DIRECTORS' REPORT

TO THE MEMBERS OF WIMCO LIMITED

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

Company Performance

Your Company's turnover, which stood at ₹ 169.70 crores has seen a decline of 12% as compared to last year primarily on account of lower volumes in the Safety Matches Business. During the year under review, your Company incurred a net loss of ₹ 45.99 crores after taking into account a one-time cost of ₹ 36.87 crores, inter alia, for rationalising its operations.

The income from Safety Matches Business for the year declined by 17% to ₹ 152.89 crores from ₹184.78 crores earned in the previous year. Your Company continues to face challenges in its main business of Safety Matches due to steep increase in the prices of key raw materials on the one hand and growing competition from the small scale and cottage sector on the other. The recent budget announcement increasing the excise duty on the mechanised industry while reducing the duty on semi-mechanised industry has put your Company's Safety Matches Business at a further disadvantage. Besides, the levy of discriminatory state level taxes on mechanised Safety Matches industry has compounded the challenge faced by the Company in the market place.

In its pursuit to restructure the Safety Matches Business to make it viable, your Company, during the year, has implemented a Voluntary Retirement Scheme at the Kolkata unit, post suspension of operations at the said unit. With the above, your Company has discontinued operations at its Chennai, Ambarnath and Kolkata units. Insofar as the Bareilly unit is concerned, your Company has initiated steps to modernise the said unit. Meanwhile, the Company has made alternate arrangements for sourcing its volume requirements from external vendors. The outsourced volume has increased by 72% to 608 million boxes from 354 million boxes sold in the previous year.

Pursuant to your approval at the last Annual General Meeting held on 23rd September, 2011, for deployment of the assets of the Safety Matches Business that may be rendered surplus for alternate usage, your Company leased out its land located at Chennai to ITC Limited (ITC), the Holding Company, for a period of ten years at an initial lease rental of ₹ 2.40 crores per year and a non-interest bearing refundable security deposit of ₹ 50 crores. The Company has also agreed in-principle to lease out its land and buildings located at Ambarnath to ITC for a period of ten years at an initial lease rental of ₹ 1.50 crores per year and a non-interest bearing refundable security deposit of ₹ 30 crores.

The surplus movable assets of the Chennai, Ambarnath and Kolkata units, including plant & machinery, factory equipments, furniture & fixtures, are being suitably deployed, inter alia, at the Company's Bareilly unit. Such deployment would assist the Company in optimising its supply-chain management.

The Engineering Business recorded a turnover of ₹ 16.77 crores as compared to ₹ 14.04 crores in the previous year, registering a growth of 19%. It is your Company's endeavour to increase value capture through continuous product development in the packaging machinery category. This Business is poised for further growth through new customer acquisitions.

The income from the Agri (Forestry) Business during the year was ₹ 11.92 crores as against ₹ 9.76 crores in the previous year, registering a growth of 22%. This Business is supplying high quality poplar and eucalyptus ETPs (Entire Transplants) to farmers in Northern India thereby providing employment and livelihood opportunities. Apart from creating a long-term sustainable supply of a critical raw material, our strategy of creating sustainable and meaningful linkages across the farmer community is helping us to contribute towards improving the green cover in the region.

Dividend

In view of the losses incurred during the year, your Directors are unable to recommend any dividend.

Holding Company

Consequent to transfer of 9,12,38,170 equity shares of the Company by Russell Credit Limited (Russell) to ITC, your Company became a direct subsidiary of ITC with effect from 29th September, 2011.

Directors

In accordance with the provisions of Articles 131, 132 and 133 of the Articles of Association of the Company, Mr. C. R. Dua and Mr. R. Tandon will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for re-election. The Board has recommended their re-election.

Share Capital

(i) Rights Issue

During the year, the Company made a rights issue of 9,42,30,000 equity shares of ₹ 1/- each at a price of ₹ 6.50 per equity share, including a premium of ₹ 5.50 per share, to the existing shareholders of the company in the ratio of one rights equity share for every one fully paid up equity share held. Out of these, the Company received 1,739 valid applications for 9,16,25,147 rights equity shares representing 97.3% of the issue size. These shares were allotted on 27th March, 2012, consequent to which the paid-up equity capital of the Company increased from ₹ 9.42 crores to ₹ 18.59 crores.

The remaining (unsubscribed) 26,04,853 shares were offered to and subscribed by Russell, a fellow subsidiary; the said shares were allotted on 25th April, 2012. With this, the paid-up capital of the Company stands increased to ₹ 18.84 crores as on that date.

The proceeds of the aforesaid rights issue has been utilised for redemption of Preference Shares held by Russell, upgradation of existing infrastructure, meeting the working capital requirements and restructuring the operations of the Company.

(ii) Preference Shares

During the year, your Company redeemed 55,00,000, 5% Redeemable Cumulative Preference Shares of ₹100/- each, aggregating ₹ 55 crores, held by Russell. Further, the cumulative dividend payable on the aforesaid Preference Shares aggregating ₹ 8.33 crores, was waived by Russell.

Directors' Responsibility Statement

As required under 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 selected and applied consistently and judgments and estimates that have been 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 loss of the Company 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.

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

A) Conservation of Energy

The particulars in Form A regarding conservation of energy has not been 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, the Company's expenditure on Research and Development on poplar, eucalyptus and other wood species was ₹ 34.94 Lacs.

C) Foreign Exchange Earnings and Outgo

During the year, the Company earned foreign exchange of ₹ 278.01 Lacs. The total outflow of foreign exchange was ₹ 629.98 lacs.

Employees

The relations between your Company and its employees have generally been cordial and harmonious during the year under review. 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

Kolkata
15th June, 2012

K.N. Grant
Chairman

AUDITORS' REPORT

TO THE MEMBERS OF WIMCO LIMITED

We have audited the attached balance sheet of Wimco 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.

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 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 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 loss 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 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 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 required 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 manufacture of matches 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 / accrued in the books of account in respect of undisputed statutory dues including Provident Fund. Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund. Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs Duty, Excise duty, Cess 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 Wealth tax, Service tax, Customs Duty and Cess which have not been deposited with the appropriate authorities on account of any disputes. 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 (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	29.75	2006-2008	CESTAT, Kolkata
Uttar Pradesh Sales Tax Act, 1948	Sales tax	0.75	2000-2004	High Court, Allahabad
Central Sales Tax Act, 1956	Sales tax	272.68	2005-2006	Appellate Authority, Kolkata
Uttar Pradesh Sales Tax Act, 1948	Sales tax	13.40	2007-2008	Joint Commissioner Sales Tax, Bareilly
Uttar Pradesh value added, Tax Act, 2008	Sales tax	1.64	2009-2010	Additional Commissioner Grade II (Appeal), Comercial Tax Bareilly

Excludes ₹ 63.31 Lacs paid under protest.

(x) The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth. *However, it has incurred cash losses in the financial year as well as 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 debentures or outstanding dues to any financial institutions 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 institution.

(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 overall examination of the balance sheet of the Company, we are of opinion that the funds raised on short-term basis have not been used for long-term investment.

