DIRECTORS' REPORT

TO THE MEMBERS OF WIMCO LIMITED

Your Directors present their report for the financial year ended 31st March 2008.

Company Performance

During the year, your Company has recorded a turnover of Rs. 205.34 crores as against Rs. 175.58 crores in the previous year registering a growth of 16.95%.

Your Company has earned a net profit after tax of Rs. 6.33 crores during the financial year 2007-2008 as against net profit after tax of Rs. 6.87 crores in the previous year.

The income from match business for the year has increased by 9.53% to Rs. 179.85 crores from Rs. 164.20 crores earned in the previous year. The income from engineering business has increased by 35.31% to Rs. 12.07 crores in the year as compared to Rs. 8.92 crores in the previous year. The income from seedling business pertaining to erstwhile Wimco Seedlings Limited, amalgamated to the Company during the year, was Rs. 6.46 crores.

Your company is facing a challenge in its main business of matches due to a steep increase in all input costs on one hand and a growing competition from the small scale and cottage sector on the other. Your company is attempting to increase value capture through continuous focus on product development and strategic cost management.

Rationalisation of the excise duty structure is called for to provide a level playing field to all manufacturers in the industry. This will accelerate the rate of mechanisation of the industry and make it more competitive.

Dividend

In view of current financial position of the Company, your Directors are unable to recommend a dividend.

Directors

In accordance with the provisions of 133 of the Articles of Association of the Company, M/s. R. K. Singhi, R. L. Auddy and D. Dutta, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-election. Your Board of Directors has recommended their re-elecion.

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 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.

Amalgamation

The Scheme of Amalgamation of Wimco Boards Limited (WBL) and Wimco Seedlings Limited (WSL) with the Company (the Scheme) has been sanctioned by the Hon'ble High Court of Bombay Judicature and the Order of the High Court in respect thereof has been filed with the Registrar of Companies, thereby making the Scheme effective from 22nd February, 2008, although operative from 1st April, 2007 and accordingly, WSL and WBL have been dissolved without winding up w.e.f. 22nd February, 2008.

Subsidiaries

Particulars as required under Section 212 of the Companies Act, 1956 in respect of the Subsidiaries of the Company viz. Pavan Poplar Limited and Prag Agro Farm Limited, have been attached to the accounts of the Company.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Information required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 with respect to Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo is given in Annexure I and forms part of this Report.

Employees

Industrial relations across the Company during the year under review were cordial.

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is given in Annexure II and forms part of this Report.

Acknowledgement

The Board acknowledges the understanding and support of the government, investors, banks, distributors, customers, suppliers and business associates and the dedication and hard work of the employees.

For and on behalf of the Board

15th May, 2008 — R. Srinivasan

Kolkata — *Director*

ANNEXURE I TO DIRECTORS' REPORT

A) CONSERVATION OF ENERGY

The Company continues to emphasise on conservation of energy, power and other energy sources and also promoting the use of renewable energy sources. As a part of continues efforts, the Company has taken following steps :-

- improvement in drier design and efficiency;
- increased solar drying of splints;
- installation of hot air generators;

New boilers have also been installed at all factories to improve the efficiency and to achieve in fuel consumed per unit of steam generated.

The electricity generated through 4 windmills with capacity of 250 KW each in the District Nellai, Kattabomman, Tamil Nadu, feeds the electric grid in Tamil Nadu. The Company continues to receive credit for this towards consumption of electricity by the Chennai factory, thereby reducing the energy cost by harnessing non-conventional energy sources.

The particulars in Form A regarding consumption of energy are not provided as the activity of the Company does not fall under the list of industries specified in the Schedule annexed to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

B) TECHNOLOGY ABSORPTION

The match manufacturing and skillet printing technologies have been fully absorbed by the Company, thereby enhancing the quality and productivity of all processes.

During the year, the Company's expenditure on Research and Development was Nil.

C) FOREGIN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earned Rs.334.46 lacs and Used Rs. 197.85 lacs.

For and on behalf of the Board

15th May, 2008 — R. Srinivasan

Kolkata — *Director*

AUDITORS' REPORT TO THE MEMBERS OF WIMCO LIMITED

We have audited the attached balance sheet of Wimco Limited ('the Company') as at 31 March 2008 and the related profit and loss account and 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 :
   a) 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;
   b) 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;
   c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of accounts;
   d) 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;
   e) On the basis of written representations received from directors of the Company as at 31 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; and
   f) 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:
      i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2008;
      ii) in the case of the profit and loss account, of the profit of the Company for the year ended on that date; and
      iii) 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
Membership No. : 042070

Mumbai
15 May, 2008

ANNEXURE TO THE AUDITORS' REPORT - 31 MARCH 2008

(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 Wimco Limited on the financial statements for the year ended 31 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 in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noted on such verification.

(c) Fixed assets disposed off during the year were not substantial and, therefore, do not affect the going concern assumption.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained.

(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 maintained under Section 301 of the Act. 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 inventory and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.

(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 Act.

(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) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209 (1) (d) of the Act in respect of generation of electricity from wind power and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(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/accured in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Sales tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Investor Education and Protection Fund and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities excepting for delays in respect of income tax deducted at source involving amounts which are not material on a location-wise basis.

There were no dues on account of cess under Section 441A of the Act since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Sales tax, Income tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues were in arrears as at 31 March 2008 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, the following statutory dues have not been deposited by the Company on account of disputes :

Name of the Statute	Nature of the Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	88.33	1995-1999	Supreme Court of India
	Excise Duty	17.52	2000-2006	Commissioner of Central Excise Meerut II
	Excise Duty	11.01	1995-1999	Customs, Excise & Service Tax Appellate Tribunal, Western Zonal Branch
	Excise Duty	12.45	2006-2007	Additional Commissioner – Excise, Kolkata III
	Excise Duty	29.76	2006-2007	Additional Commissioner – Excise, Kolkata III
	Excise Duty	6.30	2007-2008	Additional Commissioner – Excise, Kolkata III
Uttar Pradesh Sales Tax Act, 1948	Sales Tax	1.09	1976-1977 1978-1979	High Court, Allahabad
	Sales Tax	1.16	1977-1978	Member, Tribunal Trade Tax, Bareily
	Sales Tax	1.82	1990-1991	High Court, Allahabad
	Sales Tax	0.65	1991-1992	High Court, Allahabad
	Sales Tax	1.61	1992-1993	High Court, Allahabad
	Sales Tax	132.28	2006-2007	High Court, Allahabad
	Sales Tax	3.94	1996-1997	Member, Tribunal Trade Tax, Bareily
Uttar Pradesh Sales Tax Act, 1948	Sales Tax	0.52	2006-2007	High Court, Allahabad
Bombay Sales Tax Act, 1959	Sales Tax	12.39	2002-2003	Deputy Commissioner of Sales Tax, Mumbai
Central Sales Tax Act, 1956	Sales Tax	149.05	2002-2003	Deputy Commissioner of Sales Tax, Mumbai
Income-Tax Act, 1961	Income-Tax and interest thereon	612.55	1995-1996, 1996-1997 & 1998-1999	Commissioner of Income Tax (Appeal), New Delhi
	Tax on interest on license fees	10.36	2000-2001	Commissioner of Income tax (Appeal), New Delhi

Name of the Statute	Nature of the Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
	Income Tax	48.96	1989-1990	Commissioner of Income tax (Appeal), New Delhi
	Income Tax	0.74	1999-2000	Commissioner of Income tax (Appeal), New Delhi
	Income Tax	0.91	2002-2003	Commissioner of Income tax (Appeal), New Delhi
	Income Tax	0.24	2003-2004	Commissioner of Income tax (Appeal), New Delhi

(x) The Company does not have any accumulated losses at the end of the year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institution 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 information and explanations given to us, the Company has not taken any term loans during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.

(xviii) As stated in paragraph (iii) above, there are no companies/firms/parties covered in the register required to be maintained under Section 301 of the Act.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues during the year.

