

DIRECTORS' REPORT

TO THE MEMBERS OF PAVAN POPLAR LIMITED

Your Directors present their Report for the financial year ended 31st March, 2014.

Company Performance

The Company's turnover for the year increased to ₹ 96.24 lakhs as against ₹ 66.70 lakhs during the previous year. However, the Company incurred a Net Loss of ₹ 446.95 lakhs as against a net profit of ₹ 6.92 lakhs during the previous year, after considering an aggregate provision of ₹ 454.65 lakhs made towards Inventories and Fixed Assets [Refer Note 24 to the Financial Statements].

Your Company had filed writ petition before the Nainital High Court in the year 2005 against the order of the District Magistrate authorising State authorities to take possession of the land leased to the Company. During the year under review, the said petition was disposed off by the High Court in favour of the State Government. Although the appeal filed by the Company against the High Court's order has been admitted, as a measure of prudence, the Company has created the aforesaid provision.

Directors

In accordance with the provisions of the Articles 100, 101 and 102 of the Articles of Association of the Company, Mr. S. Limaye will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offers 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 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, 2014 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.

Audit Committee

The Audit Committee of the Company comprises M/s. S. K. Sipani, S. Limaye and D. Chakraborti.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PAVAN POPLAR LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Pavan Poplar Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the

Auditors

The Company's Auditors, Messrs. BSR & Co. LLP, Chartered Accountants, who retire at the ensuing Annual General Meeting, have expressed that they would not like to offer themselves for re-appointment as Auditors of the Company.

The Company has received a Special Notice in terms of the provisions of Section 140(4) of the Companies Act, 2013 (the Act) proposing the appointment of Messrs. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company at the ensuing Annual General Meeting.

Your Board, on the recommendation of the Audit Committee, has recommended the appointment of Messrs. Deloitte Haskins & Sells, Chartered Accountants, as Auditors of the Company for a period of five years in accordance with Section 139(1) of the Act.

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

There has been no technology absorption during the year and the Company has not incurred any expense on research and development.

C) Foreign Exchange Earnings and Outgo

There has been no foreign exchange earnings or outgo during the year under review.

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

Place: Kolkata
Date: 8th May, 2014

S. K. Sipani Director
S. Limaye Director

Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Companies Act, 1956, 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 comply with the accounting standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - (e) on the basis of written representations received from the directors of the Company as at 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W
Rajesh Mehra
Partner
Membership No: 103145

Mumbai, 8th May, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH, 2014

(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. Also refer note 24 of the financial statements.
- (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 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 sale of goods. The Company has not purchased any fixed asset during the year. 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/agricultural produce grown by the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Wealth tax, Sales tax / Value Added Tax, Excise duty, Custom duty, Service tax, 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 Provident Fund, Income tax and other material statutory dues were in arrears as at 31 March 2014 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 incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.*

- (xi) The Company did not have any outstanding dues to any financial institution, banks or debenture holders 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 investment.
- (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 overall examination of the balance sheet of the Company, we are of opinion that funds raised on short term basis have not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register 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 issue 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 B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W
Rajesh Mehra
Partner
Membership No: 103145

Mumbai, 8th May, 2014

BALANCE SHEET AS AT MARCH 31, 2014

	Note	As at March 31, 2014 (₹)	As at March 31, 2013 (₹)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	55,100,040	55,100,040
Reserves and surplus	2	(29,211,595)	15,483,700
Non-current liabilities			
Long-term provisions	3	688,365	79,882
Current liabilities			
Trade payables	4	151,159	271,810
Other current liabilities	5	2,225,148	1,886,660
Short-term provisions	6	95,847	701,550
TOTAL		29,048,964	73,523,642
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	7	—	21,302,928
Long-term loans and advances	8	20,009,838	20,009,838
Current assets			
Inventories	9	—	20,678,752
Trade receivables	10	7,355,179	9,352,979
Cash and bank balances	11	489,642	231,413
Short-term loans and advances	12	1,151,965	1,878,930
Other current assets	13	42,340	68,802
TOTAL		29,048,964	73,523,642

Significant accounting policies 26

The accompanying notes 1 to 26 are an integral part of the Financial Statements.
As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W
Rajesh Mehra
Partner
Membership No: 103145
Place: Mumbai
Date: 8th May, 2014