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

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

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

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For BSR & Co.
Chartered Accountants
Firm's Registration No. : 101248W

Bhavesh Dhupelia
Partner
Membership No. : 042070

Mumbai
26th April, 2012

BALANCE SHEET AS AT MARCH 31, 2012

	Note	As at March 31, 2012 (₹ in Lacs)	As at March 31, 2011 (₹ in Lacs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	1	**6,858.55**	11,442.30
Reserves and surplus	2	**4,298.54**	4,299.92
Non-current liabilities			
Long-term borrowings	3	**450.00**	1,280.00
Deferred tax liabilities (net)	4	—	—
Other long-term liabilities	5	**5,652.68**	172.35
Long-term provisions	6	**87.97**	84.53
Current liabilities			
Short-term borrowings	7	**25.84**	23.30
Trade payables	8	**4,093.59**	4,628.04
Other current liabilities	9	**427.64**	657.67
Short-term provisions	10	**89.71**	250.51
TOTAL		**21,984.52**	22,838.62
ASSETS			
Non-current assets			
Fixed assets	11		
Tangible assets		**15,373.65**	15,630.51
Intangible assets		**34.73**	80.95
Capital work-in-progress		**23.38**	104.99
Non-current investments	12	**599.15**	599.10
Long-term loans and advances	13	**802.19**	776.96
Other non-current assets	14	**0.25**	0.25
Current assets			
Inventories	15	**2,299.72**	3,136.42
Trade receivables	16	**320.68**	334.96
Cash and cash equivalents	17	**129.42**	60.46
Short-term loans and advances	18	**2,399.87**	2,113.16
Other current assets	19	**1.48**	0.86
TOTAL		**21,984.52**	22,838.62
Segment information	29		
Related party disclosure	30		
Significant accounting policies	43		

The accompanying notes from 1 to 43 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 No. 042070

Place : Mumbai
Date : 26th April, 2012

For and on behalf of the Board

K. N. Grant — *Chairman*
V. M. Rajasekharan — *Managing Director*
S. K. Sipani — *Head - Finance & Company Secretary*

Place : Kolkata
26th April, 2012

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

	Note	For the year ended March 31, 2012 (₹ in Lacs)	For the year ended March 31, 2011 (₹ in Lacs)
INCOME			
Revenue from sale of goods and services (gross)	20	18,154.35	20,857.78
Less : Excise duty and taxes on sale of services		1,184.81	1,638.60
Revenue from sale of goods and services (net)		16,969.54	19,219.18
Other operating revenue	21	138.89	124.31
Other income	22	204.96	117.65
Total income		17,313.39	19,461.14
EXPENDITURE			
Cost of material consumed	23	7,603.68	11,605.88
Cost of seeds	23	7.11	7.34
Purchase of stock-in-trade		3,611.74	1,888.20
Changes in Inventory of finished goods, work-in-progress and stock-in-trade	24	634.31	69.33
Employee benefits expense	25	2,500.48	3,429.98
Finance cost	26	189.66	57.84
Depreciation and amortisation expense	11	456.46	514.00
Other expenses	27	3,222.05	4,107.15
Total expenses		18,225.49	21,679.72
(Loss) before exceptional items and taxation		(912.10)	(2,218.58)
Exceptional items (see note 34)		3,687.26	3,746.46
(Loss) before taxation		(4,599.36)	(5,965.04)
Tax expenses		—	—
(Loss) after taxation		(4,599.36)	(5,965.04)
Earnings per equity share (₹) - basic and diluted	28	(4.82)	(6.67)
Face value (₹)		1.00	1.00
Segment information	29		
Related party disclosure	30		
Significant accounting policies	43		

The accompanying notes from 1 to 43 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 No. 042070

Place : Mumbai
Date : 26th April, 2012

For and on behalf of the Board

K. N. Grant — *Chairman*
V. M. Rajasekharan — *Managing Director*
S. K. Sipani — *Head - Finance & Company Secretary*

Place : Kolkata
26th April, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	For the year ended March 31, 2012 (₹ in Lacs)	For the year ended March 31, 2011 (₹ in Lacs)
A. Cash flow from operating activities		
(Loss) before exceptional items and taxation	(912.10)	(2,218.58)
Adjustments for:		
Depreciation / amortisation	456.46	514.00
Loss on sale of tangible assets (net)	0.38	0.81
Provision no longer required written back	(42.29)	(60.10)
Interest income	(3.05)	(2.56)
Interest expenditure	189.66	57.84
Operating (loss)/profit before working capital changes	(310.94)	(1,708.59)
Adjustments for:		
Trade and other receivables	14.28	(127.38)
Loans and advances	(5.82)	35.53
Inventories	836.70	365.02
Trade and other payables	4,162.20	(245.24)
Cash generated from operations	4,696.42	(1,680.66)
Income tax paid (net of refunds)	(306.11)	(365.15)
Net cash generated from/(used in) operations before exceptional items	4,390.31	(2,045.81)
Exceptional items	(3,687.26)	(3,746.46)
Net cash generated from/(used in) operating activities	703.05	(5,792.27)
B. Cash flow from investing activities		
Purchase of tangible/intangible assets	(109.52)	(132.68)
Proceeds from sale of tangible/intangible assets	37.37	1.20
Purchase of long-term investments	(0.05)	—
Interest received	2.43	3.09
Net cash generated from/(used in) investing activities	(69.77)	(128.39)
C. Cash flow from financing activities		
Proceeds from rights issue of equity shares	5,955.63	—
Proceeds from issue of zero coupon preference shares	—	5,000.00
Redemption of 5% redeemable cumulative preference shares	(5,500.00)	—
Interest paid	(189.95)	(58.50)
Borrowing from holding/subsidiary company	—	988.02
Repayment of borrowings to holding/subsidiary company	(830.00)	—
Net cash generated from/(used in) financing activities	(564.32)	5,929.52
D. Net increase in cash and cash equivalents (A+B+C)	68.96	8.86
E. Reconciliation		
Cash and cash equivalents at the beginning of the year	60.46	51.60
Cash and cash equivalents at the end of the year	129.42	60.46
	68.96	8.86
Cash and cash equivalents comprise of		
Cash on hand	7.57	10.47
Balances with banks	121.85	49.99
	129.42	60.46

Notes :
1. 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.
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.