(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, 15th May, 2008

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule		At at 31st March, 2008 (Rs. in Lacs)		As at 31st March 2007 (Rs. in Lacs)
SOURCES OF FUNDS :					
Shareholders' Funds :					
Share Capital	1	6,942.30		5,720.00	
Reserves & Surplus	2	7,713.76		7,693.97	
			14,656.06		13,413.97
Loan Funds :	3				
Secured Loans		57.30		54.92	
Unsecured Loans		322.84		480.00	
			380.14		534.92
TOTAL			15,036.20		13,948.89
APPLICATION OF FUNDS :					
Fixed Assets :	4				
Gross Block		21,933.75		19, 775.01	
Less : Accumulated Depreciation		10,079.07		9,483.47	
Provision for Impairment		414.35		354.86	
Net Block		11,440.33		9,936.68	
Capital Work-In-Progress		672.41		619.61	
			12,112.74		10,556.29
Investments	5		599.10		0.02
Deferred Tax Asset (Net)	6		—		—
Current Assets, Loans & Advances :					
Plantation Work-in-Progress			224.14		—
Inventories	7	4,234.91		3,101.18	
Sundry Debtors	8	507.30		244.07	
Cash and Bank Balances	9	143.12		115.28	
Loans and Advances	10	2,888.51		3,056.21	
		7,773.84		6,516.74	
Less : Current Liabilities and Provisions :	11				
Current Liabilities		5,496.86		4,654.55	
Provisions		176.76		98.71	
		5,673.62		4,753.26	
Net Current Assets			2,100.22		1,763.48
Profit and Loss Account	12		—		1,629.10
TOTAL			15,036.20		13,948.89
Notes to the Accounts	19				
Segment Information	20				
Related Party Disclosure	21				
Significant Accounting Policies	22				

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, 15th May, 2008

For and on behalf of the Board

R. Srinivasan *Director*
Rajeev Gopal *Managing Director*
Anshul Kumar Jain *Company Secretary*

Kolkata, 15th May, 2008

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

	Schedule		For the year ended 31st March, 2008 (Rs. in Lacs)		For the year ended 31st March, 2007 (Rs. in Lacs)
INCOME					
Sales and Services	13		19,842.53		17,336.08
Other Income	14		690.91		221.72
			20,533.44		17,557.80
EXPENDITURES					
Cost of Trading Products			319.13		424.61
Cost of Seeds			3.19		—
Raw Materials Consumed			12,166.46		9,550.56
(Increase) / Decrease in Stocks	15		(631.21)		172.25
Employee Costs	16		3,253.51		2,776.74
Other Costs	17		4,294.55		3,638.78
Interest	18		13.46		107.36
Depreciation	4		385.13		244.01
			19,804.22		16,914.31
Less : Debited to Capital and Other Accounts			4.04		82.38
			19,800.18		16,831.93
PROFIT BEFORE TAXATION			733.26		725.87
Income Tax Expenses :					
Current Taxation		75.00		23.00	
Fringe Benefit Tax		24.62	99.62	15.50	38.50
PROFIT AFTER TAXATION			633.64		687.37
Profit and Loss Account Deficit Brought Forward		(1,701.74)			(2,384.74)
Add : Transfer from Reserve on Amalgamation (See Note 1 (III) (b) of Schedule 19)		1,015.25			—
Add : Transfer from Revaluation Reserve (See Note 1 (III) (c) of Schedule 19)		686.49			—
Less : Gratuity Transitional Liability		—	—		4.37
Balance Carried to Balance Sheet			633.64		(1,701.74)
Earnings per share (Rs) - Basic and Diluted (See Note 14 of Schedule 19)			0.46		1.32
Face Value (Re.)			1.00		1.00
Notes to the Accounts	19				
Segment Information	20				
Related Party Disclosure	21				
Significant Accounting Policies	22				

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

For BSR & Co.
Chartered Accountants
Bhavesh Dhupelia
Partner
Membership No. 042070
Mumbai, 15th May, 2008

For and on behalf of the Board

R. Srinivasan *Director*
Rajeev Gopal *Managing Director*
Anshul Kumar Jain *Company Secretary*

Kolkata, 15th May, 2008

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

	For the year ended 31st March, 2008 (Rs. in Lacs)		For the year ended 31st March, 2007 (Rs. in Lacs)	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit before Tax		733.26		725.87
Adjustments for :				
Depreciation	385.13		244.01	
Interest Expense	17.21		110.46	
Interest Income	(3.75)		(3.10)	
Provisions written Back	(91.91)		(6.92)	
Profit on Fixed Assets Disposed/Scrapped (Net)	(11.38)		(3.17)	
Provision / Write off of Doubtful / Bad Debts, Advances, Deposits (Net) & Spares	16.08		29.02	
		311.38		370.30
Operating Profit Before Working Capital Changes		1,044.64		1,096.17
Adjustments for :				
Inventories	(902.76)		(423.14)	
Sundry Debtors	(251.36)		775.40	
Loans and Advances	(107.06)		587.79	
Current Liabilities and Provisions	842.86		1,667.94	
		(418.32)		2,607.99
Direct Taxes Paid		(203.71)		(53.01)
NET CASH FLOW FROM OPERATING ACTIVITIES		422.61		3,651.15
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(1,123.91)		(1,018.49)	
Sale of Fixed Assets	19.85		11.62	
Interest Received	3.75		3.10	
NET CASH FLOW USED IN INVESTING ACTIVITIES		(1,100.31)		(1,003.77)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from Borrowings :				
Issue of 5% Cumulative Preference Shares	6,000.00		—	
Redemption of 0.05% Cumulative Preference shares	(5,200.00)		—	
Cash Credit/Working Capital Demand Loan	2.38		(2,533.83)	
Loan from a Subsidiary Co.	(161.98)		30.00	
Interest Paid (Net)	(3.35)		(115.55)	
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		637.05		(2,619.38)
D. NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS : (A+B+C)		(40.65)		28.00
E. RECONCILIATION :				
CASH AND CASH EQUIVALENTS - AT BEGINNING OF THE YEAR (Refer Schedule 9)		115.28		87.28
CASH AND CASH EQUIVALENTS - TAKEN OVER ON AMALGAMATION *		68.49		—
CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR (Refer Schedule 9)*		143.12		115.28
		(40.65)		28.00

*Includes Rs. 25.07 lacs in restricted bank account.

Notes :

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 on Cash Flow Statement.
2. The following have been considered under financing activities :
   – Cash credit/working capital demand loan and other borrowings being source of finance.
3. Proceeds from borrowings are shown net of repayments.
4. Purchase of fixed assets are shown inclusive of movements in capital work-in-progress.
5. Cash and cash equivalents represent cash and bank balances only.
6. 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, 15th May, 2008

For and on behalf of the Board

R. Srinivasan *Director*
Rajeev Gopal *Managing Director*
Anshul Kumar Jain *Company Secretary*

Kolkata, 15th May, 2008

SCHEDULES TO THE ACCOUNTS

1. SHARE CAPITAL

	As at 31st March, 2008 (Rs. in Lacs)	As at 31st March 2007 (Rs. in Lacs)
Authorised :		
55,00,00,000 (2006-07 : 55,00,00,000) Equity Shares of Re 1 (2006-07: Re 1) each (See Note (a) below)	5,500.00	5,500.00
93,00,000 (2006-07 : 93,00,000) Redeemable Preference Shares of Rs. 100 each	9,300.00	9,300.00
	14,800.00	14,800.00
Issued, Subscribed and Paid Up :		
9,42,30,000 (2006-07 : 5,20,00,000) Equity Shares of Re 1 each fully paid up (See Notes (a), (b) and (c) below)	942.30	520.00
NIL (2006-07 : 52,00,000) 0.05% Redeemable Cumulative Preference Shares of Rs. 100 each fully paid up (See Note (e) below)	—	5,200.00
60,00,000 (2006-07 : NIL) 5% Redeemable Cumulative Preference Shares of Rs. 100 each fully paid up	6,000.00	—
	6,942.30	5,720.00

Notes :

Of the above :

(a) Pursuant to the provisions of Section 100 of the Companies Act, 1956, Article 8 of the Articles of Association of the Company and High Court order dated February 11, 2005, the Issued, Subscribed and Paid Up Capital of the Company has been reduced from Rs. 10,400 lacs to Rs. 5,720 lacs by reducing the paid up value of Equity Shares by Rs. 9 per Equity Share and the amount so cancelled has been utilised for reducing the accumulated losses as at March 31, 2004 to the extent of Rs. 4,680 lacs. To give effect to the above, the composition of the Authorised Capital has been modified from 5,50,00,000 Equity Shares of Rs. 10 each to 55,00,00,000 Equity Shares of Re 1 each.

(b) 4,39,08,340 Equity Shares have been allotted as fully paid up pursuant to contracts for consideration other than cash of the equity shares :-

(i) 12,50,000 equity shares have been allotted pursuant to the scheme of amalgamation of the Assam Match Company Limited with the Company.

(ii) 4,22,30,000 equity shares have been allotted pursuant to the scheme of amalgamation of Wimco Boards Limited with the Company (See Note 1 (I) (d) of schedule 19)

(iii) 1,20,000 and 80,000 equity shares have been allotted purusuant to the agreement with ICICI Bank Limited and trustee of debentureholders respectively.

(c) 42,50,000 equity shares have been allotted as fully paid by way of bonus shares by capitalisation of reserves.

(d) 9,12,38,170 (2006-07 : 4,90,08,170) equity shares of Re 1 each and 60,00,000 (2006-07:Nil). 5% Redeemable Cumulative Preference shares of Rs. 100 each are held by Russell Credit Limited, the holding company. Out of these, 5,00,000 preference shares will be due for redemption on or before March 15, 2009.

(e) 52,00,000, 0.05% Redeemable Cumulative Preference Shares of Rs. 100 each have been redeemed during the year out of fresh issue of 5% Redeemable Cumulative Preference Shares of Rs. 100 each, fully paid up.