For and on behalf of the Board
S. K. Sipani Director
S. Limaye Director
Anitha Chinnaiya Company Secretary
Place: Kolkata
Date: 8th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note	For the year ended March 31, 2014 (₹)	For the year ended March 31, 2013 (₹)
INCOME			
Revenue from operations			
- Revenue from sale of products	14	9,624,017	6,669,525
Other operating revenue	15	—	76,822
Other income - interest on fixed deposits		—	14,800
Total income		9,624,017	6,761,147
Expenses			
Cost of seeds	16	1,349,258	1,200,296
Changes in inventories of finished goods, work-in-progress and stock-in-trade	17	(4,634,455)	(5,722,426)
Employee benefits expense	18	2,678,319	2,631,799
Depreciation and amortisation expense	7	1,151,509	1,151,509
Other expenses	19	8,310,055	6,803,737
Total expense		8,854,686	6,064,915
Profit before exceptional items and tax		769,331	696,232
Exceptional items (see note 24)		(45,464,626)	—
(Loss) / Profit before tax		(44,695,295)	696,232
Tax expense - Current tax		—	4,573
(Loss) / Profit after tax		(44,695,295)	691,659
Earnings per equity share (₹) - basic and diluted	21	(8.11)	0.13
Face value (₹)		10.00	10.00
Significant accounting policies	26		

The accompanying notes 1 to 26 are an integral part of the Financial Statements.

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W

Rajesh Mehra
Partner
Membership No: 103145
Place: Mumbai
Date: 8th May, 2014

For and on behalf of the Board
S. K. Sipani Director
S. Limaye Director
Anitha Chinnaiya Company Secretary
Place: Kolkata
Date: 8th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	For the year ended March 31, 2014 (₹)	For the year ended March 31, 2013 (₹)
A. Cash flow from operating activities		
Profit before exceptional items and tax	769,331	696,232
Exceptional items (See note 24)	(45,464,626)	—
(Loss) / Profit before tax	(44,695,295)	696,232
Adjustments for:		
Depreciation and amortisation expense	1,151,509	1,151,509
Fixed assets impairment charge	20,151,419	—
Interest income	—	(14,800)
Operating (Loss) / Profit before working capital changes	(23,392,367)	1,832,941
Adjustment for:		
Trade payables, Other current liabilities and Provisions	220,617	(671,628)
Inventories	20,678,752	(5,722,426)
Trade receivables and other current assets	2,024,262	(1,057,480)
Loans and advances	5,722	(6,098)
Cash used in operations	(463,014)	(5,624,691)
Taxes paid (net of refunds)	—	(4,573)
Net cash used in operating activities	(463,014)	(5,629,264)
B. Cash flow from investing activities		
Interest received	—	14,800
Net cash generated from investing activities	—	14,800
C. Cash flow from financing activities		
Loan repayment from holding Company	721,243	5,734,184
Net cash generated from financing activities	721,243	5,734,184
D. Net increase in cash and cash equivalents	258,229	119,720
E. Reconciliation		
Cash and cash equivalents at the beginning of the year	231,413	111,693
Cash and cash equivalents at the end of the year	489,642	231,413
	258,229	119,720

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.
- Cash and cash equivalents represent cash and bank balances only.

The accompanying notes 1 to 26 are an integral part of the Financial Statements.

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W

Rajesh Mehra
Partner
Membership No: 103145
Place: Mumbai
Date: 8th May, 2014

For and on behalf of the Board
S. K. Sipani Director
S. Limaye Director
Anitha Chinnaiya Company Secretary
Place: Kolkata
Date: 8th May, 2014