For BSR & Co.
Chartered Accountants
Firm's Registration No.: 101248W

Bhavesh Dhupelia
Partner
Membership No. 042070

Place : Mumbai
Date : 26th April, 2012

For and on behalf of the Board

K. N. Grant — *Chairman*
V. M. Rajasekharan — *Managing Director*
S. K. Sipani — *Head - Finance & Company Secretary*

Place : Kolkata
26th April, 2012

NOTES TO THE ACCOUNTS

	As at March 31, 2012 (₹ in Lacs)	As at March 31, 2011 (₹ in Lacs)
1. Share capital		
Authorised		
35,00,00,000 (2010-11: 35,00,00,000) Equity shares of ₹ 1 (2010-11: ₹ 1) each (see note (B)(I) (a),(c) and (d) below)	**3,500.00**	3,500.00
113,00,000 (2010-11: 113,00,000) Redeemable preference shares of ₹ 100 each (see note (B)(I) (d) below)	**11,300.00**	11,300.00
	14,800.00	14,800.00
Issued		
18,84,60,000 (2010-11: 9,42,30,000) Equity shares of ₹ 1 each (see notes (B)(I)(a), (b), (c) and note (C) below)	**1,884.60**	942.30
Nil (2010-11: 55,00,000) 5% Redeemable cumulative preference shares of ₹ 100 each (see note (B)(II) below)	—	5,500.00
50,00,000 (2010-11: 50,00,000) Zero coupon preference shares of ₹ 100 each (see note (B)(III) below)	**5,000.00**	5,000.00
Subscribed and paid up		
18,58,55,147 (2010-11: 9,42,30,000) Equity shares of ₹ 1 each fully paid up (see notes B(I) (a), (b), (c), (d) and note (C) below)	**1,858.55**	942.30
Nil (2010-11: 55,00,000) 5% Redeemable cumulative preference shares of ₹ 100 each fully paid up (see note (B)(II) below)	—	5,500.00
50,00,000 (2010-11: 50,00,000) Zero coupon preference shares of ₹ 100 each fully paid up (see note (B)(III) below)	**5,000.00**	5,000.00
Total	**6,858.55**	11,442.30

A) Reconciliation of number of shares	As at March 31, 2012		As at March 31, 2011	
Equity shares	**No. of Shares**	**₹ in Lacs**	No. of Shares	₹ in Lacs
Balance as at the beginning of the year	**9,42,30,000**	**942.30**	9,42,30,000	942.30
Shares issued during the year - rights issue	**9,16,25,147**	**916.25**	—	—
Balance as at the end of the year	**18,58,55,147**	**1,858.55**	9,42,30,000	942.30
5% Redeemable cumulative preference shares				
Balance as at the beginning of the year	**55,00,000**	**5,500**	55,00,000	5,500
Shares redeemed during the year	**55,00,000**	**5,500**	—	—
Balance as at the end of the year	—	—	55,00,000	5,500
Zero coupon preference shares				
Balance as at the beginning of the year	**50,00,000**	**5,000**	—	—
Shares issued during the year	—	—	50,00,000	5,000
Balance as at the end of the year	**50,00,000**	**5,000**	50,00,000	5,000

B) Rights, preferences and restrictions attached to shares

(I) Equity shares:

(a) The Ordinary Shares of the Company, having par value of ₹ 1/- 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.

(b) During the year the Company had offered 9,42,30,000 equity shares of ₹ 1/- each for ₹ 6.50 per equity share, including premium of ₹ 5.50 per share, to the existing equity shareholders of the Company on rights basis in the ratio of one rights equity share for every one fully paid up equity share held. Of these the Company has allotted 9,16,25,147 shares to the existing shareholders and has offered 26,04,853 unsubscribed shares to Russell Credit Limited at the same price as at the balance sheet date. Unsubscribed shares offered to Russell Credit Limited were allotted post balance sheet date (i.e. on April 25, 2012). These equity shares shall rank pari pasu in all respects with the existing equity share capital of the Company.

(c) 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 was reduced from ₹ 10,400 lakhs to ₹ 5,720 Lakhs by reducing the paid up value of equity shares by ₹ 9 per equity share and the amount so cancelled was utilised for reducing the accumulated losses as at March 31, 2004 to the extent of ₹ 4,680 lakhs. To give effect to the above, the composition of the authorised capital was modified from 5,50,00,000 equity shares of ₹ 10 each to 55,00,00,000 equity shares of ₹ 1 each.

(d) Pursuant to the provisions of Section 94 of the Companies Act, 1956, Article 3 of the Articles of Association of the Company, the authorised share capital of ₹ 1,48,00,00,000 comprising 55,00,00,000 equity shares of ₹ 1/- each and 93,00,000 redeemable preference shares of ₹ 100/- each, is re-classified into 35,00,00,000 (three thousand five hundred lakhs) equity shares of ₹ 1 (rupee one) each and 1,13,00,000 (one hundred thirteen lakhs) redeemable preference shares of ₹ 100 (Rupees One Hundred) each.

(II) 5% Redeemable cumulative preference shares:

55,00,000, 5% Redeemable preference shares of ₹ 100 each were issued during the year 2007 to Russell Credit Limited, the erstwhile holding company. These preference shares were due for redemption on March 15, 2012 but the same was extended upto March 31, 2012 with the consent of Russell Credit Limited. On March 28, 2012 these preference shares were redeemed. Arrears of dividend on these shares were waived by Russell Credit Limited.

(III) Zero coupon preference shares

50,00,000, Zero coupon preference shares of ₹ 100 each, redeemable at 6% premium per annum, were issued during the year 2010 to Russell Credit Limited, the erstwhile holding company. These shares shall be redeemable on or before September 15, 2015. During the year Russell Credit Limited has transferred these shares to ITC Limited.

C) Shares allotted as fully paid up pursuant to contracts for consideration other than cash

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.

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

NOTES TO THE ACCOUNTS

	As at March 31, 2012 (₹ in Lacs)	As at March 31, 2011 (₹ in Lacs)
D) Shares held by holding company and subsidiary of holding company		
Equity shares		
18,24,76,340 (2010-11: Nil) Equity shares of ₹ 1 each, fully paid up are held by ITC Limited (holding company effective September 29, 2011, was the ultimate holding company in 2010-11)	1,824.76	—
Nil (2010-11: 9,12,38,170) Equity shares of ₹ 1 each, fully paid up were held by Russell Credit Limited (fellow subsidiary, was the holding company of Wimco Limited till September 28, 2011)	—	912.38
Preference shares		
Nil (2010-11: 55,00,000) 5% Redeemable cumulative preference shares of ₹ 100 each fully paid up held by Russell Credit Limited (fellow subsidiary, was the holding company of Wimco Limited till September 28, 2011)	—	5,500.00
Nil (2010-11: 50,00,000) Zero coupon preference shares of ₹ 100 each fully paid held by Russell Credit Limited (fellow subsidiary, was the holding company of Wimco Limited till September 28, 2011)	—	5,000.00
50,00,000 (2010-11: Nil) Zero coupon preference shares of ₹ 100 each fully paid held by ITC Limited (holding company effective September 29, 2011, was the ultimate holding company in 2010-11)	5,000.00	—

	As at March 31, 2012	As at March 31, 2011
E) Name of shareholders holding more than 5% of the shares of the Company		
Equity Shares		
ITC Limited (holding company effective September 29, 2011, was the ultimate holding company in 2010-11)	18,24,76,340	—
	98.18%	—
Russell Credit Limited (fellow subsidiary, was the holding company of Wimco Limited till September 28, 2011)	—	9,12,38,170
	—	96.82%
5% Redeemable cumulative preference shares		
Russell Credit Limited (fellow subsidiary, was the holding company of Wimco Limited till September 28, 2011)	—	55,00,000
	—	100.00%
Zero coupon preference shares		
Russell Credit Limited (fellow subsidiary, was the holding company of Wimco Limited till September 28, 2011)	—	50,00,000
	—	100.00%
ITC Limited (holding company effective September 29, 2011, was the ultimate holding company in 2010-11)	50,00,000	—
	100.00%	—