2. RESERVES AND SURPLUS

		As at 31st March, 2008 (Rs. in Lacs)		As at 31st March 2007 (Rs. in Lacs)
Capital Reserve		29.96		29.96
Capital Subsidy		14.93		14.93
Securities Premium Account		0.26		0.26
Revaluation Reserve				
Balances at the beginning of the year	7,648.82		7,532.07	
Add : Re-instatement of value of assets held earlier for sale	—		116.75	
Less : Transfer to Profit and Loss Account (See Note 1 (III) (c) of Schedule (19)	686.49		—	
Less : Transfer to General Reserve (See Note 1(III)(d) of Schedule 19)	6,962.33		—	
Balance at the end of the year		—		7,648.82
Reserve on Amalgamation				
On amalgamation of Wimco Seedlings Ltd. (see Note 1 (II) of Schedule 19)	248.65		—	
On amalgamation of Wimco Boards Ltd. (see Note 1 (I) of Schedule 19)	630.40		—	
On Write Back of Provision for Doubtful debts (see Note 1 (III) (a) of schedule 19)	136.20		—	
Less : Transfer to Profit and Loss Account (see Note 1 (III) (b) of Schedule 19)	1,015.25		—	
Balance at the end of the year		—		—
General Reserve as per last Balance Sheet	72.64		72.64	
Add : Transfer from Revaluation Reserve (see Note 1 (III)(d) of Schedule 19)	6,962.33		—	
Debit Balance in Profit and Loss Account (as per contra - Schedule 12)	—	7,034.97	72.64	—
Profit and Loss Account		633.64		—
		7,713.76		7,693.97

SCHEDULES TO THE ACCOUNTS

3. LOAN FUNDS

	As at 31st March, 2008 (Rs. in Lacs)	As at 31st March 2007 (Rs. in Lacs)
Secured Loans :		
Cash Credit (including working capital demand loan) with Banks (secured by hypothecation of all stock in trade present and future of the Company including raw materials, finished goods, trading products and stock-in-process and present and future book debts, outstanding receivables, claims and bills)	57.30	54.92
	57.30	54.92
Unsecured Loans :		
Loans and Advances from Subsidiary		
Pavan Poplar Limited (See Note below)	322.84	—
Loan from erstwhile Subsidiary Company (Wimco Boards Limited) (See Note 1 (I) of schedule 19) (due within one year Rs. NIL, (2006-07:Rs. 480.00 lacs))	—	480.00
Note :The said loan is interest free, with no stipulation as to repayment terms.	322.84	480.00
	380.14	534.92

4. FIXED ASSETS

(Rs. in lacs)

	GROSS BLOCK					ACCUMULATED DEPRECIATION/IMPAIRMENT									NET BLOCK	
	Cost/Valuation as at April 1, 2007	Taken over from WSL & WBL pursuant to the scheme (See Note 1 of Schedule 19)	Additions during the year	Deductions/ Adjustments during the year	Cost/Valution as at March 31, 2008	As at April 1, 2007		Taken over from WSL & WBL pursuant to the schme (See Note 1 of Schedule 19)	Charge on account of			Deductions/ Adjustments during the year	As at March 31, 2008		As at March 31, 2008	As at March 31, 2007
						Depreciation	Impairment		Depreciation for the year	Impairment	Held for Sale		Depreciation	Impairment		
Intangible Assets																
Leasehold Land	187.79	59.49	—	—	247.28	0.66	187.13	59.49#	—	—	—	—	0.66	246.62	—	—
Computer Software	55.12	—	229.82	—	284.94	0.04	—	—	36.69	—	—	—	36.73	—	248.21	—
Tangible Assets																
Freehold Land	7,886.51	200.95	—	—	8,087.46	—	167.73	—	—	—	—	—	—	167.73	7,919.73	7,718.78
Buildings	6,111.10	745.24	95.86	0.15	6,952.05	5,769.35	—	131.97	43.16	—	—	0.15	5,944.33	—	1,007.72	341.75
Plant	576.38	—	358.90	—	935.28	316.31	—	—	37.07	—	—	14.12	339.26	—	596.02	260.07
Machinery	3,801.95	35.44	188.06	23.01	4,002.44	2,700.58	—	31.53	155.33	—	—	0.79	2,886.65	—	1,115.79	1,101.37
Factory Equipment	328.62	—	19.38	0.94	347.06	211.57	—	—	15.38	—	—	0.89	226.06	—	121.00	117.05
Furniture and Fittings/ Computers/Office Equipment	737.69	29.82	156.58	1.04	923.05	425.79	—	23.85	89.52	—	—	0.73	538.43	—	384.62	366.98
Motor Cars, Lorries, Tractors and Launches	89.85	42.03	22.50	0.19	154.19	59.17	—	39.98	7.98	—	—	0.18	106.95	—	47.24	30.68
	19,775.01	1,112.97	1,071.10	25.33	21,933.75	9,483.47	354.86	286.82	385.13	—	—	16.86	10,079.07	414.35	11,440.33	9,936.68
2006-07	19,400.16	—	473.65	98.80	19,775.01	9,329.81	471.61	—	244.01	—	(116.75)	90.35	9,483.47	354.86		
Capital Work in Progress (including advance Rs. NIL (2006-07: Rs. 8 lacs))															672.41	619.61
															12,112.74	10,556.29

# Denotes impairment provision tranferred from WBL pursuant to merger (See Note 1 of Schedule 19)

5. INVESTMENTS

		As at 31st March, 2008 (Rs. in Lacs)		As at 31st March, 2007 (Rs. in Lacs)
LONG TERM INVESTMENTS (UNQUOTED)				
(i) Government Securities (trade)				
National Saving Certificates (pledged with various Mandi Samitis)		0.01		—
(ii) Investments in wholly owned subsidiary companies				
Wimco Boards Limited				
NIL (2006-07 : 1,79,36,463) Equity Shares of Rs. 10 each fully paid (See Note 1 of Schedule 19)	—		1,793.65	
Wimco Seedlings Limited				
NIL (2006-07:83,95,603) Equity Shares of Rs. 10 each fully paid	—		765.40	
NIl (2006-07: 93,80,589) 1% Redeemable Cumulative Preference Shares of Rs. 10 each fully paid (See Note 1 of Schedule 19)	—		938.06	
Pavan Poplar Limited				
55,10,004 (2006-07:NIL) Equity Shares of Rs. 10 each, fully paid (including 6 Equity Shares held by nominees) (See Note 1 of Schedule 19)	599.06		—	
Prag Agro Farm Limited				
38,00,020 (2006-07:NIL) Equity Shares of Rs. 10 each, fully paid	381.90		—	
(including 6 Equity Shares held by nominees) (See Note 1 of Schedule 19)		980.96		3,497.11
		980.97		3,497.11
Less : Provision for Diminution (See Note 1 of Schedule 19)		381.90		3,497.11
		599.07		—
(iii) Other Investments (Non-trade)				
Woodlands Hospital & Medical Research Centre Ltd. (Formerly known as The East India Clinic Ltd.) 22, 1/2% Debentures of Rs. 100 each fully paid	0.02		0.02	
Mirage Advertising and Marketing Limited 12,488 Equity Shares of Rs. 10 each fully paid	1.25		1.25	
Bilaspur Cane Development Corporation Limited 100 (2006-07:NIL) Equity Shares of Rs 10 each	0.01		—	
		1.28		1.27
Less : Provision for Diminution		1.25		1.25
		0.03		0.02
		599.10		0.02
Aggregate of Unquoted Investments - At Book Value		599.10		0.02