NOTES TO THE FINANCIAL STATEMENTS

	As at March 31, 2014 (₹)	As at March 31, 2013 (₹)	As at March 31, 2014 (₹)	As at March 31, 2013 (₹)
1. Share capital				
Authorised				
10,000,000 (2013: 10,000,000) equity shares of ₹ 10 each	<u>100,000,000</u>	<u>100,000,000</u>		
Issued				
5,510,004 (2013: 5,510,004) equity shares of ₹ 10 each (See notes (a), (b) and (c) below)	<u>55,100,040</u>	<u>55,100,040</u>		
Subscribed and paid up				
5,510,004 (2013: 5,510,004) equity shares of ₹ 10 each fully paid-up (See notes (a), (b) and (c) below)	<u>55,100,040</u>	<u>55,100,040</u>		
Total	<u>55,100,040</u>	<u>55,100,040</u>		
a) Reconciliation of number of shares				
	As at 31 March 2014	As at 31 March 2013		
	Number of Shares	Number of Shares		
	Amount (₹)	Amount (₹)		
Equity Shares				
Balance as at the beginning of the year	5,510,004	5,510,004	5,510,004	55,100,040
Movement during the year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Balance as at the end of the year	<u>5,510,004</u>	<u>5,510,004</u>	<u>5,510,004</u>	<u>55,100,040</u>
b) Shares issued for consideration other than cash				
Of the above, 3,800,000 (2013: 3,800,000) equity shares of ₹ 10 each were issued for consideration other than cash.				
c) Shares held by holding Company				
	As at March 31, 2014 (₹)	As at March 31, 2013 (₹)		
Equity Shares				
5,510,004 (2013: 5,510,004) Equity shares of ₹ 10 each, fully paid up are held by the holding company Wimco Limited and its nominees.	<u>55,100,040</u>	<u>55,100,040</u>		
d) Name of share holders holding more than 5% of the shares of the Company				
	As at March 31, 2014 (No. of shares and %)	As at March 31, 2013 (No. of shares and %)		
Equity Shares				
Wimco Limited, the holding Company	<u>5,510,004</u> 100%	<u>5,510,004</u> 100%		
e) Rights, preferences and restrictions attached to shares				
The equity 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.				
2. Reserves and surplus				
General Reserve				
As at the beginning and end of the year	<u>500,000</u>	<u>500,000</u>		
(Deficit)/Surplus in the statement of profit and loss				
Balance at the beginning of the year	<u>14,983,700</u>	<u>14,292,041</u>		
Add : (Loss)/Profit for the year	<u>(44,695,295)</u>	<u>691,659</u>		
	<u>(29,711,595)</u>	<u>14,983,700</u>		
Total	<u>(29,211,595)</u>	<u>15,483,700</u>		
3. Long-term provisions				
Provision for employee benefits				
Provision for gratuity	<u>601,241</u>	<u>—</u>		
Provision for compensated absences	<u>87,124</u>	<u>79,882</u>		
Total	<u>688,365</u>	<u>79,882</u>		
4. Trade payables				
Total outstanding dues of micro enterprises and small enterprises (see note below)	<u>—</u>	<u>—</u>		
Total outstanding dues of creditors other than micro enterprises and small enterprises	<u>151,159</u>	<u>271,810</u>		
Total	<u>151,159</u>	<u>271,810</u>		
Note: There are no Micro and Small Enterprises, to whom the Company owes any amounts, which are outstanding for more than 45 days during the year and as at March 31, 2014 (March 31, 2013 ₹ 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.				
5. Other current liabilities				
Advances from customers	<u>155,200</u>	<u>100</u>		
Employee benefits payable	<u>378,081</u>	<u>199,181</u>		
Statutory dues payable				
Tax deducted at source	<u>15,551</u>	<u>12,918</u>		
Provident fund	<u>27,316</u>	<u>25,461</u>		
Stamp duty	<u>1,649,000</u>	<u>1,649,000</u>		
Total	<u>2,225,148</u>	<u>1,886,660</u>		
6. Short-term provisions				
Provisions for employee benefits :				
Provision for gratuity	<u>66,805</u>	<u>674,922</u>		
Provision for compensated absences	<u>29,042</u>	<u>26,628</u>		
Total	<u>95,847</u>	<u>701,550</u>		

7. Fixed Assets

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION/IMPAIRMENT						NET BLOCK	
	As at April 1, 2013	Additions during the year	Deduction during the year	As at March 31, 2014	As at April 1, 2013		Charge for the year		As at March 31, 2014		As at March 31, 2014	As at March 31, 2013
					Depreciation	Impairment	Depreciation	Impairment	Depreciation	Impairment		
Tangible asset												
Leasehold land	44,933,855	—	—	44,933,855	20,371,440	3,259,487	1,151,509	20,151,419	21,522,949	23,410,906	—	21,302,928
2014	44,933,855	—	—	44,933,855	20,371,440	3,259,487	1,151,509	20,151,419	21,522,949	23,410,906	—	21,302,928
2013	44,933,855	—	—	44,933,855	19,219,931	3,259,487	1,151,509	—	20,371,440	3,259,487	21,302,928	

Note: The impairment charge for the year ₹ 20,151,419, has been considered as an exceptional item (see note 24).