	As at March 31, 2012 (₹ in Lacs)	As at March 31, 2011 (₹ in Lacs)
2. Reserves and surplus		
Capital reserve	29.96	29.96
Capital redemption reserve	500.00	500.00
Securities premium		
Balance at the beginning of the year	0.27	0.27
Add : On issue of equity shares (see note 1(B)(I)(b))	5,039.38	—
Less : Premium on zero coupon preference shares	441.68	0.27
	4,597.97	—
Revaluation reserve		
Balance at the beginning of the year	4,587.14	—
Add: On revaluation during the year (see note 11B)	—	4,587.14
	4,587.14	4,587.14
Capital subsidy	14.93	14.93
General reserve as per the last balance sheet	6,534.97	6,534.97
(Deficit) in the statement of profit and loss		
Balance at the beginning of the year	(7,367.07)	(1,402.03)
Add: (Loss) for the year	(4,599.36)	(5,965.04)
	(11,966.43)	(7,367.08)
Total	4,298.54	4,299.92
3. Long-term borrowings		
Unsecured :		
Loans and advances from related parties		
Pavan Poplar Limited (wholly-owned subsidiary)	250.00	280.00
Russell Credit Limited (fellow subsidiary, was the holding company of Wimco Limited till September 28, 2011)	200.00	1,000.00
Total	450.00	1,280.00

Terms of repayment of loans and advances

Borrowings	Terms of Repayment
Pavan Poplar Limited	Interest free, repayable by March 31, 2014.
Russell Credit Limited	Repayable within two years with an interest rate of 9.5% per annum. (6% per annum from date of loan till February 13, 2012)

NOTES TO THE ACCOUNTS

	As at March 31, 2012 (₹ in Lacs)	As at March 31, 2011 (₹ in Lacs)
4. Deferred tax		
Deferred tax liabilities		
Difference between book depreciation and depreciation under the Income Tax Act, 1961	420.58	459.95
Deferred tax assets		
On Unabsorbed depreciation as per Income Tax Act, 1961	682.58	577.45
On Disallowance u/s 43B of the Income Tax Act, 1961	159.24	216.35
On VRS cost u/s 35 DDA of the Income Tax Act, 1961	1,456.72	764.44
On Provision for doubtful debts	152.94	156.59
On Long-term capital loss as per Income Tax Act, 1961	223.10	261.63
On Business loss as per Income Tax Act, 1961	2,765.04	1,874.18
	5,439.62	3,850.64
Net deferred tax asset	420.58	459.95
Deferred tax asset (net) recognised *	—	—

*Deferred tax asset has been recognised only to the extent of the deferred tax liabilities as this amount is considered to be virtually certain of realisation.

5. Other long-term liabilities		
Security deposit received from holding company	5,000.00	—
Premium on zero coupon preference shares*	441.68	0.27
Rent payable	211.00	172.08
	5,652.68	172.35

* Premium is payable to ITC Limited (holding company effective September 29, 2011, was the ultimate holding company in 2010-11).

6. Long-term provisions		
Provisions for employee benefits (see note 25)		
Provision for leave encashment	87.97	84.53
	87.97	84.53
7. Short-term borrowings		
Unsecured :		
Short-term loans and advances from related parties		
Pavan Poplar Limited (wholly-owned subsidiary)	25.84	23.30
	25.84	23.30
8. Trade payables		
Total outstanding dues of micro enterprises and small enterprises (see note 36)	—	—
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,093.59	4,628.04
	4,093.59	4,628.04
9. Other current liabilities		
Interest accrued but not due on deposits	8.41	8.70
Advances from customers	83.96	131.94
Deposit from customers	45.06	59.57
Employee benefits payable	206.68	295.43
Statutory dues payable*	74.07	155.86
Rent payable	9.46	6.17
	427.64	657.67
*Statutory dues payable include		
Wealth tax and withholding taxes	49.69	61.55
Excise duty, custom duty and service tax	12.31	44.60
VAT and Others	12.07	49.71
	74.07	155.86
10. Short-term provisions		
Provisions for employee benefits (See Note 25)		
Provision for gratuity	87.77	249.22
Provision for leave encashment	1.94	1.29
	89.71	250.51

NOTES TO THE ACCOUNTS

11. Fixed assets

(₹ in Lacs)

Tangible assets and Intangible assets	GROSS BLOCK: Balance as at April 1, 2011	Additions during the year	Revaluation during the year	Disposal/ Adjustments during the year	Balance as at March 31, 2012	ACCUMULATED DEPRECIATION / AMORTISATION / IMPAIRMENT: As at April 1, 2011 Depreciation	As at April 1, 2011 Impairment	Charge on account of: Depreciation for the year	Charge on account of: Impairment	Charge on account of: Held for Sale	Disposal/ Adjustments during the year	As at March 31,2012 Depreciation	As at March 31,2012 impairment	NET BLOCK: As at March 31, 2012	As at March 31, 2011
Intangible assets															
Computer software	289.84	—	—	—	289.84	208.89	—	46.22	—	—	—	255.11	—	34.73	80.95
Tangible assets															
Freehold land (see note 11A below)	12,187.45	—	—	—	12,187.45	—	167.73	—	—	—	—	—	167.73	12,019.72	12,019.72
Leasehold land	247.28	—	—	—	247.28	0.66	246.62	—	—	—	—	0.66	246.62	—	—
Buildings (see note - 11A below)	6,288.87	12.10	—	2.22	6,298.75	5,738.10	—	22.42	—	—	2.04	5,758.48	—	540.27	550.77
Plant and machinery	7,014.00	150.60	—	58.93	7,105.67	4,324.12	—	347.85	—	—	26.69	4,645.28	—	2,460.39	2,689.88
Computers	312.45	1.86	—	—	314.31	275.40	—	5.16	—	—	—	280.56	—	33.75	37.05
Office Equipments	207.86	2.95	—	—	210.81	143.69	—	8.37	—	—	—	152.06	—	58.75	64.17
Furniture and fittings	620.07	0.52	—	0.07	620.52	377.19	—	22.76	—	—	0.06	399.89	—	220.63	242.88
Motor cars, lorries, tractors and launches	148.56	23.09	—	25.37	146.28	122.52	—	3.68	—	—	20.06	106.14	—	40.14	26.04
2011-12	27,316.38	191.12	—	86.59	27,420.91	11,190.57	414.35	456.46	—	—	48.85	11,598.18	414.35	15,408.38	15,711.46
2010-11	22,496.54	238.40	4,587.14	5.70	27,316.38	10,680.26	414.35	514.00	—	—	3.69	11,190.57	414.35		
Capital work-in-progress														23.38	104.99
														15,431.76	15,816.45

11A. Assets given on operating lease

(₹ in Lacs)

Tangible asset	Year Ended March 31, 2012: Gross Block	Accumulated Depreciation	Net Block	Charge for the year	Year Ended March 31, 2011: Gross Block	Accumulated Depreciation	Net Block	Charge for the year
Freehold Land	8,027.68	—	8,027.68	—	—	—	—	—
Buildings	1,080.57	1,012.41	68.16	2.57	—	—	—	—
TOTAL	9,108.25	1,012.41	8,095.84	2.57	—	—	—	—

11B. Based on the valuation report submitted by the approved valuers, during the year 2010-11, the Company revalued the freehold land at Chennai by ₹ 4,587.14 Lacs and the same has been transferred to revaluation reserve account.