SCHEDULES TO THE ACCOUNTS

		As at 31st March, 2008 (Rs. in Lacs)		As at 31st March 2007 (Rs. in Lacs)
6. DEFERRED TAX ASSET (NET)				
Deferred Tax Liability - Difference between book depreciation and depreciation under the Income Tax Act, 1961.		419.58		366.14
Less : Deferred Tax Assets - On Unabsorbed depreciation as per Income Tax Act, 1961*		419.58		366.14
		—		—
* Deferred tax asset which is on account of unabsored depreciation has been recognised only to the extent of the deferred tax liabilities as this amount is considered to be virtually certain of realisation.				
7. INVENTORIES				
(See Note 4 of Schedule 19)				
Stores and Spares (Net of obsolesence)		520.37		457.69
Raw Materials		2,189.85		1,997.04
Semi-finished goods		399.97		127.37
Finished Goods		1,064.25		500.61
Finished Goods - Agriculture Produce		1.70		—
Trading goods		58.77		18.47
		4,234.91		3,101.18
8. SUNDRY DEBTORS				
(Secured to the extent of deposits received from customers)				
Considered Good (including debtors over six months old Rs. 38.69 lacs (2006-07:Rs. 98.67 lacs)				
- Due from ultimate holding company	175.68		—	
- Due from others	331.62		244.07	
		507.30		244.07
Considered Doubtful (over six months old)	471.43		481.55	
Less : Provision For Doubtful Debts	471.43	—	481.55	—
		507.30		244.07
9. CASH AND BANK BALANCES				
Cash in Hand (including remittances in transit Rs. NIL (2006-07:Rs. 26.77 Lacs))		15.60		37.53
Balances with Scheduled Banks on :				
Current Account (includes Rs. 0.25 lacs (2006-07:Rs. NIL) lying in "Restricted Bank Account")	100.52		77.67	
Deposit Account	2.18		0.08	
Unclaimed balances due to unit holders of Poplar Unit Scheme	24.82		—	
		127.52		77.75
		143.12		115.28
10. LOANS AND ADVANCES				
(Unsecured, considered good - Unless otherwise stated)				
Loans to Subsidiary Companies (See Note 5 of Schedule19)				
- Considered Good	734.95		505.90	
- Considered Doubtful (See Note 1 of Schedule 19)	—		136.20	
	734.95		642.10	
Less : Provision for Doubtful Loans (See Note 1 of Schedule 19)	—		136.20	
		734.95		505.90
Sundry Advances and Claims Recoverable				
Subsidiary Companies (See Note 1 of Schedule 19)	—		882.94	
Others (See Note 9 of Schedule 19)				
- Considered Good	856.17		530.18	
- Considered Doubtful	26.83		35.54	
	883.00		1,448.66	
Less : Provision for Doubtful Advances	26.83		35.54	
		856.17		1,413.12
Prepaid Expenses		67.06		111.62
Balance with Customs, Port Trust, Excise Authorities, etc. (Includes Rs. 0.24 lacs (2006-07:Rs. 4.38 lacs) receivable against Cenvat Credit)		181.22		284.39
Deposits				
- Considered Good	597.95		559.05	
- Considered Doubtful	11.13		10.90	
	609.08		569.95	
Less : Provision for Doubtful Deposits	11.13		10.90	
		597.95		559.05
Advance Tax and Tax Deducted at Source (Net of Provision for Taxation Rs. 352.74 lacs (2006-07 : Rs. 277.74 lacs))		451.16		182.13
		2,888.51		3,056.21

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2008 (Rs. in Lacs)	As at 31st March, 2007 (Rs. in Lacs)
11. CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities:		
Acceptances	—	0.80
Advances Received from Customers	123.65	62.33
Sundry Creditors	5,078.53	4,518.01
(See Note 7 of Schedule 19)		
(Due to ultimate holding company Rs. 2,611.58 lacs, (2006-07 : Rs. 2,242.59 lacs))		
Temporary Book Overdraft	38.67	—
Dealers' Deposits	138.46	73.41
Due to Subsidiaries	82.87	—
Interest Accrued but not Due	9.86	—
Unclaimed Balance of Unit holders	24.82	—
	5,496.86	4,654.55
Provisions :		
Leave Encashment	103.10	90.77
Diminution in value of machinery	7.94	7.94
Gratuity	63.04	—
Fringe Benefits Tax (net of advance tax Rs. 27.11 lacs (2006-07: Rs. NIL))	2.68	—
	176.76	98.71
	5,673.62	4,753.26
12. PROFIT AND LOSS ACCOUNT		
Debit Balance in Profit and Loss Account	—	1,701.74
Less : As per Contra in General Reserve (Schedule 2)	—	72.64
	—	1,629.10

		For the year ended 31st March, 2008 (Rs. in Lacs)		For the year ended 31st March, 2007 (Rs. in Lacs)
13. SALES & SERVICES				
Sales (Net of Sales Tax)	22,071.82		19,357.28	
Less : Excise Duty	2,290.74		2,088.55	
		19,781.08		17,268.73
Technical Fees, Service Charges etc (tax deducted at source Rs. 9.28 Lacs (2006-07:NIL))		61.45		67.35
		19,842.53		17,336.08
14. OTHER INCOME				
Provisions/Liabilities Written Back As No Longer Required (Net)		91.91		6.92
Insurance Claims		—		0.56
Sales Tax/Octroi Duty Refund		4.00		—
Income from Sale of Energy		27.41		38.41
Gain on Sale of Assets (Net)		11.38		3.17
Other Receipts (includes sale of scrap and empties Rs. 87.13 lacs (2006-07: Rs. 52.65 lacs) and Lease/Rental Income & one time fee Rs. 445.00 lacs (2006-07 : Rs. NIL) (tax deducted at source Rs. 75.02 lacs (2006-07:Rs. 20.30 lacs))		556.21		172.66
		690.91		221.72

SCHEDULES TO THE ACCOUNTS

		For the year ended 31st March, 2008 (Rs. in Lacs)		For the year ended 31st March, 2007 (Rs. in Lacs)
15. (INCREASE)/DECREASE IN STOCKS				
Plantation work in progress :				
Opening Stock*	468.92		—	
Closing Stock	224.14		—	
		244.78		—
Semi-finished Goods				
Opening Stock	127.37		45.58	
Closing Stock	399.97		127.37	
		(272.60)		(81.79)
Finished and Trading Goods/Agriculture Produce				
Opening Stock**	521.33		773.12	
Closing Stock	1,124.72		519.08	
		(603.39)		254.04
* Transferred purusant to merger of WSL with the Company (See Note 1 of Schedule 19)		(631.21)		172.25
** Includes Rs 2.25 lacs transferred pursuant to merger of WSL with the Company (See Note 1 of Schedule 19)				
16. EMPLOYEE COSTS				
Salaries, Wages and Bonus		2,549.79		2,253.62
Contribution to Provident and Other Funds		489.43		370.11
Staff and Workers' Welfare Expenses		214.29		153.01
		3,253.51		2,776.74
17. OTHER COSTS				
Stores and Spares Consumed (Including provision made for obsolete spares)		523.50		436.76
Power and Fuel		988.77		1,004.88
Rent (See Note 15 of Schedule 19)		382.69		23.17
Rates and Taxes		28.60		32.09
Repairs and Maintenance :				
– Machinery		123.49		105.38
– Buildings		83.49		67.01
– Other Assets		74.77		38.88
Insurance		94.18		86.96
Directors' Sitting Fees		0.85		1.05
Freight and Transport		552.46		720.27
CFA's/Stockists Costs		57.72		89.31
Provision / Write off of Doubtful/Bad Debts, Advances and Deposits (Net)		16.08		29.02
Travelling and Conveyance		195.20		158.40
Export Commission		2.85		5.79
Advertisement		66.08		7.01
Sales Promotion		25.97		265.61
Donations		0.41		0.24
Exchange Loss (Net)		4.78		0.15
Plantation, Cultivation and Harvesting Charges		89.30		—
Measurement and Extraction charges		24.93		—
Commission to brokers		1.72		(0.06)
Other Expenses		956.71		566.86
		4,294.55		3,638.78
18. INTEREST				
Cash Credit (including Working Capital Demand Loan)	0.20		68.58	
Others	17.01		41.88	
		17.21		110.46
Less : Interest Income				
Other Interest		3.75		3.10
		13.46		107.36

SCHEDULES TO THE ACCOUNTS

19. Notes to the Accounts

1. Scheme of Amalgamation

The Board of Directors of the Company at their meeting held on 29 May 2007 approved the composite Scheme of Amalgamation (the Scheme) between the Company and its wholly owned subsidiaries, Wimco Boards Limited (WBL) and Wimco Seedlings Limited (WSL). The shareholders of the Company accorded their approval to the Scheme at the meeting convened by the Hon'ble High Court of Judicature at Bombay on 7 September 2007. The Scheme was approved by the Hon'ble High Court of Judicature at Bombay vide its order dated 18 January 2008. In accordance with the requirements of the Scheme, the amalgamation of WBL and WSL with the Company has been accounted for as follows :

I. Amalgamation of WBL with the Company with effect from 1 April, 2007

a) WBL amalgamates with the Company retrospectively from 1 April 2007, the Appointed Date. WBL's current source of revenue is rental income from leasing of properties.

b) The Scheme prescribes the 'Purchase method' as defined under Accounting Standard 14 (AS-14).

c) As stipulated in the Scheme, the assets and liabilities (other than preference share capital) of WBL have been taken over at their existing carrying amounts as recorded in the books of account of WBL.

d) In respect of preference share capital, the Company has issued to Russell Credit Limited, the holder of all the Preference Shares in WBL, 103 equity shares of Re 1 each fully paid-up for every 10 (Ten) 0.05% Redeemable Cumulative Preference Shares of Rs. 100 each, fully paid-up, held in WBL. The shares issued to Russell Credit Limited rank pari passu in all respects with the existing equity shares. The aggregate par value of equity shares issued to Russell Credit Limited amounts to Rs. 422.30 lacs.

e) The amount of Rs. 630.40 lacs being the difference between the book value of assets (Rs 1,055.69 lacs) and liabilities (Rs. 2.99 lacs) taken over as reduced by the aggregate par value of equity shares issued to Russell Credit Limited has been treated as 'Reserve on Amalgamation'.