	As at March 31, 2014 (₹)	As at March 31, 2013 (₹)	As at March 31, 2014 (₹)	As at March 31, 2013 (₹)
8. Long Term Loans and Advances				
Unsecured, considered good With holding company*	<u>20,000,000</u>	<u>20,000,000</u>		
Advance tax and tax deducted at source (net of provision ₹ 86,817 (2013 : ₹ 86,817))	<u>9,838</u>	<u>9,838</u>		
Total	<u>20,009,838</u>	<u>20,009,838</u>		
*The loan is Interest free and repayment extended to March 31, 2016.				
9. Inventories (See note 24)				
Work in progress - Agri produces *	<u>—</u>	<u>2,868,027</u>		
Work in progress - Poplar trees *	<u>—</u>	<u>17,773,712</u>		
Finished goods *	<u>—</u>	<u>37,013</u>		
Total	<u>—</u>	<u>20,678,752</u>		
* Net of obsolescence / provisions				
10. Trade receivables				
Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good *	<u>4,744,679</u>	<u>8,287,088</u>		
Others				
Unsecured, considered good	<u>2,610,500</u>	<u>1,065,891</u>		
Total	<u>7,355,179</u>	<u>9,352,979</u>		
*Includes amount due from Wimco Limited, holding company ₹ 4,744,679 (2013 : ₹ 8,287,088)				
11. Cash and bank balances				
Cash and cash equivalents				
Cash on hand	<u>4,771</u>	<u>984</u>		
Balances with bank :				
- In current accounts	<u>484,871</u>	<u>230,429</u>		
Total	<u>489,642</u>	<u>231,413</u>		

NOTES TO THE FINANCIAL STATEMENTS

	As at March 31, 2014 (₹)	As at March 31, 2013 (₹)	For the year ended March 31, 2014 (₹)	For the year ended March 31, 2013 (₹)
12. Short term loans and advances				
Unsecured, considered good				
Receivable from holding company	1,118,769	1,840,012		
Sundry advances to supplier, employees etc.	3,298	6,548		
Prepaid expenses	29,898	32,370		
Total	1,151,965	1,878,930		
13. Other current assets				
Security deposits	42,340	68,802		
Total	42,340	68,802		
	For the year ended March 31, 2014 (₹)	For the year ended March 31, 2013 (₹)		
14. Revenue from sale of products				
Agri Produces	9,624,017	6,635,518		
Others	—	34,007		
Total	9,624,017	6,669,525		
15. Other operating revenue				
Insurance claims	—	76,822		
Total	—	76,822		
16. Cost of seeds				
Details of Raw Materials/Packing materials consumed				
Poplar ETP's	442,425	733,608		
Seeds	906,833	466,688		
Total	1,349,258	1,200,296		
17. Changes in inventory of finished goods, work-in-progress and stock in trade				
Decrease / (Increase) in stocks				
Stock at the end of the year (see note below)				
Finished goods	—	37,013		37,013
Work in progress - Agri produces	—	2,868,027		2,868,027
Work in progress - Poplar trees	—	17,773,712		17,773,712
Total A	—	20,678,752		20,678,752
Less: Stock at the beginning of the year				
Finished goods	37,013	57,891		57,891
Work in progress - Agri produces	2,868,027	3,007,884		3,007,884
Work in progress - Poplar trees	17,773,712	11,890,551		11,890,551
Total B	20,678,752	14,956,326		14,956,326
Decrease / (Increase) in stocks (B-A)	20,678,752	(5,722,426)		(5,722,426)

Note: The stock at the end of the year (₹ 25,313,207) have been provided and considered as an exceptional item (see note 24)

	For the year ended March 31, 2014 (₹)	For the year ended March 31, 2013 (₹)
18. Employee benefits expense		
Salaries, wages and bonus	2,331,759	2,163,136
Contribution to provident and other funds	293,197	365,431
Workmen and staff welfare expenses	53,363	103,232
TOTAL	2,678,319	2,631,799