11C. The Company has received notice from the Special Tahsildar (Land Acquisition) Thiruvottiyur for compulsory acquisition of certain portion of land at Chennai.

	As at March 31, 2012 (₹in Lacs)	As at March 31, 2011 (₹ in Lacs)
12. Non-current investments		
Unquoted		
Trade investment		
A. Investment in government securities		
National savings certificates (pledged with various Mandi Samitis)	0.06	0.01
	0.06	0.01
Non-trade investment		
B. Investment in equity instruments		
(I) Investments in wholly-owned subsidiary companies		
Pavan Poplar Limited 55,10,004 (2010-11: 55,10,004) equity shares of ₹ 10 each, fully paid (including 6 Equity Shares held by nominees)	599.06	599.06
Prag Agro Farm Limited 38,00,020 (2010-11: 38,00,020) equity shares of ₹ 10 each, fully paid (including 6 equity shares held by nominees)	381.90	381.90
Less : Provision for diminution	(381.90)	(381.90)
	599.06	599.06
(II) Investments in other companies		
Woodlands Multispeciality Hospital Limited (Formerly known as Woodlands Hospital & Medical Research Centre Limited) 22, (2010-11 : 22) 1/2% debentures of ₹ 100 each fully paid	0.02	0.02
Mirage Advertising and Marketing Limited 12,488 (2010-11 : 12,488) equity shares of ₹ 10 each fully paid	1.25	1.25
Bilaspur Cane Development Corporation Limited 100 (2010-11: 100) equity shares of ₹ 10 each fully paid	0.01	0.01
Less : Provision for diminution	(1.25)	(1.25)
	0.03	0.03
Total non-current investments (at cost) - unquoted	982.30	982.25
Less : aggregate provision for diminution in value	(383.15)	(383.15)
	599.15	599.10
13. Long-term loans and advances		
Unsecured, considered good		
Loan to subsidiary company (Prag Agro Farm Limited)	788.85	762.46
Advances recoverable in cash (employee advances, contingent rent etc.)	13.34	14.50
	802.19	776.96

NOTES TO THE ACCOUNTS

	As at March 31, 2012 (₹ in Lacs)	As at March 31, 2011 (₹ in Lacs)
14. Other non-current assets		
Other bank balances (see note 17)	0.25	0.25
	0.25	0.25
15. Inventories		
Raw materials (Includes in transit, ₹ 14.32 Lacs (2010-11: ₹ 58.30 Lacs))*	912.22	969.58
Work-in-progress - (including plantations)*	445.72	441.62
Finished goods - manufactured*	344.88	986.08
Finished goods - traded	12.35	9.56
Stores and spares*	584.55	729.58
	2,299.72	3,136.42
* Net of obsolescence		
16. Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment:		
Unsecured, considered good	61.20	52.71
Unsecured, considered doubtful	471.43	471.43
Less: Provision for doubtful debts	(471.43)	(471.43)
	61.20	52.71
Others	259.48	282.25
Total	320.68	334.96
17. Cash and cash equivalents		
Balances with banks:		
- In Current accounts	38.77	39.88
- Cash credit (including working capital demand loan) with banks*	82.30	9.33
Cash on hand	7.57	10.47
Other bank balances		
In restricted bank accounts (non-current)	0.25	0.25
Deposit of original maturity of more than 12 months (current)	0.78	0.78
Less: Amounts disclosed under non-current assets (see note 14)	(0.25)	(0.25)
	129.42	60.46

*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.

	As at March 31, 2012 (₹ in Lacs)	As at March 31, 2011 (₹ in Lacs)
18. Short-term loans and advances		
Other loans and advances - unsecured, considered good unless otherwise stated		
Sundry advances to suppliers, employees, etc.		
Considered good	346.29	277.01
Considered doubtful	26.83	26.83
	373.12	303.84
Less: Allowance for bad and doubtful loans and advances	(26.83)	(26.83)
	346.29	277.01
Prepaid expenses	16.05	96.72
Advances with government and public bodies#	225.94	323.56
Deposits		
Considered good	346.29	256.68
Considered doubtful	11.10	11.10
	357.39	267.78
Less: Provision for doubtful deposits	(11.10)	(11.10)
	346.29	256.68
Current taxation (net of provisions ₹ 344.06 Lacs 2010-11: ₹ 344.06 lacs)	1,454.45	1,148.34
Fringe benefits tax (net of provisions ₹ 49.80 Lacs 2010-11 : ₹ 49.80 Lacs)	10.85	10.85
	2,399.87	2,113.16
#Advances with government and public bodies		
Excise duty, custom duty and service tax	151.59	271.36
VAT	74.35	52.20
	225.94	323.56
19. Other current assets		
Interest accrued but not due on electricity deposits	1.48	0.86
	1.48	0.86

NOTES TO THE ACCOUNTS

	Year Ended March 31, 2012 (₹ in Lacs)	Year Ended March 31, 2011 (₹ in Lacs)
20. Sale of goods and services		
Sale of goods		
Finished goods (including plantations)	**14,146.52**	18,677.55
Traded goods	**3,957.50**	2,104.49
Sale of services	**50.33**	75.74
	18,154.35	20,857.78
21. Other operating revenue		
Income from sale of		
-Scrap	**69.68**	81.71
-Stores and spares	**20.79**	6.26
-Raw materials	**10.09**	7.18
Income from sale of energy	**35.74**	17.88
Insurance claims	**2.59**	11.28
	138.89	124.31
22. Other income		
Interest income on deposits and others	**3.05**	2.56
Foreign exchange gain (net)	**6.08**	3.51
Rent and other charges realised*	**153.54**	51.48
Provisions / liabilities written back as no longer required	**42.29**	60.10
	204.96	117.65
* Includes income from operating lease of land and office building premises at various locations		
23. Cost of material consumed		
(a) Raw materials including packing materials consumed		
Opening stock	**969.58**	1,183.09
Purchases	**7,546.32**	11,392.37
Less: Closing stock	**(912.22)**	(969.58)
Cost of Raw materials including packing materials consumed (see note 39)	**7,603.68**	11,605.88
(b) Cost of seeds	**7.11**	7.34
Total	**7,610.79**	11,613.22
24. 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	**344.88**	986.08
Work-in-progress (including plantations)	**445.72**	441.62
Stock-in-trade	**12.35**	9.56
Total (A)	**802.95**	1,437.26
Less: Stock at the beginning of the year		
Finished goods	**986.08**	785.31
Work-in-progress (including plantations)	**441.62**	711.30
Stock-in-trade	**9.56**	9.98
Total (B)	**1,437.26**	1,506.59
(Increase)/decrease in stocks (B-A)	**634.31**	69.33
25. Employee benefits expense		
Salaries, wages and bonus	**1,852.87**	2,653.61
Contribution to provident and other funds	**479.89**	502.14
Workmen and staff welfare expenses	**168.35**	274.95
	2,501.11	3,430.70
Less: Recoveries	**(0.63)**	(0.72)
	2,500.48	3,429.98

In accordance with Accounting Standard 15, the undiscounted amount of short-term compensated absences in the nature of unavailed leave expected to be paid in exchange for services rendered amounting to ₹ 14.80 lacs (2010-11: ₹ 27.58 lacs) has been recognised in the statement of profit and loss for the year.