II. Amalgamation of WSL with the Company with effect from 1 April 2007

a) WSL amalgamates with the Company retrospectively from 1 April 2007, the Appointed Date. WSL is engaged in the business of agro forestry activities and nurseries.

b) The Scheme prescribes the 'Purchase method' as defined under Accounting Standard 14 (AS-14).

c) As stipulated in the Scheme, the assets and liabilities of WSL have been taken over at their existing carrying amounts as recorded in the books of account of WSL.

d) The amount of Rs. 248.65 lacs being the difference between the book value of assets (Rs. 2,220.35 lacs) and liabilities (Rs. 1,971.70 lacs) taken over has been treated as 'Reserve on Amalgamation'.

e) Consequent to the amalgamation of WSL, effective 1 April, 2007, its wholly-owned subsidiaries Pavan Poplar Limited and Prag Agro Farm Limited are now wholly-owned subsidiaries of the Company.

WBL and WSL both being wholly-owned subsidiaries of the Company, equity shares held by the Company in WBL and WSL and preference shares held by the Company in WSL stand cancelled and no new shares in the Company have been issued in lieu of such equity and preferences shares.

Loans, deposits, obligations or other outstanding, if any, due from WSL and WBL to the Company or vice versa or inter-se WSL and WBL, are deemed to have been discharged in full.

III. Other Specific accounting treatment prescribed by the Scheme

The Scheme further prescribes the following :

a) Provision for Doubtful Debts of Rs. 136.20 lacs in respect of advance made by the Company to Pavan Poplar Limited, the wholly-owned subsidiary company of WSL, has been written back and credited to 'Reserve on Amalgamation'.

b) The net balance of Rs. 1,015.25 lacs lying to the credit of Reserve on Amalgamation account has been adjusted against the brought forward accumulated loss of Rs. 1,701.74 lacs (debit balance in Profit and Loss Account).

c) The balance accumulated loss of Rs. 686.49 lacs has been adjusted against Revaluation Reserve (which stood at Rs. 7,648.82 lacs as at 31 March, 2007).

d) The balance of Revaluation Reserve amounting to Rs. 6,962.33 lacs has been transferred to General Reserve.

Had the Company followed the accounting treatment prescribed by AS-14/generally accepted accounting principles in India, the amalgamation of WBL and WSL would have been accounted for under the 'Pooling of Interest Method' and, accordingly, 'Reserve on Amalgamation' would not have been created but the Company would have incorporated the reserves/balance in Profit and loss Account of WBL and WSL in its books. Also other specific accounting treatment referred to in (III) above would not have been given effect to.

During the period, WBL and WSL carried on their existing business in trust for and on behalf of the Company and all vouchers, documents etc. for the period are in the name of WBL and WSL. The title deeds, licenses, agreements, loan documents etc., are being transferred in the name of the Company.

The net results for the year of WBL and WSL included in these financial statements comprise :

Particulars	WSL Rs. in Lacs Year Ended 31.03.2008	WBL Rs. in Lacs Year Ended 31.03.2008
Sales and services (net)	936.01	—
Other income	1.05	174.14
Total revenue	937.06	174.14
Cost of sales and services	248.52	—
Personnel costs	91.48	—
Depreciatioin and amortisation	4.66	28.58
Other costs	262.46	111.59
Profit before tax	329.94	33.97

Consequent to the Scheme, the Company has acquired from WSL an investment of Rs. 381.90 lacs in its subsidiary Prag Agro Farm Limited, which has been fully provided for. An interest free loan of Rs. 733.37 lacs has also been granted to the subsidiary. In terms of the new arrangements, the plantation activities is being carried out by the Prag Agro Farm Limited on the land over which it has leasehold rights and aforesaid loan will be repaid based on the projected cash flow.

2. Commitments

(a) Estimated amount of Contracts (net of advances) remaining to be executed on capital account and not provided for is. Rs. 71.19 lacs (2006-07:Rs. 319.13 lacs).

(b) The Company has issued letter of financial support to one of its subsidiary companies, viz., Prag Agro Farm Limited.

3. Contingencies :

(a) Claims against the Company not acknowledged as debts Rs. 2,178.50 lacs (2006-07:Rs. 1,855.15 lacs). These comprise :

- Excise Duty, Sales Tax and Indirect Taxes claims disputed by the Company relating to issues of applicability and classification, etc. aggregating Rs. 480.34 lacs (2006-07 : Rs. 176.98 lacs).
- Local authority taxes/Cess/Royalty on property, utilities, etc claims disputed by the company relating to issues of applicability and determination aggregating Rs 275.30 lacs (2006-07 Rs. 230.92 lacs.)
- Third party claims arising from disputes relating to contracts aggregating to Rs. 420.71 lacs (2006-07:Rs. 1,176.61 lacs)
- Other matters Rs. 1,002.15 lacs (2006-07:Rs 270.64 lacs) [includes Income Tax Rs. 921.97 lacs (2006-07: Rs. 199.21 lacs)]

(b) Test bonds / special valuation bonds aggregating Rs. 241 lacs (2006-07:Rs. 241 lacs) equivalent to CIF value of imports of certain raw materials in respect of which additional liability of customs duty is not likely to exceed the above amount.

(c) Claims have been filed by farmers in respect of disputes under the WIMCO NABARD Poplar Scheme amounting to Rs. 24.10 lacs (2006-07:Rs. 32.34 lacs).

(d) The Company had issued 'Legal Agreement - Undertaking' in favour of the President of India acting through the Director General of Foreign Trade, Ministry of Commerce, aggregating Rs. 1,805.53 lacs (2006-07 : Rs. 1,979.64 lacs) and given declarations under the amended procedures of the Export Import Policy 1992-1997 and issued bonds to the President of India acting through the Assistant Commissioner of Customs, Mumbai, aggregating Rs. 235.35 lacs (2006-07 Rs. 235.35 lacs), where necessary formalities and entries have not been completed.

SCHEDULES TO THE ACCOUNTS

(e) Arrears of dividend on redeemable cumulative preference shares aggregate Rs. 186.29 lacs (2006-07:Rs. 15.49 lacs) excluding dividend tax.

4. The Company had suspended operations in its unit at Dhubri, Assam, from April 1997. Based on technical evaluation carried out in an earlier year and internal re-assessment, fixed assets (excluding land) aggregating Rs. 43.67 lacs (2006-07 : Rs. 47.66 lacs) and inventories of stores and spares aggregating Rs. 34.91 lacs (2006-07 : Rs. 35.54 lacs) at Dhubri, are considered to be in good condition and usable.

5. "Loans and Advances" include the following amounts due from wholly owned subsidiary companies :

Interest free loans where no repayment schedule has been specified represents amounts advanced from time to time in previous years and current year to provide financial support to the subsidiary companies :

(a) Pavan Poplar Limited Rs 1.58 lacs (2006-07 : Rs. 157.30 lacs) (maximum amount due at any time during the year Rs. 157.30 lacs (2006-07 : Rs. 162.20 lacs))

(b) Prag Agro Farm Limited Rs. 733.37 lacs (2006-07 : Rs . 34.74 lacs) (maximum amount due at any time during the year the year Rs. 733.37 lacs (2006-07 : Rs. 34.74 lacs))

6. The Order passed by the District Magistrate authorising the State authorities to take possession of the land leased to Pavan Poplar Limited and Prag Agro Farm Limited, subsidiaries of the Company, has been stayed by the order of the High Court. In the circumstances, no provision has been made for advances to subsidiary companies.

7. Sundry Creditors

a) Names of the Small Scale Industrial Undertakings to whom the company owes any sum outstanding for more than 30 days are Saibal Engineering Company, Bolinjkar Mechanical Works, Aes Engineers, Industrial Boilers Limited.

This information is determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the auditors.

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

	(Rs. in Lacs) 31 March, 2008
Principal amount and interest due thereon remaining unpaid to any supplier as at the year end	Nil
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	Nil
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	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil

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.

8. Remuneration to Auditors

	2007-08 (Rs. in Lacs)	2006-07 (Rs. in Lacs)
Audit Fees	16.75	13.50
Out-of-Pocket expenses	0.94	1.01

9. Sundry advances and claims recoverable - others, include an amount of Rs. 5.99 lacs (2006-07 : Rs. 5.99 lacs) recoverable from a former Managing Director on account of excess remuneration charged to the respective years' accounts from 1980 to 1988-89. The Company has filed a recovery suit in the Bombay High Court. This amount has been provided for in 2000-01.

