

DIRECTORS' REPORT**TO THE MEMBERS OF PRAG AGRO FARM LIMITED**

Your Directors present their report for the financial year ended on 31st March, 2012.

Company Performance

During the year, the Company's turnover has declined to ₹ 131.73 Lakhs from ₹ 377.01 Lakhs as compared to previous year. The Company has posted a profit after tax of ₹ 6.17 Lakhs as against a profit of ₹ 5.36 lakhs in the previous year.

Dividend

In view of accumulated losses, your Directors are unable to recommend any dividend for the year under review.

Directors

Mr. Dipes Chakraborti will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer himself for re-election. Your Board has recommended his re-election.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm 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 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, 2012 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

The Company's Auditors M/s. BSR & Co., retire at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

The Board has recommended their re-appointment.

Auditors' Report

The Auditors' Report given by the Auditors is self-explanatory.

Secretarial Compliance Certificate

The certificate from a Secretary in Whole-time Practice as required under proviso to Section 383(1) of the Companies Act, 1956 is attached with this Report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**A) Conservation of Energy**

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

During the year, there is no technology absorption and the Company has not incurred any expenses on research and development.

C) Foreign Exchange Earnings and Outgo

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

Employees

None of the employees of the Company is covered under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

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 its employees.

For and on behalf of the Board

S. K. Sipani *Director*

S. Limaye *Director*

Kolkata, 15th June, 2012

COMPLIANCE CERTIFICATE

CIN No. of the Company : U01100MH1997PLC128846

Authorised Capital : ₹ 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 thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In our opinion and to the best of our information and according to the examinations 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 of the Act 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 respectively on 3rd May, 2011, 1st August, 2011, 2nd November, 2011 and 31st March, 2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed 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 31st March, 2011 was held on 23rd September, 2011 after giving due notice to the members of the Company and the 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 during the financial year under review.
9. The Company has not entered into any contracts falling within the purview 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. (i) There was no allotment/ transfer/ transmission of securities during the financial year.
(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) The Company has not transferred the amounts 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 Investor Education and Protection Fund as there were no such amounts outstanding during the financial year under review.
(v) The Company has complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of directors, additional director, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/ Whole time Director/Manager 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, Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial year.
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 thereunder.
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/debentures; therefore the comment is not required.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. As per explanation provided, the Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year under review.
24. As per the information given by the management, the amounts borrowed by the Company during the financial year ending 31st March, 2012

- are within the borrowing limits of the Company and that necessary resolutions as per Section 293(1)(d) of the Act have been passed.
25. The Company has not made any loans and investments 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.
 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 no fines or penalties or any other punishment was 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.
 33. As per the information given by the management, the Company has not constituted a provident fund for its employees and therefore provisions of Section 418 of the Companies Act, 1956 with regard to deposit of contribution to provident fund are not applicable to the company.

Name of CP Holder: Anchal R. Jain
Chennai, 15th June 2012 CP Number: 5168

Annexure A

Statutory Registers as maintained by the Company:

1. Register of Investments under Section 49.
2. Register of Charges under Section 143.
3. Register of Applications for and Allotment of Shares.
4. Register of Members under Section 150.
5. Registers and Returns under Section 163.
6. Minutes Book of Board Meetings and General Meetings under Section 193.
7. Books of Accounts under Section 209.
8. Register of Contracts, Companies and Firms in which Directors are interested under Section 301.
9. Register of Directors, Managing Director, Manager and Secretary under Section 303.
10. Register of Directors' Shareholdings under Section 307.

Other Registers:

1. Register of Transfers

Annexure B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March, 2012.

1. Form 23AC-XBRL/Form 23ACA-XBRL alongwith required documents u/s 220 of the Companies Act, 1956 for the year 2011 filed on 25.11.2011 with normal filing fees.
2. Form 20B alongwith Schedule V u/s 159 of the Companies Act, 1956 for the year 2011 filed on 16.11.2011 with normal filing fees.
3. Form 66 alongwith Compliance Certificate u/s 383A of the Companies Act, 1956 for the year 2011 filed on 18.10.2011 with normal filing fees.

Name of CP Holder: Anchal R. Jain
Chennai, 15th June, 2012 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, 2012 and the related statement of profit and loss 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.

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.