NOTES TO THE ACCOUNTS

(₹ in Lacs)

	Defined Benefit Plans			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12	2010-11	2011-12	2010-11
Change in obligation during the year				
1. Obligation at the beginning of the year	763.22	1,066.52	85.83	110.90
2. Service cost	18.79	41.93	14.13	32.09
3. Interest cost	52.47	85.49	5.72	8.99
4. Actuarial (gains) / losses	241.87	143.14	31.87	37.68
5. Benefits' payments	(708.88)	(573.86)	(47.62)	(103.83)
6. Obligations at the end of the year	367.47	763.22	89.93	85.83
Change in plan assets				
1. Plan assets at the beginning of the year	514.01	969.37	—	—
2. Expected return on plan assets	30.57	88.58	—	—
3. Contribution by employers	444.00	32.00	—	—
4. Actual benefits paid	(708.88)	(573.86)	—	—
5. Actuarial gains / (losses)	—	(2.09)	—	—
6. Plan assets at the end of the year	279.70	514.00	—	—
Reconciliation of present value of the obligation and the fair value of the plan assets				
1. Fair value of plan assets at the end of the year	279.70	514.01	—	—
2. Present value of the defined benefit obligation at the end of the year	367.47	763.22	89.93	85.83
3. Asset /(liability) recognised in the balance sheet	(87.77)	(249.21)	(89.93)	(85.83)
Cost for the period				
1. Service cost	18.79	41.93	14.13	32.09
2. Interest cost	52.47	85.49	5.72	8.99
3. Return on plan assets	(30.57)	(88.58)	—	—
4. Actuarial (gains) / losses	241.87	143.14	31.87	37.68
Net cost	282.56	181.98	51.72	78.76
Investment details of plan assets The Gratuity Scheme is invested in a Group-cum-Life Assurance cash accumulation policy offered by Life Insurance Corporation (LIC) of India				
Actual return on plan assets	(30.57)	(88.58)	—	—
Actuarial Assumptions:				
1. Discount Rate	8.25%	8.00%	8.25%	8.00%
2. Salary escalation	4.00%	4.00%	4.00%	4.00%
3. Expected return on plan assets	9.00%	9.00%	—	—

(₹ in Lacs)

Net Asset / (Liability) recognized in Balance Sheet (including experience adjustment impact)		For the year ended 31st March, 2012		For the year ended 31st March, 2011		For the year ended 31st March, 2010		For the year ended 31st March, 2009	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Present Value of Defined Benefit Obligation	367.47	89.93	763.22	85.83	1,066.53	110.90	951.89	94.21
2	Fair Value on Plan assets	279.70	—	514.01	—	969.37	—	956.07	—
3	Status [Surplus/(deficit)]	(87.77)	(89.93)	(249.21)	(85.83)	(97.16)	(110.90)	4.18	(94.21)
	There are no experience adjustments of plan assets / obligations as at March 31, 2012								

A. Amounts recognised as an expense ₹ 82.83 lacs (2010-11: ₹ 78.76 lacs) for leave encashment in "contribution to provident and other funds".

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 of India (LIC). 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 major class are not readily available. We understand that expected return on each 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.

Provident fund liability:

Eligible employees receive benefits from a provident fund, wherein, both the employee and the Company make monthly contributions equal to a specified percentage of the employee's salary. The company contributed ₹ 114.46 Lacs (including shortfall of ₹ 26.53 Lacs) and ₹ 164.48 Lacs (including shortfall of ₹ 10.51 Lacs) towards provident fund during the year ended March 31,2012 and March 31, 2011, respectively. The contributions other than for the employees of erstwhile Wimco Seedlings Limited, are made to a Trust administered by the Company. Pursuant to the Guidance Note on Valuation of Interest rate Guarantees on Exempt Provident Fund issued by the Institute of Actuaries of India during the year, based on an actuarial valuation at March 31, 2012 in this regard, plan assets at year end, at fair value stands at ₹ 2309.25 Lacs and present value of defined obligation at year end is ₹ 2303.74 Lacs. The key assumptions include: (a) Government of India bond yield at 8.57%; (b) Expected guaranteed interest rate at 8.25%; and (c) Remaining term of maturity at 9 years.

NOTES TO THE ACCOUNTS

	Year Ended March 31, 2012 (₹ in Lacs)	Year Ended March 31, 2011 (₹ in Lacs)
26. Finance cost		
Interest expense :		
Interest	185.25	55.50
Other borrowing costs	4.41	2.34
	189.66	57.84
27. Other expenses		
Consumption of stores and spare parts (including provision made for obsolete spares)	412.36	671.24
Power and fuel	439.04	765.27
Rent*	277.33	226.97
Repairs		
- Buildings	46.37	37.44
- Machinery	85.65	124.38
- Others	56.46	80.00
Rates and taxes	120.70	118.80
Insurance	42.70	72.23
Maintenance and upkeep	144.31	101.73
Outward freight and handling charges	394.36	685.60
Warehousing charges	23.56	27.80
Advertising and sales promotion charges	25.15	41.02
Commission to selling agents	0.77	0.12
Bank charges	5.46	10.40
Information technology services	82.07	138.36
Travelling and conveyance	168.59	188.77
Training and development	1.95	5.52
Professional fees	173.49	114.36
Postage and telephone charges	29.91	37.35
Printing and stationery	15.91	16.49
Loss on sale of fixed assets (net)	0.38	0.81
Auditors' remuneration (see note -31)	16.99	16.30
Directors' sitting fees	0.55	0.50
Plantation, Cultivation and Harvesting Charges	193.06	151.75
Miscellaneous expenses	464.93	473.94
Total	3,222.05	4,107.15

***Leases: Where the Company is a lessee/ licensee**

The Company has taken various 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

28. Earnings per share		
(Loss) after taxation	(4,599.36)	(5,965.04)
Arrears of preference dividend and including preference dividend tax (see note 1(B)(iii))	—	320.67
(Loss) attributable to equity shareholders	(4,599.36)	(6,285.71)
Weighted average number of equity shares	95,481,710	94,230,000
Earning per share - basic and diluted (₹)	(4.82)	(6.67)
Nominal value of an equity share (₹)	1.00	1.00

NOTES TO THE ACCOUNTS

29. Segment information for the year ended March 31, 2012

(₹ in lacs)