	Defined Benefit Plans			
	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2014	2013	2014	2013
Change in obligation during the year				
1. Obligation at the beginning of the year	674,922	777,486	106,510	117,486
2. Service cost	41,480	39,899	28,860	27,967
3. Interest cost	53,994	62,199	8,521	9,399
4. Actuarial (gains) / losses	(42,650)	69,486	(22,684)	(26,857)
5. Benefits' payments	(59,700)	(274,148)	(5,041)	(21,485)
6. Obligations at the end of the year	668,046	674,922	116,166	106,510
Change in plan assets				
1. Plan assets at the beginning of the year	—	—	—	—
2. Expected return on plan assets	—	—	—	—
3. Contribution by employers	59,700	274,148	5,041	21,485
4. Actual benefits paid	(59,700)	(274,148)	(5,041)	(21,485)
5. Actuarial (Losses) / Gains	—	—	—	—
6. Plan assets at the end of the year	—	—	—	—
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	—	—	—	—
2. Present value of the defined benefit obligation at the end of the period	668,046	674,922	116,166	106,510
3. (Liability) / Asset recognised in the balance sheet	(668,046)	(674,922)	(116,166)	(106,510)
Cost for the period				
1. Service cost	41,480	39,899	28,860	27,967
2. Interest cost	53,994	62,199	8,521	9,399
3. Return on plan assets	—	—	—	—
4. Actuarial (gains) / losses	(42,650)	69,486	(22,684)	(26,857)
5. Past service cost	—	—	—	—
Net cost	52,824	171,584	14,697	10,509
Investment details of plan assets				
Actual return on plan assets	—	—	—	—
Actuarial assumptions:				
1. Discount rate	9.00%	8.00%	9.00%	8.00%
2. Salary escalation	5.00%	4.00%	5.00%	4.00%
3. Expected return on plan assets	N/A	N/A	N/A	N/A
Net asset / (liability) recognised in Balance Sheet	For the year ended March 31, 2014 (₹)	For the year ended March 31, 2013 (₹)	For the year ended March 31, 2012 (₹)	For the year ended March 31, 2011 (₹)
(including experience adjustment impact)	Gratuity	Leave Encashment	Gratuity	Leave Encashment
1. Present value of defined benefit obligation	668,046	116,166	674,922	106,510
2. Fair Value on Plan Assets	—	—	—	—
3. Status [(deficit) / surplus]	(668,046)	(116,166)	(674,922)	(106,510)

There are no experience adjustments of plan assets / obligations as at March 31, 2014 (March 31, 2013: nil)

- A. Amounts recognised as an expense and included in Employee benefits expense - ₹ 14,697 [2013: ₹ (10,509)] for leave encashment.
 B. 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.

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended March 31, 2014 (₹)	For the year ended March 31, 2013 (₹)
19. Other expenses		
Power and fuel	1,289,397	807,722
Consumption of stores and spare parts	2,229	4,311
Rent	7,760	7,760
Rates and taxes	75,315	52,670
Insurance	131,591	91,555
Repairs		
- Buildings	37,386	61,450
- Others	295,025	283,213
Outward freight and handling charges	313,217	123,920
Plantation and cultivation	5,387,836	4,808,153
Bank and credit card charges	7,266	5,758
Travelling and conveyance	331,522	181,721
Legal and professional fees	233,236	178,762
Postage and telephone charges	6,595	3,450
Printing and stationery	6,779	8,633
Payment to auditors		
- Statutory audit	100,000	100,000
- Reimbursement of expenses	5,023	3,650
Miscellaneous expenses	79,878	81,009
Total	8,310,055	6,803,737

	As at March 31, 2014 (₹)	As at March 31, 2013 (₹)	For the year ended March 31, 2014	For the year ended March 31, 2013
20. Contingent liabilities and commitments (to the extent not provided for)				
Contingent liabilities				
Claims against the Company not acknowledged as debts				
Local authority taxes -dispute relating to applicability and determination	664,524	664,524		
Other matters for which the Company is contingently liable	42,340	68,802		
Total	706,864	733,326		
21. Earnings per share				
(Loss) / Profit attributable to equity shareholders (A) (in ₹)			(44,695,295)	691,659
Weighted average number of equity shares outstanding during the year (B) (in ₹)			5,510,004	5,510,004
Earnings per share of face value ₹ 10 each basic and diluted (A/B)			(8.11)	0.13

22. Segment information

The Company's activities involve predominantly business of growing and selling agricultural produce in India, which is considered to be a single business segment since these are subject to similar risks and returns. Further, the business is carried out in India and product sold primarily in India and hence there are no reportable geographical segments. Hence, the financial statements are reflective of the information required by Accounting Standard 17 on Segment Reporting.