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 purpose 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the balance sheet, statement of profit and loss 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 the directors of the Company as at 31 March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March, 2012 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, 2012;
 - (ii) in the case of the statement of profit and loss, 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
Firm's Registration No: 101248W
Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai, 26th April, 2012

ANNEXURE TO THE AUDITORS' REPORT – 31 MARCH, 2012

(Referred to in our report of even date)

- (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 annually. 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 discrepancies were noticed upon such verification during the year.
 - (c) The Company has not disposed off any fixed assets during the year.
- (ii)
 - (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
 - (b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 ('the Act'). Accordingly, the provisions of paragraph 4(iii) of the Order are not applicable to the Company.
- (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. The activities of the Company do not involve sale of 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) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act for any of the products manufactured 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 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 Wealth tax, Sales tax, Provident fund, Excise duty, Cess, Employees' State Insurance and Investor Education and Protection Fund. 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, 2012 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues of Income tax which have not been deposited with the appropriate authorities on account of any dispute.
- (x) The Company has accumulated losses at the end of the financial year in excess of fifty percent of its net worth. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) The Company did not have any outstanding dues to any financial institution, banks or debentureholders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us, 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
Firm's Registration No: 101248W
Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai, 26th April, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	3,80,00,200	3,80,00,200
Reserves and surplus	2	(7,42,74,768)	(7,48,92,319)
Non-current liabilities			
Long-term borrowings	3	7,88,84,854	7,62,46,057
Current liabilities			
Trade payables	4	5,12,364	2,01,888
Other current liabilities	5	1,29,640	67,866
TOTAL		<u>4,32,52,290</u>	<u>3,96,23,692</u>
ASSETS			
Non-current assets			
Fixed assets	6		
Tangible assets		2,24,23,585	2,35,75,687
Non-current investments	7	34,000	32,000
Current assets			
Inventories	8	1,42,26,213	99,06,202
Trade receivables	9	7,78,273	7,10,108
Cash and cash equivalent	10	76,625	18,499
Short-term loans and advances	11	57,13,594	53,81,196
TOTAL		<u>4,32,52,290</u>	<u>3,96,23,692</u>
Segment information	19		
Related party disclosure	21		
Significant accounting policies	23		

The accompanying notes from 1 to 23 form an integral part of these financial statements.

As per our report of even date.

For BSR & Co.

Chartered Accountants

Firm's Registration No: 101248W

Bhavesh Dhupelia

Partner

Membership Number: 042070

Mumbai, 26th April, 2012

For and on behalf of the Board

S K Sipani Director

S Limaye Director

Kolkata, 26th April, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note	For the year ended March 31, 2012 (₹)	For the year ended March 31, 2011 (₹)
INCOME			
Revenue from operations			
-Revenue from sale of goods	12	1,31,72,842	3,77,00,687
Other operating revenue	13	500	1,45,467
Other income	14	17,510	2,435
Total income		<u>1,31,90,852</u>	<u>3,78,48,589</u>
Expenses			
Cost of seeds	15	8,25,655	11,74,466
Purchases of stock-in-trade		62,58,146	2,82,48,793
Changes in inventories of finished goods, work-in-progress and stock-in-trade	16	(43,20,011)	(5,55,102)
Depreciation and amortisation expense	6	11,52,102	11,54,300
Other expenses	17	86,29,131	71,66,285
Total expense		<u>1,25,45,023</u>	<u>3,71,88,742</u>
Profit before tax		<u>6,45,829</u>	<u>6,59,847</u>
Tax expense			
Current tax		28,278	1,23,258
Profit for the year		<u>6,17,551</u>	<u>5,36,589</u>
Earnings per equity share	18		
Basic and diluted		0.16	0.14
Face value (₹)		10.00	10.00
Segment information	19		
Related party disclosure	21		
Significant accounting policies	23		

The accompanying notes from 1 to 23 form an integral part of these financial statements.
As per our report of even date.

For BSR & Co.