10. **(a) ANNUAL LICENSED CAPACITY**

	Unit	2007-08	2006-07
Matches	Million boxes	5,000	5,000

(b) ANNUAL INSTALLED CAPACITY (As certified by the Management)

	Unit	2007-08	2006-07
Matches (on 3 shift basis 300 working days)	Million boxes	5,000	5,000

(c) OPENING STOCK *

	Unit	01.04.2007 Quantity	01.04.2007 Amount (Rs.in lacs)	01.04.2006 Quantity	01.04.2006 Amount (Rs.in lacs)
Own Production					
Matches	Million boxes	115	500.61	223	746.94
Machines	Numbers	3	—	3	—
Forestry @					
Wood(from own trees)#			2.25		—
Trading					
Matches	Million boxes	6	18.47	10	26.18
Homelites Mosquito Coils	Thousand Nos.	325	—	2,332	—
Shampoos	Thousand Litres	45	—	8	—
Talc	Kgs.	1,403	—	1,096	—
Cough Syrups	Thousand Litres	1	—	1	—
Cough Drops	Kgs.	7,997	—	365	—
Blended Spices	Kgs.		—		—
Himalaya Throat Drops	Thousand Nos.	1,858	—	1,858	—
Lighters	Thousand Nos.	2	—	51	—
Total			521.33		773.12
Plantation work in progress					
Agricultural Produce/plants #			5.59		—
Poplar ETPs #			61.36		—
Poplar and Kadam trees	Numbers	135,619	401.97		—
Total			468.92		—

SCHEDULES TO THE ACCOUNTS

(d) ACTUAL PRODUCTION

	Unit	2007-08	2006-07
Matches	Million boxes	4,981	4,540
Machines	Numbers	45	67

(e) COST OF TRADING PRODUCTS PURCHASED

	Unit	2007 - 2008 Quantity	2007 - 2008 Amount (Rs.in lacs)	2006 - 2007 Quantity	2006 - 2007 Amount (Rs.in lacs)
Matches	Million boxes	120	296.22	132	418.36
Machines	Nos.	3	22.91	1	6.25
Total			319.13		424.61

(f) COST OF PURCHASES-FORESTRY

	Unit	2007 - 2008 Quantity	2007 - 2008 Amount (Rs.in lacs)	2006 - 2007 Quantity	2006 - 2007 Amount (Rs.in lacs)
Seeds	N.A.	N.A.	3.19		—
Total			3.19		—

(g) DETAILS OF SALES

	Unit	2007 - 2008 Quantity *	2007 - 2008 Amount (Rs.in lacs)	2006 - 2007 Quantity *	2006 - 2007 Amount (Rs.in lacs)
Own Production					
Manufacturing					
Matches	Million Boxes	4,832	19,647.28	4,648	17,878.99
Machines	Numbers	45	1,070.97	67	767.13
Forestry @					
Agricultural produce/plants # $		—	27.15	—	—
Poplar and Kadam wood (from own trees) # $		—	416.43	—	—
Poplar ETP's	Numbers	25,65,131	492.42	—	—
Trading					
Matches	Million boxes	104	391.28	136	511.65
Machines	Numbers	3	26.29	1	9.38
Homelites Mosquito Coils	Thousand Nos.	—	—	2007	22.97
Lighters	thousand Nos.	—	—	49	1.74
Others		—	—	—	166.35
Sub total			22,071.82		19,358.21
Less : Sales returns					
Shampoos	Thousand Ltr.	—	—	37	(0.02)
Talc	Kgs.	—	—	307	(0.06)
Cough Drops	Kgs.	—	—	7632	(0.80)
Himalaya Throat Drops	Thousand Nos.	—	—	14	(0.05)
			22,071.82		19,357.28

(h) Closing Stock*

	Unit	31.03.2008 Quantity	31.03.2008 Amount (Rs.in lacs)	31.03.2007 Quantity	31.03.2007 Amount (Rs.in lacs)
Own Production					
Matches	Million boxes	264	1,059.13	115	500.61
Machines	Numbers	3	5.12	3	—
Trading					
Matches	Million boxes	22	58.77	6	18.47
Homelites Mosquito Coils	Thousand Nos..	325	—	325	—
Shampoos	Thousand Litres	45	—	45	—
Talc	Kgs.	1,403	—	1,403	—
Cough Syrups	Thousand Litres	1	—	1	—
Cough Drops	Kgs.	7,997	—	7,997	—
Himalaya Throat Drops	Thousand Nos.	1,858	—	1,858	—
Lighters	Thousand Nos.	2	—	2	—
Total			1,123.02		519.08

SCHEDULES TO THE ACCOUNTS

	Unit	31.03.2008 Quantity	31.03.2008 Amount (Rs.in lacs)	31.03.2007 Quantity	31.03.2007 Amount (Rs.in lacs)
Forestry @					
Plantation work in progress					
Agricultural produce/plants #			6.46	—	—
Poplar ETP's #			84.32		—
Poplar and Kadam Trees	Numbers	1,06,454	133.34	—	—
Total			224.12	—	—

* Includes adjustments for shortage/excess and the effects of reduction of stock items to realisable value.

@ Taken over consequent to the merger of WSL w.e.f. 1 April 2007.(See Note 1 of Schedule 19). This being the first year of incorporation of results of WSL consequent to the scheme of amalgamation, there are no prior year comparatives.

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

$ Includes free issues and damages and is net of sales returns.

11. DETAILS OF RAW MATERIALS AND COMPONENTS CONSUMED*

	Unit	2007 - 2008 Quantity	2007 - 2008 Amount (Rs.in lacs)	2006 - 2007 Quantity	2006 - 2007 Amount (Rs.in lacs)
Wood	CMHub	29,366	1,930.32	26,416	1,158.31
Splints and Veneers	Million	134,247	1,937.33	132,925	1,421.66
Cardboard and Paper	Tonnes	19,587	4,062.34	14,317	3,737.77
Chemicals	Tonnes	6,587	2,227.65	6,964	2,285.69
Others			2008.82		947.13
			12,166.46		9,550.56
		%		%	
Imported		1	101.00	3	316.90
Indigenous		99	12,065.46	97	9,233.66
			12,166.46		9,550.56

* includes shortages / excesses.

	2007-08 (Rs. in lacs)	2006-07 (Rs. in lacs)
12. (a) Value of Imports calculated on C.I.F. basis		
Raw Material	165.16	524.73
Capital Goods	31.50	169.64
(b) Expenditure in Foreign currency travelling	1.19	2.47
(c) Earnings in Foreign Exchange		
Exports of Goods calculated on FOB basis (export earnings in Indian Rupees/deemed exports amounting to Rs. 114.55 lacs (2006-07:Rs. Nil) have been included)	449.01	84.82

13. UNHEDGED FOREIGN CURRENCY EXPOSURES NOT COVERED BY FORWARD CONTRACTS :

	31.03.2008			31.03.2007		
	Currency	Amount (USD in lacs)	Amount (Rs. in lacs)	Currency	Amount (USD in lacs)	Amount (Rs. in lacs)
Sundry Debtors	USD	1.54	61.61	—	—	—

	2007 - 08	2006 - 07
14. EARNINGS PER SHARE		
Profit after taxation (Rs. in lacs)	633.64	687.37
Arrears of preference dividend and including Preference dividend tax (Rs. in lacs)	199.83	3.04
Profit attributable to equity shareholders (Rs. in lacs)	433.81	684.33
Weighted Average Number of equity shares	9,42,30,000	5,20,00,000
Earnings per share (Rs.) - Basic and Diluted	0.46	1.32
Nominal value of an equity share (Rs.)	1.00	1.00

15. LEASES: WHERE THE COMPANY IS A LESSEE/LICENSEE

(i) The Company has taken various residental, office and godown premises under operating lease on leave and license agreements. These are not non-cancellable and range between 11 months and 3 years under leave and license or longer for other leases and are renewable by mutual consent on mutually agreeable terms.

(ii) Lease payments are recognised in the statement of Profit and Loss Account under 'Rent' in Schedule 17. Rent includes Rs 276 lacs paid towards settlement of past dues.

16. Research and development expenses incurred during the year as ascertained by the management, amounting to Rs. 12.23 lacs have been charged to appropriate heads of expenses.

17. Plantation and cultivation expenses include amounts paid to casual labourers Rs. 74.74 lacs.(2006-07 Nil).

SCHEDULES TO THE ACCOUNTS

18. EMPLOYEE DEFINED BENEFITS

In accordance with Accounting Standard 15 prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standards, the undiscounted amount of short-term compensated absences in the nature of unavailed leave expected to be paid in exchange of services rendered amounting to Rs. 26.02 lakhs (2006-07 - Rs. Nil) has been recognised to the profit and loss account for the year.