23. No remuneration is payable to the Manager during the year. (2013: ₹ Nil)

24. During the year, the Nainital High Court has passed an order mentioning the State Authorities to take possession of the land leased to the Company. The Company has filed an appeal against the said order and the appeal has been admitted. The management believe that the Company will be able to manage its business risks successfully

and expect that it will continue in operational existence for the foreseeable future. The Company reviewed the balances of its Inventories (₹ 25,313,207) and Fixed assets (₹ 20,151,419) as at March 31, 2014 and as a measure of prudence, have provided for these balances, pending appeal in the High Court.

25. Related Party Disclosures**1. Parties exercising control over the Company**

ITC Limited - Ultimate holding Company#

WIMCO Limited - Holding Company

No transaction during the years 2013-14 and 2012-13

2. Other related parties with whom the Company had transactions

Prag Agro Farm Limited (PAFL) - Fellow Subsidiary

3) Transaction with related parties

Amount In (₹)

Particulars	Holding Company		Fellow Subsidiary		Total	
	Wimco Limited		PAFL			
	2014	2013	2014	2013	2014	2013
Purchases	730,945	733,608	24,300	118,472	755,245	852,080
Sales	—	—	1,566	2,736	1,566	2,736
Expenses Reimbursed	248,880	191,957	52,461	208,200	301,341	400,157
Expenses Recovered	—	341,543	2,512,350	2,701,723	2,512,350	3,043,266
Receipts towards loan repayments	721,243	5,744,022	—	—	721,243	5,744,022
Loans and Advances	21,118,769	21,840,012	—	—	21,118,769	21,840,012
Outstanding receivables	4,744,679	8,287,088	—	—	4,744,679	8,287,088

NOTES TO THE FINANCIAL STATEMENTS

26. Significant Accounting Policies**1. Basis of Preparation**

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 comply with the Accounting Standards ('AS') prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 1956 read with the General Circular 16/2013 dated 18 September 2013 of the Ministry of Corporate Affairs and other accounting principles generally accepted in India, to the extent applicable.

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 amounts 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 recognized prospectively in current and future periods.

3. Fixed Assets / Amortisation / Impairment / Depreciation

Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment loss. Cost includes all expenses attributable to the acquisition and development of the assets.

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

In accordance with AS-28 Impairment of Assets, where there is an indication of impairment of the Company's assets, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the asset (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment loss is recognized in the profit and loss account or against revaluation surplus, where applicable.

4. Inventories

- In valuing poplar trees included under semi finished products, no adjustment is made to the total cost of the trees on account of undeveloped / diseased trees, being normal loss during the period of maturity of plantation (based on a technical estimate) except that realization / insurance claim for such trees is reduced from the total cost. Every year, plantation cost already incurred is compared with the net realizable value which is determined on the basis of estimated selling price less estimated cost likely to be incurred in future for bringing the plantation to maturity and the cost necessarily to be incurred in order to make the sale.
- Cost includes all direct and indirect expenses in respect of the poplar plantation.
- Further, 75% of net standard realizable value of intercropping, waste, etc is reduced from the above cost because the entire farm cost is first added to the cost of plantation.
- Agricultural produce / standing crops and plants are valued at 75% of their net realizable value.

5. Retirement 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.

Contributions to the provident fund, which is a defined contribution scheme, are charged to the Profit and Loss Account in the period in which the liability is incurred.

Post-employment benefits

The Company's gratuity benefit scheme is a defined benefit plan which is not funded. The Company's 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.

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.

Actuarial gains and losses are recognized 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 recognized 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.

6. Revenue recognition

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

7. 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 and a reliable estimate can be made of the amount involved. Where there is a possible or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure is made.

8. 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.

9. 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.

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

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W

Rajesh Mehra

Partner

Membership Number: 103145

Place: Mumbai

Date: 8th May, 2014

For and on behalf of the Board

S. K. Sipani

Director

S. Limaye

Director

Anitha Chinnaiya

Company Secretary

Place: Kolkata

Date: 8th May, 2014