Chartered Accountants
Firm's Registration No: 101248W

Bhavesh Dhupelia

Partner
Membership Number: 042070

Mumbai, 26th April, 2012

For and on behalf of the Board

S K Sipani Director
S Limaye Director

Kolkata, 26th April, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	For the year ended March 31, 2012 (₹)	For the year ended March 31, 2011 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before Taxation	6,45,829	6,59,847
Adjustments for :		
Depreciation	11,52,102	11,54,300
Interest Income	(17,510)	(2,435)
Operating profit before working capital changes	<u>17,80,421</u>	<u>18,11,712</u>
Adjustments for :		
Trade, other payables & liabilities	3,72,250	(4,17,597)
Inventories	(43,20,011)	(5,55,102)
Loans and Advances	(5,14,363)	(23,07,356)
Trade and other receivable	(68,165)	(4,50,748)
Cash used in operations	<u>(27,49,868)</u>	<u>(19,19,091)</u>
Taxes paid (net of refunds)	1,53,687	(7,14,384)
Net cash used in operating activities	<u>(25,96,181)</u>	<u>(26,33,475)</u>
B. Cash flow from investing activities		
Purchase of long-term investments	(2,000)	(5,000)
Interest received	17,510	—
Net cash generated from/(used in) investing activities	<u>15,510</u>	<u>(5,000)</u>
C. Cash flow from financing activities		
Borrowing from holding Company	26,38,797	26,51,037
Net cash generated from financing activities	<u>26,38,797</u>	<u>26,51,037</u>
D. Net increase in cash and cash equivalents		
E. Reconciliation		
Cash and cash equivalents at beginning of the year	18,499	5,937
Cash and cash equivalents at the end of the year	<u>76,625</u>	<u>18,499</u>
	<u>58,126</u>	<u>12,562</u>

Notes :

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement prescribed in Companies (Accounting Standard) Rules, 2006.
- Proceed from borrowing are shown net of repayments.
- Cash and cash equivalents represent cash and bank balances only.

For BSR & Co.

Chartered Accountants
Firm's Registration No: 101248W

Bhavesh Dhupelia

Partner
Membership Number: 042070

Mumbai, 26th April, 2012

For and on behalf of the Board

S K Sipani Director
S Limaye Director

Kolkata, 26th April, 2012

NOTES TO THE ACCOUNTS

	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)		As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
1. Share capital			2. Reserves and surplus		
Authorised :			(Deficit) in the statement of profit and loss		
4,000,000 (2010-11: 4,000,000)			Balance at the beginning of the year	(7,48,92,319)	(7,54,28,908)
Equity Shares of ₹ 10 each	4,00,00,000	4,00,00,000	Less : Profit for the year	6,17,551	5,36,589
(see notes (a), (b) and (c) below)	<u>4,00,00,000</u>	<u>4,00,00,000</u>		<u>(7,42,74,768)</u>	<u>(7,48,92,319)</u>
Issued			3. Long-term borrowings		
3,800,020 (2010-11: 3,800,020)			Unsecured :		
Equity Shares of ₹ 10 each	3,80,00,200	3,80,00,200	Loans and advances from related parties	7,88,84,854	7,62,46,057
(see notes (a), (b) and (c) below)	<u>3,80,00,200</u>	<u>3,80,00,200</u>		<u>7,88,84,854</u>	<u>7,62,46,057</u>
Subscribed and Paid-up			Borrowings		
3,800,020 (2010-11: 3,800,020)			Terms of repayment		
Equity Shares of ₹ 10 each fully paid-up	3,80,00,200	3,80,00,200	Loans and advances from related party		
(see notes (a), (b) and (c) below)	<u>3,80,00,200</u>	<u>3,80,00,200</u>	- Wimco Limited (holding company)		Interest free, repayable by March 31, 2014.
Total	<u>3,80,00,200</u>	<u>3,80,00,200</u>			
a) Shares held by holding Company			4. Trade payables		
Equity shares			Total outstanding dues of micro enterprises		
3,800,020 (2010-11: 3,800,020)	3,80,00,200	3,80,00,200	and small enterprises (see note 20)	—	—
Equity shares of ₹ 10 each, fully paid up			Total outstanding dues of creditors other		
are held by the holding company Wimco Limited and its nominees.			than micro enterprises and small enterprises	5,12,364	2,01,888
b) Name of shareholders holding more than 5% of the shares of the Company			Total	<u>5,12,364</u>	<u>2,01,888</u>
Equity Shares					
Wimco Limited, the holding Company	38,00,020	38,00,020	5. Other current liabilities		
	100%	100%	Advances from customers	1,00,000	50,000
			Statutory dues payable		
c) Rights, preferences and restrictions attached to shares			- (tax deducted at source -'TDS')	29,640	17,866
The Ordinary Shares of the Company, having par value of ₹ 10/- per share, rank pari passu in all respects including entitlement to dividend. Repayment of capital in the event of winding up of the Company will inter alia be subject to the provisions of the Articles of Association of the Company and as may be determined by the Company in General Meeting prior to such winding up.			Total	<u>1,29,640</u>	<u>67,866</u>