Rs. in lacs

	Defined Benefit Plans			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2007-08	2006-07	2007-08	2006-07
Change in obligation during the year ended March 31, 2008				
1. Obligation at the beginning of the year	829.89	804.79	101.88	93.95
2. Service Cost	29.32	52.97	7.16	8.89
3. Interest Cost	56.92	60.36	6.70	5.21
4. Actuarial (Gains) / Losses	125.02	(16.27)	12.51	31.82
5. Benefits payments	(141.73)	(90.15)	(25.15)	(49.10)
6. Obligations at the end of the year	899.42	811.70	103.10	90.77
Change in Plan Assets				
1. Plan assets at the beginning of the year	896.21	598.74	—	—
2. Expected return on plan assets	69.30	53.89	—	—
3. Contribution by employers	4.36	318.32	25.15	49.10
4. Actual benefits paid	(141.74)	(90.15)	(25.15)	(49.10)
5. Actuarial Gains/ (Losses)	8.25	(3.91)	—	—
6. Plan assets at the end of the year	836.38	876.89	—	—
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	836.38	876.89	—	—
2. Present value of the defined benefit obligations at the end of the period	899.42	811.70	103.10	90.77
3. Asset /(Liability) recognised in the balance sheet	(63.04)	65.19	(103.10)	(90.77)
Cost for the period				
1. Service Cost	29.32	52.97	7.16	8.89
2. Interest Cost	56.92	60.36	6.70	5.21
3. Return on Plan Assets	(69.30)	(49.98)	—	—
4. Actuarial (Gains)/ Losses	116.77	(16.27)	12.51	31.82
5. Past Service Cost	(66.32)			
Net Cost	67.39	47.08	26.37	45.92
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	77.55	49.98	—	—
Acturial Assumptions:				
1. Discount Rate	7.50%	7.50%	7.50%	7.50%
2 Salary escalation	3.50%	3.50%	3.50%	3.50%
3 Expected return on plan assets	8.00%	9.00%	NA	NA

A. Amounts recognised as an expense and included in Schedule 17 in " Salaries, wages and Bonus" Rs. 26.37 lacs (2006-07 : Rs. 45.92 lacs) for leave encashment and in " Contribution to Provident and Other Funds" Rs. 67.39 lacs(2006-07 : Rs. 47.08 lacs) for gratuity.

B. Basis used to determine expected rate of return on assets:

The Gratuity Scheme is invested in a Group-cum-Life Assurance cash accumulation policy offered by Life Insurance Corporation (LIC) of India. The invested return earned on the policy comprises bonuses declared by LIC having regard to LIC's investment earnings. The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. We understand the LIC's overall portfolio of assets is well diversified and as such, the long-term return on the policy is expected to be higher than the rate of return on Central Government bonds.

C. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority promotion and other relevant factors such as supply and demand in the employment market.

19. PROVIDENT FUND LIABILITY

In terms of the Guidance on implementing the revised AS 15, issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, the provident fund set up by the Company is treated as a defined benefit plan since the Company has to meet the interest shortfall, if any. However, as at the year-end no shortfall remains unprovided for. As advised by an independent actuary, it is not practicable/feasible to actuarially value the liability considering that the rate of interest as notified by the Government can vary annually. Further, the pattern of investments for investible funds is as prescribed by the Government. Accordingly, other related disclosures in respect of provident fund have not been made.

20. PRIOR YEAR COMPARATIVES:

The figures for the previous year are strictly not comparable to those of the current year, which comprises the effect of the scheme (as detailed in Note 1 of Schedule 19), and have been regrouped / rearranged as necessary to conform to current year's presentation.

SCHEDULES TO THE ACCOUNTS

SCHEDULE 20 – NOTES TO SEGMENT INFORMATION:

(i) The business segment has been considered as the primary segment. The Company is organised into three main business segments: Match, Engineering and Forestry.

The segments have been identified and reported taking into account the nature of products and services, the differing risks and returns, the organisation structure and the internal financial reporting systems.

(ii) Segment revenue in each of the above business segments primarily includes sales and services in the respective segments.

(iii) The Segment revenues in the geographical segments considered for disclosure are as follows:

(a) Revenue within India includes sales to customers located within India and earnings in India.

(b) Revenue outside India includes sales to customers located outside India and earnings outside India.

The Company has disclosed Geographical Segment as the secondary segment. Fixed assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments for some units. The Company therefore believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities (including capital expenditure incurred during the period) other than debtors, since a meaningful segregation of the available data are onerous.

(iv) Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the above segments and amounts allocated on a reasonable basis.

Segment information for the year ended March 31, 2008

(I) Information about Primay Business Segments :

Rs. in lacs

	Match		Engineering		Forestry		Other business		Unallocated		Total	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Revenue												
External	20,169.15	18,406.62	1,318.10	994.23	646.02	—	—	23.78	—	—	22,133.27	19,424.63
Inter-Segment	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue	20,169.15	18,406.62	1,318.10	994.23	646.02	—	—	23.78	—	—	22,133.27	19,424.63
Less: Eliminations on account of Inter Segment Revenue	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue	20,169.15	18,406.62	1,318.10	994.23	646.02	—	—	23.78	—	—	22,133.27	19,424.63
Result												
Segment Result	523.67	681.66	308.33	216.12	329.71	—	—	23.77	—	—	1,161.71	921.55
Unallocated expenditure net of unallocated income	—	—	—	—	—	—	—	—	(414.98)	(88.32)	(414.98)	(88.32)
Operating Profit	523.67	681.66	308.33	216.12	329.71	—	—	23.77	(414.98)	(88.32)	746.73	833.23
Interest Expenses	—	—	—	—	—	—	—	—	(17.21)	(110.46)	(17.21)	(110.46)
Interest Income	—	—	—	—	—	—	—	—	3.74	3.10	3.74	3.10
Provision for taxation (including Wealth Tax & Fringe Benefit Tax)	—	—	—	—	—	—	—	—	(99.62)	(38.50)	(99.62)	(38.50)
Profit/(Loss) from ordinary activities	523.67	681.66	308.33	216.12	329.71	—	—	23.77	(528.07)	(234.18)	633.64	687.37
Exceptional Items	—	—	—	—	—	—	—	—	—	—	—	—
Net Profit / (Loss)	523.67	681.66	308.33	216.12	329.71	—	—	23.77	(528.07)	(234.18)	633.64	687.37
Other Information												
Segment assets	17,391.44	14,652.65	575.48	541.74	2,016.69	—	—	84.45	726.21	1,739.29	20,709.82	17,018.13
Segment liabilities	3,599.80	4,389.97	270.74	260.66	1,439.71	—	—	101.11	743.51	481.52	6,053.76	5,233.26
Capital Expenditure	816.14	875.38	3.20	16.93	1.14	—	—	—	197.81	126.18	1,018.29	1,018.49
Depreciation	293.52	191.78	3.50	3.62	4.67	—	—	—	83.44	48.61	385.13	244.01
Non-cash expenses other than depreciation :												
Provision for doubtful debts, advances & deposits	16.08	26.81	—	—	—	—	—	—	—	—	16.08	26.81

(II) Information about Secondary Business Segments :

	India		Outside India		Total	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Revenue by Geographical Segments						
Sales	22,059.32	19,337.92	73.95	86.71	22,133.27	19,424.63
Carrying Amount of Segment Assets			61.91	—	61.91	—
Capital Expenditure	1,018.29	1,018.49	—	—	1,018.29	1,018.49

Unallocated income and expenditure relate mainly to the Corporate Office as also the Unallocated assets and Liabilities which include investments made centrally at the Corporate Office.

SCHEDULE 21 - RELATED PARTY DISCLOSURES :

1. Parties exercising control over the Company :

Related Party	Relationship
ITC Limited	Ultimate holding company
Russell Credit Limited	Holds 96.82% of the equity share capital

2. Parties over whom Company exercises control :

Subsidiary Companies

Pavan Poplar Limited (PPL)
Prag Agro Farm Limited (PAFL)
Wimco Seedlings Limited (WSL)*
Wimco Boards Limited (WBL)*

3. Other related Parties with whom the Company had transactions

Fellow subsidiaries

ITC Infotech India Limited

4. Directors of the Company :

Whole Time Director Rajeev Gopal

No remuneration is paid to the whole time director in accordance with the terms of his appointment as approved by the shareholders at the extra ordinary general meeting held on August 1,2005.

* Subsidiaries upto 31 March, 2007 (See Note 1 of Schedule 19)

SCHEDULES TO THE ACCOUNTS

NOTES ANNEXED TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Transaction with related parties

Rs. in Lacs

	ULTIMATE HOLDING COMPANY		HOLDING COMPANY		SUBSIDIARY COMPANIES				Fellow Subsidiaries		Total	
	ITC Ltd.		RUSSELL CREDIT		PPL		PAFL		ITC Infotech India Ltd.			
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Sale of goods & services	19,154.91	17,753.78	—	—	2.68	—	2.59	—	—	—	19,160.18	17,753.78
Purchase of raw materials and components	3,643.17	2,954.79	—	—	—	—	148.74	—	—	—	3,791.91	2,954.79
Purchase of Services	1.83	0.80	—	—	—	—	—	—	122.26	40.21	124.09	41.01
Expenses Reimbursed	162.26	288.52	—	—	—	—	—	—	10.48	—	172.74	288.52
Expenses Recovered	7.06	25.14	—	—	—	—	—	—	—	10.10	7.06	35.24
Rent Received	445.00	—	—	—	—	—	—	—	—	—	445.00	—
Loans & Advances given during the year	—	—	—	—	5.08	23.90	213.32	22.09	—	—	218.40	45.99
Receipt towards Repayment of Loans and advances given	275.00	—	—	—	160.80	23.00	181.36	8.00	—	—	617.16	31.00
Outstanding Loans and Advances (Dr)	—	—	—	—	1.58	157.30	733.37	34.74	—	—	734.95	192.04
Loans & Advances taken during the year	592.50	—	—	—	12.99	—	—	—	—	—	605.49	—
Repayment of loans & Advances by the Company	275.00	—	—	—	174.98	—	—	—	—	—	449.98	—
Unsecured Loans (Cr)	—	—	—	—	322.84	—	—	—	—	—	322.84	—
Provision for Loans & Advances	—	—	—	—	—	136.20	—	—	—	—	—	136.20
Write Back of Provision for Loans and Advances	—	—	—	—	136.20	—	—	—	—	—	136.20	—
Outstanding Receivables	175.68	—	—	—	—	—	—	—	—	—	175.68	—
Outstanding Payables	530.45	478.96	—	—	82.87	—	—	—	41.94	16.01	655.26	494.97
Advance Payable	2,081.13	1,763.63	—	—	—	—	—	—	—	—	2,081.13	1,763.63
Issue of Equity Shares	—	—	422.30	—	—	—	—	—	—	—	422.30	—
Redemption of Preference Shares	—	—	5,200.00	—	—	—	—	—	—	—	5,200.00	—
Issue of Preference Shares	—	—	6,000.00	—	—	—	—	—	—	—	6,000.00	—

The Company avails of internal audit services from its ultimate holding company; ITC Limited, for which no consideration is recovered by ITC Limited.

