692,232	1,671,584
Loans taken	26,300,000	18,943,951	-	-	26,300,000	18,943,951
Loan repayment	3,950,000	16,473,534	-	-	3,950,000	16,473,534
Loans given	-	-	8,787,384	7,311,902	8,787,384	7,311,902
Receipts towards loan repayments	-	-	4,643,235	2,565,742	4,643,235	2,565,742
Outstanding unsecured loans	68,281,300	73,337,148	-	-	68,281,300	73,337,148

**Schedule 13 - Significant Accounting Policies**

**1. Basis of Accounting**

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

The accumulated losses of the Company as at March 31, 2009 have resulted in erosion of Company's net worth. At the year-end, the Company's current assets exceeded its current liabilities

by Rs.4,324,775 (2007-08: Rs.6,291,391) and its total liabilities exceeded its current assets by Rs.63,956,525 (2007-08: Rs.67,045,757). These accounts have been prepared on a going concern basis as the Company has received a letter of financial support from Wimco Limited (Holding Company).

## **2. Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India 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.

Depreciation is computed on a straight-line basis at the following annual rates:

<b>Nature of Assets</b>	<b>Rates %</b>
Plant, machinery	4.75 to 10.34
Furniture and fittings	6.33
Vehicles	7.07 to 11.31

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

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

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

In accordance with AS 28, where there is an indication of impairment of the Company's assets, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the asset (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**

- (i) In valuing poplar trees included under semi finished products, no adjustment is made to the total cost of trees on account of undeveloped / diseased trees, being normal loss during the period of maturity of plantation (based on a technical estimate) except that 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 standard realizable value of intercropping, waste, etc is reduced from the above cost because entire farm cost is first added to the cost of plantation.

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

## **5. Revenue recognition**

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

**6. Contingencies and Provisions**

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

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

**7. Taxation**

Income-tax expense comprises current tax, fringe benefits tax and deferred tax charge or credit. Current tax and fringe benefits 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 and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is 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 from income tax. Accordingly, there are no deferred tax assets/liabilities arising therefrom.

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

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

For and on behalf of the Board

**S AGARWAL**  
Director

**S LIMAYE**  
Director

Mumbai  
4<sup>th</sup> May 2009

**ANNEXURE**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**Additional Information pursuant to Part IV of Schedule VI to The Act**

**I Registration Details :**

Registration No. 

1	2	8	8	4	8
---	---	---	---	---	---

State Code 

1	1
---	---

Balance Sheet Date 

3	1
---	---

0	3
---	---

2	0	0	9
---	---	---	---

  
Date Month Year

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

Public Issue 

				N	I	L
--	--	--	--	---	---	---

Rights Issue 

				N	I	L
--	--	--	--	---	---	---

Bonus Issue 

				N	I	L
--	--	--	--	---	---	---

Private Placement 

				N	I	L
--	--	--	--	---	---	---

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

Total Liabilities 

	1	0	8	1	4	4
--	---	---	---	---	---	---

Total Assets 

	1	0	8	1	4	4
--	---	---	---	---	---	---

Sources of Funds Paid-up Capital 

		3	8	0	0	0
--	--	---	---	---	---	---

Reserves and Surplus 

				N	I	L
--	--	--	--	---	---	---

Secured Loans 

				N	I	L
--	--	--	--	---	---	---

Unsecured Loans 

		6	8	2	8	1
--	--	---	---	---	---	---

Application of Funds Net Fixed Assets 

		2	5	8	8	4
--	--	---	---	---	---	---

Investments 

					2	2
--	--	--	--	--	---	---

Deferred Tax 

				N	I	L
--	--	--	--	---	---	---

Net Current Assets 

			4	3	2	6
--	--	--	---	---	---	---

Miscellaneous Expenditure 

				N	I	L
--	--	--	--	---	---	---

Accumulated Losses 

		7	6	0	4	9
--	--	---	---	---	---	---

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

Turnover / Other Income 

		3	7	8	7	4
--	--	---	---	---	---	---

Total Expenditure 

		3	5	9	0	3
--	--	---	---	---	---	---

+	-
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Profit/Loss before Tax 

			1	9	7	0
--	--	--	---	---	---	---

+	-
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Profit/Loss after Tax 

			1	9	3	2
--	--	--	---	---	---	---

(Please tick appropriate box + for Profit, - for Loss)

+	-
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Earnings per Share in Rs - Basic and Diluted

		0	.	5	1
--	--	---	---	---	---

(Please tick appropriate box + for Earnings, - for Loss)

Dividend Rate % 

				N	I	L
--	--	--	--	---	---	---

**V Generic names of Three Principals Products/Services of the Company:**

(As per monetary terms)

Item Code No.(ITC Code)

N		A
---	--	---

Product Description

N		A
---	--	---