6. Fixed assets

Description	Gross Block				Accumulated Depreciation/Impairment					NET BLOCK	
	As at April 1, 2011	Additions during the year	Disposed/ Adjusted during the year	As at March 31, 2012	As at April 1, 2011		Depreciation Charged for the Year	As at March 31, 2012		As at March 31, 2012	As at March 31, 2011
					Depreciation	Impairment		Depreciation	Impairment		
Tangible assets											
Leasehold land	10,16,90,195	—	—	10,16,90,195	2,72,52,052	5,10,01,947	11,41,995	2,83,94,047	5,10,01,947	2,22,94,201	2,34,36,196
Building	1,79,500	—	—	1,79,500	59,015	—	5,880	64,895	—	1,14,605	1,20,485
Plant and machinery	45,500	—	—	45,500	29,485	—	1,236	30,721	—	14,779	16,015
Furniture and fixture	1,500	—	—	1,500	1,500	—	—	1,500	—	—	—
Vehicle	36,500	—	—	36,500	33,509	—	2,991	36,500	—	—	2,991
2010-11	10,19,53,195	—	—	10,19,53,195	2,73,75,561	5,10,01,947	11,52,102	2,85,27,663	5,10,01,947	2,24,23,585	2,35,75,687
	10,19,68,195	—	—	10,19,53,195	2,62,21,261	5,10,01,947	11,54,300	2,73,75,561	5,10,01,947	2,35,75,687	

	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)		As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
7. Non-current investments			9. Trade receivables		
Unquoted :			Trade receivables outstanding for a		
Trade investments			period less than six months from the		
Investment in government securities			date they are due for payment		
National savings certificates			Unsecured, considered good	7,78,273	7,10,108
(pledged with various Mandi Samitis)	33,000	31,000	Total	<u>7,78,273</u>	<u>7,10,108</u>
Kissan vikas patra	1,000	1,000			
Total	<u>34,000</u>	<u>32,000</u>	10. Cash and cash equivalents		
Total non-current investments (at cost) unquoted	<u>34,000</u>	<u>32,000</u>	Cash and cash equivalents		
			Balances with bank :		
8. Inventories			- In current accounts	64,491	6,408
Work-in-progress - agri produces	30,85,370	17,45,735	Cash on hand	12,134	12,091
Work-in-progress - poplar trees	1,10,99,108	81,60,467	Total	<u>76,625</u>	<u>18,499</u>
Finished goods	41,735	—			
Total	<u>1,42,26,213</u>	<u>99,06,202</u>			

	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)	Year Ended March 31, 2012 (₹)	Year Ended March 31, 2011 (₹)
11. Short-term loans and advances				
Other loans and advances - unsecured, considered good				
Sundry advances to supplier, employees etc.	10,686	2,37,260		
Commercial tax receivable	49,06,077	41,87,821		
Prepaid expenses	31,206	8,525		
Advance tax and tax deducted at source [net of provision ₹ 439,377(2010-11 : ₹ 411,099)]	7,65,625	9,47,590		
Total	57,13,594	53,81,196		
12. Revenue from sale of goods				
Sale of products				
Finished goods	68,22,858	76,24,616		
Traded goods	63,49,984	3,00,76,071		
Total	1,31,72,842	3,77,00,687		
13. Other operating revenue				
Sale of scrap	—	85,142		
Insurance claims	500	60,325		
Others	—	—		
Total	500	1,45,467		
14. Other Income				
Interest Income	17,510	2,435		
Total	17,510	2,435		
15. Cost of seeds				
Poplar ETP's	4,11,487	6,86,107		
Seeds	4,14,168	4,88,359		
Total	8,25,655	11,74,466		
16. Changes in inventory of finished goods, work-in-progress and stock in trade				
(Increase)/decrease in stocks				
Stock at the end of the year				
Finished goods	41,735	—		
Work-in-progress - agri produces	30,85,370	17,45,735		
Work-in-progress - poplar trees	1,10,99,108	81,60,467		
Total A	1,42,26,213	99,06,202		
Less: Stock at the beginning of the year				
Finished goods	—	48,330		
Work-in-progress - agri produces	17,45,735	20,87,968		
Work-in-progress - poplar trees	81,60,467	58,53,308		
Stock-in-trade	—	13,61,494		
Total B	99,06,202	93,51,100		
(Increase) / decrease in stocks (B-A)	(43,20,011)	(5,55,102)		
17. Other expenses				
Power and fuel	11,31,900	9,84,162		
Deputation charges	13,20,458	12,18,507		
Consumption of stores and spare parts	4,877	3,265		
Rent	8,197	8,197		
Rates and taxes	24,533	50,332		
Insurance	84,170	34,865		
Repairs				
- Buildings	53,374	35,149		
- Others	3,06,685	2,49,021		
Outward freight and handling charges	82,059	99,521		
Plantation and cultivation	48,39,779	37,67,919		
Bank and credit card charges	22,702	81,938		
Travelling and conveyance	2,02,818	1,15,813		
Legal and professional fees	3,60,833	3,30,348		
Postage and telephone charges	23,222	29,372		
Printing and stationery	14,145	16,572		
Auditors' remuneration	1,03,640	1,04,940		
Miscellaneous expenses	45,739	36,364		
Total	86,29,131	71,66,285		
18. Earnings per share				
The computation of earnings per share is set out below:				
Net Profit attributable to equity shareholders (A) (₹)	6,17,551	5,36,589		
Weighted average number of equity shares outstanding during the year	38,00,020	38,00,020		
Earnings per share of face value (₹) 10 each basic and diluted ((A)/(B))	0.16	0.14		
19. Segment information				
The Company's activities involve, predominantly, business of growing and selling agricultural produce and trading of poplar wood 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.				
20. There are no Micro and Small Enterprises to whom the Company owes any amounts, which are outstanding for more than 45 days as at March 31, 2012 (March 31, 2011 ₹ nil). 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.				
21. Related party disclosures				
1. Parties exercising control over the Company				
ITC Limited	—	Ultimate holding company #		
Russell Credit Limited	—	Fellow subsidiary of holding company # (was holding company of Wimco Limited till September 28, 2011)		
Wimco Limited	—	Holding company		
# No transaction during the years 2011-12 and 2010-11.				
2. Other related parties with whom the Company had transactions				
Pavan Poplar Limited (PPL) – Fellow subsidiary				