SCHEDULE 22- SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting (except for fixed assets revalued in earlier years) and in accordance with the 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 the 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 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. Fixed Assets/ Depreciation/ Impairment

(i) Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss except in case of certain Freehold Land which is shown at revalued amount and certain Buildings, which are shown at revalued amounts less accumulated depreciation.

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

Nature of Assets	Rates %
Building	1.63 to 3.34
Plant, machinery and factory equipment	4.75 to 10.34
Furniture and fittings/office equipment	6.33
Computers	31.67
Motor cars, lorries, tractors and launches	7.07 to 11.31

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

(iii) Assets identified as held for disposal are stated at lower of their book value and estimated net realisable value.

(iv) Application software, which is not an integral part of the related hardware, is shown as intangible asset and amortised on a straight line basis over its useful life, not exceeding 5 years, as determined by the management.

(v) 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 assets (or where applicable the carrying amount of the cash generating unit to which the asset belongs) is estimated at the higher of its net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment loss is recognised in the Profit and Loss Account

4. Valuation of Investments

Long-term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments. Current investments are carried at lower of cost and fair value.

5. Valuation of Inventories and Plantation Work in Progress

Inventories are valued at the lower of cost and net realisable value.

Inventories of Raw Materials, Stores and Spares are valued on a weighted average cost basis.

Finished and Semi finished goods include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Semi finished goods are valued based on stage of completion as certified by management.

Entire Transplants included in semi-finished goods are valued at cost. Cost represents direct expenses including cost of Entire Transplants purchased specifically for multiplication and other direct costs.

Plantation Work in Progress:

(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 realisation/ insurance claim for such trees is reduced from the total cost. Every year, plantation cost already incurred is compared with net realisable value

SCHEDULES TO THE ACCOUNTS

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. Net Realisable Value is arrived at based on standard average yield of matchwood per tree and the prevailing market price for matchwood of similar quality/contracted price. The yield is computed based on an evaluation carried out by the Company's technical expert and further certified by an external technical expert.

Cost includes all direct and indirect expenses in respect of the poplar plantation.

Further, 75% of net realisable value of intercropping, waste, etc. is reduced from the above cost because entire farm cost is first added to cost of plantation.

(ii) Agricultural produce/standing crops and plants are valued at 75% of their net realisable value.

(iii) Fuel wood arising from poplar trees and lying in stock is valued at 75% of their net realisable value.

(iv) Livestock is valued at 75% of their net realisable value.

(v) The Company has considered an average yield of 0.22 cmh per tree based on the evaluation carried out by the Company's technical expert and further certified by an external technical expert.

6. Foreign Currency Translation

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the profit and loss account of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the profit and loss account.

7. Revenue Recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. Sales are accounted for inclusive of excise duty but net of sales tax and discounts. Service Income is accrued, based on respective contractual terms. Consultancy income is recognised on rendering service in accordance with related contracts with the customers.

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

Lease /Rental Income is recognised on a straight line basis over the period of the related agreement.

8. Taxes on Income

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), fringe benefit tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates 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 forwards loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

9. Employee Benefits:

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period.

Post-employment benefits

The contributions made to Company managed provident fund are charged to profit and loss account as incurred. The interest rate payable by the trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The Company's approved Superannuation Pension Scheme applicable to certain employees is a defined contribution plan funded with the Life Insurance Corporation of India (LIC). The annual contributions made under the policy are recognised as expense in the profit and loss account during the period in which the employee renders the related service.

The Company's gratuity benefit scheme is a defined benefit plan funded through a policy taken with the LIC. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit and employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

The obligation is compared with the fund balance with LIC and where the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the fund or reductions in future contributions to the fund.

Actuarial gains and losses are recognised immediately in the profit and loss account.

Other Long-term employment benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

10. Borrowing Costs

Borrowing costs specifically relatable to the acquisition of qualifying fixed assets are capitalised as part of the cost of fixed assets. Other borrowing costs are charged to revenue.

11. Provisions and Contingencies

A provision is created where there is a present obligation as a result of a past event that probably 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 obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure is made.

12. Leases

The Company has various operating leases, principally for properties and office space, with various renewal options. Rental expense in agreements with scheduled rent increases is recorded on a straight-line basis.

13. Earnings per share (EPS)

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

14. Research and development costs

Revenue expenditure incurred on different projects is charged to appropriate expense heads in the period incurred and amounts recovered from the customer form parts of the consultancy income.

Signatures to the Schedules forming part of the Balance Sheet and Profit and Loss Account and to the above notes.

For and on behalf of the Board

	R. Srinivasan	*Director*
	Rajeev Gopal	*Managing Director*
Kolkata, 15th May, 2008	Anshul Kumar Jain	*Company Secretary*

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. 1082 State Code 11

Balance Sheet Date 31 03 2008
Date Month Year

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

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Private Placement**
NIL	NIL

III. Position of Mobilisation and Deployment of Funds
(Amount in Rs. Thousands)

Total Liabilities	Total Assets
2070982	2070982

Sources of Funds

Paid-up Capital	Reserves & Surplus
694230	771376
Secured Loans	**Unsecured Loans**
5730	32284

Application of Funds

Net Fixed Assets	Investments
12112274	59910
Deferred Tax	**Net Current Assets**
NIL	2100222
Miscellaneous Expenditure	**Accumulated Losses**
NIL	

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

Turnover/Other Income	Total Expenditure
2053344	1980018

+	–	Profit/Loss Before Tax	+	–	Profit/loss After Tax
✓		7326	✓		6364

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

+	–	Earnings per Share in Rs. - Basic and Diluted	Dividend rate (%)
✓		0.46	NIL

(Please tick appropriate box + for earnings, – for loss)

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

Item Code No. (ITC Code)	Product Description
360500011 0	MATCHES
84223000	MACHINERY

SCHEDULES TO THE ACCOUNTS

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

1. Name of the Subsidiary Company	PAVAN POPLAR LIMITED	PRAG AGRO FARMS LIMITED
2. Financial Year of the Subsidiary Company ended	March 31, 2008	March 31, 2008
3. Number of Shares held in Subsidiary	55,10,004 Equity Shares of Rs. 10 each. (Including 6 Equity Shares held by nominees of Wimco Limited)	38,00,020 Equity Shares of Rs. 10 each (Including 6 Equity Shares held by nominees of Wimco Limited)
4. Total issued Share Capital of the Subsidiary Company	Equity Shares - 55,10,004 Shares of Rs. 10 each.	Equity Shares - 38,00,020 Shares of Rs. 10 each.
5. Percentage of Shares held in the subscribed capital of the Subsidiary (including shares held by nominees)	Equity Shares - 100%	Equity Shares - 100%
6. The net aggregate amount so far as it concerns members of the Company and is not dealt with in the Company's accounts of Subsidiary		
(i) Profits/(Loss) for the financial year ended (Rs. in lacs)	March 31, 2008 Rs. (8.23)	March 31, 2008 Rs. 2.64
(ii) Profit/(Losses) for the previous financial years of the Subsidiary since it became the Company's Subsidiary (Rs. in lacs)	Rs. (143.73)	Rs. (782.46)
7. The net aggregate amount so far as it concerns members of the Company and is dealt with in the Company's account of Subsidiary		
(i) Profit for the financial year ended (Rs. in lacs)	March 31, 2008 Nil	March 31, 2008 Nil
(ii) Profits for the previous financial years of the Subsidiary since it became the Company's Subsidiary (Rs. in lacs)	Nil	Nil

For and on behalf of the Board

R. Srinivasan *Director*
Rajeev Gopal *Managing Director*
Anshul Kumar Jain *Company Secretary*

Place : Kolkata
Date : 15th May, 2008