Information about primary business segments	March 31, 2012					March 31, 2011				
	Match	Engineering	Forestry	Unallocated	Total	Match	Engineering	Forestry	Unallocated	Total
Revenue										
External	15,285.86	1,676.85	1,191.64		18,154.35	18,478.00	1,404.25	975.53		20,857.78
Inter-segment			296.57		296.57	—	—	329.32		329.32
Total	15,285.86	1,676.85	1,488.21	—	18,450.92	18,478.00	1,404.25	1,304.85	—	21,187.10
Less: Eliminations on account of inter segment revenue			(296.57)		(296.57)			(329.32)		(329.32)
Total revenue	15,285.86	1,676.85	1,191.64	—	18,154.35	18,478.00	1,404.25	975.53	—	20,857.78
Result										
Segment result	(538.63)	236.68	821.09		519.14	(2,201.19)	173.84	736.45		(1,290.90)
Unallocated expenditure net of unallocated income				(1,244.63)	(1,244.63)				(872.40)	(872.40)
Operating Profit / (Loss) before exceptional items	(538.63)	236.68	821.09	(1,244.63)	(725.49)	(2,201.19)	173.84	736.45	(872.40)	(2,163.30)
Exceptional Item (see note 34)				(3,687.26)	(3,687.26)				(3,746.46)	(3,746.46)
Operating Profit / (Loss) after exceptional items	(538.63)	236.68	821.09	(4,931.89)	(4,412.75)	(2,201.19)	173.84	736.45	(4,618.86)	(5,909.76)
Interest expenses	—	—	—	(189.66)	(189.66)				(57.84)	(57.84)
Interest income	0.40	—	0.10	2.55	3.05				2.56	2.56
Provision for taxation					—					—
Net Profit / (Loss)	(538.23)	236.68	821.19	(5,119.00)	(4,599.36)	(2,201.19)	173.84	736.45	(4,674.14)	(5,965.04)
Other Information										
Segment assets	6,635.39	567.45	1,996.54	12,785.14	21,984.53	8,944.15	681.16	1,935.02	11,278.30	22,838.63
Segment liabilities	1,043.05	302.26	414.30	9,067.82	10,827.44	2,102.31	304.93	472.21	4,216.96	7,096.41
Capital expenditure	39.68	6.82	22.19	40.83	109.51	109.77	5.73	1.79	15.40	132.68
Depreciation	337.17	4.75	3.66	110.88	456.46	406.07	8.65	3.33	95.95	513.99

Information about Secondary Business Segments Revenue by Geographical Segments	March 31, 2012			March 31, 2011		
	India	Outside India	Total	India	Outside India	Total
Sales	17,898.21	256.15	18,154.35	20,573.15	284.64	20,857.79
Carrying Amount of Segment Assets	21,984.53	—	21,984.53	22,778.81	—	22,778.81
Capital Expenditure	109.51	—	109.51	132.68	—	132.68

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.

(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 is 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.

30. Related party disclosures

1. Parties exercising control over the Company:

Related Party	Relationship
ITC Limited	Holding company effective September 29, 2011, was the ultimate holding company in 2010-11
Russell Credit Limited	Fellow subsidiary, was the holding company of Wimco Limited till September 28, 2011

2. Parties over whom Company exercises control:

Related Party	Relationship
Pavan Poplar Limited	Subsidiary Company (Wholly owned)
Prag Agro Farm Limited	Subsidiary Company (Wholly owned)

3. Other related Parties with whom the Company had transactions

Related Party	Relationship
ITC Infotech India Limited	Fellow subsidiary
Russell Credit Limited	Fellow subsidiary, was the holding company of Wimco Limited till September 28, 2011

4. Directors of the Company

Managing director	VM Rajasekharan
No remuneration is paid by the Company to the Managing Director in accordance with the terms of his appointment.	

NOTES TO THE ACCOUNTS

5. Transaction with Related Parties ₹ in Lacs

	ULTIMATE HOLDING COMPANY		HOLDING COMPANY			SUBSIDIARY COMPANIES				Fellow Subsidiaries			Total	
	ITC Ltd.*		RUSSELL CREDIT Ltd.*		ITC Limited *	PPL		PAFL		RCL*	ITC Infotech India Ltd.			
	2011-12	2010-11	2011-12	2010-11	2011-12	2011-12	2010-11	2011-12	2010-11	2011-12	2011-12	2010-11	2011-12	2010-11
Sale of goods and services	7,070.07	18,536.43			8,405.84	2.05	5.35	4.14	4.88				15,482.10	18,546.66
Purchase of raw materials and components	362.89	1,247.04			367.02			65.87	306.78				795.78	1,553.81
Purchase of services	0.40	1.40			—						51.97	98.22	52.37	99.62
Purchase of fixed assets										26.54			26.54	—
Expenses reimbursed	102.02	603.23			137.26	2.61	3.96	0.19	15.31				242.09	622.51
Interest Paid			56.85	55.50						128.39			185.25	55.50
Expenses recovered	—	0.14			5.59	0.53	0.85	12.61	38.60				18.73	39.59
Rent received	47.93	51.48			126.97								174.89	51.48
Loans and advances given during the year								32.14	55.02				32.14	55.02
Receipt towards repayment of loans and advances given								5.75	28.51				5.75	28.51
Outstanding loans and advances (Dr)								788.85	762.46				788.85	762.46
Loans and advances taken during the year	37.57	127.10	4,300.00	4,000.00	210.49	2.45	1.33			200.00			4,750.50	4,128.43
Repayment of loans and advances by the Company	15.88	330.61		3,000.00	325.11	29.91	13.30			5,300.00			5,670.90	3,343.91
Unsecured loans (Cr)				1,000.00		275.84	303.30			200.00			475.84	1,303.30
Deposits received during the year					5,000.00								5,000.00	—
Outstanding receivables		87.06			59.53								59.53	87.06
Outstanding payables		126.95			5,483.62	82.87	82.87						5,566.49	209.82
Advance payable		2,567.08			2,474.14								2,474.14	2,567.08
Issue of preference shares				5,000.00									—	5,000.00
Redemption of 5% redeemable cumulative preference shares										5,500.00			5,500.00	—
Proceeds from rights issue of equity shares					5,930.48								5,930.48	—

* Refer 1 above

	Year Ended March 31, 2012 (₹ in Lacs)	Year Ended March 31, 2011 (₹ in Lacs)
31. Auditors' remuneration Payments to the auditor as		
a. Audit fees	**15.50**	15.50
b. Out-of-pocket expenses	**1.49**	0.75
Total	**16.99**	**16.25**

32. Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities

1. Claims against the company not acknowledged as debts:		
A. Income tax matters relating to allowability of expenses, unabsorbed depreciation and brought forward losses, etc.	**13.56**	1,048.71
B. Excise duty, sales tax and indirect taxes claims disputed relating to issues of applicability and classification	**421.44**	360.85
C. Local authority taxes / Cess/ Royalty on property, utilities etc. disputed relating to issues of applicability and determination	**380.53**	342.09
D. Third party claims arising from disputes relating to contracts	**474.75**	400.51
E. Other matters	**45.91**	66.41
	1,336.19	2,218.57
2. Other matters for which the Company is contingently liable		
A. Test bonds / special valuation bonds equivalent to CIF Value of exports of certain raw materials in respect of which additional liability of custom duty is not likely to exceed the amount.	**241.00**	241.00
B. Claims have been filed by farmers in respect of disputes under the WIMCO NABARD Poplar Scheme.	**19.65**	19.65