3. Transaction with related parties

Amounts in (₹)

PARTICULARS	HOLDING COMPANY		FELLOW SUBSIDIARY COMPANY		TOTAL	
	Wimco Limited		PPL			
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Purchases	4,14,168	4,88,359	66,495	4,01,403	4,80,663	8,89,762
Sales	65,86,845	3,06,77,595	1,83,750	82,250	67,70,595	3,07,59,845
Expenses reimbursed	12,60,668	38,60,101	30,69,441	26,78,922	43,30,109	65,39,023
Expenses recovered	19,466	15,31,412	23,606	20,266	43,072	15,51,678
Loans taken	32,13,917	55,01,714	—	—	32,13,917	55,01,714
Loan repayment	5,75,164	28,50,677	—	—	5,75,164	28,50,677
Outstanding unsecured loans	7,88,84,810	7,62,46,057	—	—	7,88,84,810	7,62,46,057

22. Prior period comparatives

The previous year's figures have been re-grouped / re-arranged as necessary to conform to the present year's classification consequent to notification of Revised Schedule VI under the Companies Act, 1956.

23. 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 the provisions of the Companies Act, 1956, ('the Act') and the accounting principles generally accepted in India and comply with the 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.

During the year ended March 31, 2012 (effective April 1, 2011), the revised Schedule VI notified under the Act has become applicable to Prag Agro Farm Limited ('the Company') for preparation and presentation of its financial statements. The adoption of revised Schedule-VI does not impact recognition and measurement principles followed for preparation of financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI. The accumulated losses of the Company as at March 31, 2012 have resulted in erosion of Company's net worth. However, based on the Company's future plans and letter of support received from Wimco Limited (Holding Company), these accounts have been prepared on a going concern basis.

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 and actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. Fixed Assets / Amortisation / Impairment / Depreciation

Tangible Assets

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:

Nature of Assets	Rates %
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 lesser of period of lease and useful life.

Assets individually costing ₹ 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.

Impairment

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 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 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 realisation / insurance claim for such trees is reduced from the

total cost. Every year, plantation cost already incurred is compared with net realisable 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 realisable 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 realisable value.

5. Revenue recognition

Revenue from sale of goods is recognised 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 and deferred tax charge or credit. Current 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 period 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 period by the weighted average number of equity and equivalent dilutive equity shares outstanding during the period, except where the results would be anti-dilutive.

For BSR & Co.

Chartered Accountants

Firm's Registration No: 101248W

For and on behalf of the Board

Bhavesh Dhupelia

Partner

Membership Number: 042070

Mumbai, 26th April, 2012

S K Sipani Director

S Limaye Director

Kolkata, 26th April, 2012