NOTES TO THE ACCOUNTS

C. 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, 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 ₹ 235.35 lacs (2010-11: ₹ 235.35 lacs) where necessary formalities and entries have not been completed.	**1,362.62**	1,362.62
	2,959.46	3,841.84
Commitments		
Arrears of dividend on redeemable cumulative preference shares (excluding dividend tax). The entire amount of dividend has been waived during the year 2011-12.	—	570.34
The Company has issued letter of financial support to one of its subsidiary company, viz. Prag Agro Farm Limited.		
	—	570.34
Total of contingent liability and commitments	**2,959.46**	4,412.18

33. The Company suspended operations in its unit at Dhubri, Assam in an earlier year. The Company has provided accelerated depreciation on fixed assets (excluding land) aggregating to ₹ Nil (2010-11: ₹ 43.67 lacs) and made provision for inventories of stores and spares aggregating ₹ Nil (2010-11: ₹ 34.91 lacs).

34. The Company has completed a voluntary separation scheme that has been accepted by all its workmen during the year at its Kolkata factory and during the financial year 2010-11 at its Chennai and Ambarnath factories. Consequently, the Safety Matches operations at these units stand suspended.

The Company is evaluating various options for the utilization of its plant & machinery and inventory lying at these factories as also the alternate use for its land and building at these locations in order to optimise value. The value of land and buildings at these locations, amounting to ₹ 11,503.48 Lacs (2010-11: ₹ 11,677.90 lacs) are now included under Unallocated Assets, while the restructuring costs incurred to get these assets released for alternate use have been included under Unallocated Expenditure in Note 29–Segment Information.

35. 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 subsidiaries.

36. Micro, small and medium scale business entities:

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and as at March 31, 2012 and March 31, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

	Year Ended March 31, 2012 (₹ in Lacs)	Year Ended March 31, 2011 (₹ in Lacs)
37. CIF value of imports		
Raw materials	**627.26**	819.20
38. Expenditure in foreign currency		
Foreign travel	**2.71**	1.76
39. Details of consumption and purchases		
(a) Details of raw materials/packing materials consumed		
Wood	**1,798.57**	2,408.81
Splints and veneers	**1,257.13**	2,411.02
Card board and paper	**1,888.69**	3,552.15
Chemicals	**1,259.51**	2,494.81
Others	**1,399.78**	739.09
Total	**7,603.68**	11,605.88
(b) Value of imported and indigenous materials consumed		
Raw materials		
Imported	**654.25**	1,077.82
Indigenous	**6,949.43**	10,528.06
	7,603.68	11,605.88
Stores and spare parts		
Imported	**34.47**	0.12
Indigenous	**404.57**	765.15
	439.04	765.27
(c) Purchase of traded goods		
Matches	**3,560.44**	1,888.20
Machines	**51.30**	—
Total	**3,611.74**	1,888.20
40. Earnings in foreign exchange		
Exports of goods calculated on FOB basis	**278.01**	277.50

41. Unhedged foreign currency exposure not covered by forward contract

	Amount		Amount	
	(₹ in Lacs)	**(USD in Lacs)**	(₹ in Lacs)	(USD in Lacs)
Trade receivables	**5.62**	**0.11**	42.92	0.98

42. 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 Companies Act, 1956 [see note 43 (1)].

NOTES TO THE ACCOUNTS

43 - Significant Accounting Policies

1. Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention (except for fixed assets revalued in earlier years), 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 Wimco Limited ('the Company') for preparation and presentation of its financial statements. Except for accounting for dividend on investments in subsidiary companies (See Note 8 below), 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.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India 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 and the reported amounts of revenue and expenses for the period. 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

Tangible Assets

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

Assets individually costing ₹ 5,000.00 or less are fully depreciated in the year of purchase.

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.

Intangible Assets

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.

Impairment

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, that 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 asset 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

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term 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 market 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 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.

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) 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.

6. Foreign Currency Transactions

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 recognized in the statement of profit and loss for 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 statement of profit and loss.

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 as services are rendered, based on respective contractual terms. Consultancy income is recognized 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.

Dividend income is recognised when the right to receive dividend is established. Accordingly, dividend declared by subsidiary company after the reporting date but pertaining to the current year is no longer recognised during the year as was mandated by the pre-revised Schedule VI. As no dividend has been declared by the Company's subsidiaries, there is no impact of this change.

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) 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 forward 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 realized.

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 recognized during the period.

Post-employment benefits

In respect of the employees of the erstwhile WIMCO Seedlings Limited, the contribution towards provident fund is deposited in a government administered fund which is a defined contribution scheme. The contribution paid/payable under the scheme is recognised as expense during the period in which the employee renders the related service.

NOTES TO THE ACCOUNTS

In respect of other employees, the contributions are made to Company managed provident fund. 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 an expense in the statement of profit and loss 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 that 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 recognizes 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 recognized 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 Statement of Profit and Loss.

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 period 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 period attributable to the equity shareholders by the weighted average number of equity and equivalent dilutive equity shares outstanding during the period, 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 part of the consultancy income.

Signatures to the Notes forming part of the Balance Sheet and Statement of Profit and Loss.

For BSR & Co.
Chartered Accountants
Firm's Registration No.: 101248W

For and on behalf of the Board

Bhavesh Dhupelia
Partner
Membership No. 042070

K. N. Grant — *Chairman*
V. M. Rajasekharan — *Managing Director*
S. K. Sipani — *Head - Finance & Company Secretary*

Place : Mumbai
Date : 26th April, 2012

Place : Kolkata
26th April, 2012

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 FARM LIMITED
2. Financial Year of the Subsidiary Company ended	March 31, 2012	March 31, 2012
3. Number of Shares held in Subsidiary	55,10,004 Equity Shares of ₹ 10 each. (Including 6 Equity Shares held by nominees of Wimco Limited)	38,00,020 Equity Shares of ₹ 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 ₹ 10 each.	Equity Shares - 38,00,020 Shares of ₹ 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) Profit/(Loss) for the financial year ended (₹ in lacs)	March 31, 2012 ₹ 3.32	March 31, 2012 ₹ 6.18
(ii) Profits/(Losses) for the previous financial years of the Subsidiary since it became the Company's Subsidiary (₹ in lacs)	₹ 139.60	₹ (748.92)
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 (₹ in lacs)	March 31, 2012 Nil	March 31, 2012 Nil
(ii) Profits for the previous financial years of the Subsidiary since it became the Company's Subsidiary (₹ in lacs)	Nil	Nil

For and on behalf of the Board

K. N. Grant — *Chairman*
V. M. Rajasekharan — *Managing Director*
S. K. Sipani — *Head - Finance & Company Secretary*

Place : Kolkata
Date : 26th April, 2012