

DIRECTORS' REPORT

TO THE MEMBERS OF PRAG AGRO FARM LIMITED

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

Company Performance

The Company's turnover for the year declined to ₹ 69.10 lakhs from ₹ 74.72 lakhs as compared to the previous year. The Company incurred a Net Loss of ₹ 405.43 lakhs as against a profit of ₹ 6.94 lakhs during the previous year, after considering an aggregate provision of ₹ 399.55 lakhs made towards Inventories and Fixed Assets [Refer Note 23 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.

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 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.

Compliance Certificate under the Companies Act, 1956

Compliance Certificate issued by M/s. Mehta & Mehta, Company Secretaries, in terms of the provisions of Section 383A of the Companies Act, 1956, that the Company has complied with the applicable provisions of the said Act, is attached to this Report.

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

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

B) Technology Absorption

During the year, there has been no technology absorption 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.

For and on behalf of the Board

Place: Kolkata

S. K. Sipani Director

Date: 8th May, 2014

S. Limaye Director

SECRETARIAL COMPLIANCE CERTIFICATE

Under Section 383A of the Companies Act, 1956 & Rule 3 of the Companies (Compliance Certificate) Rules, 2001

CIN No. of the Company: U01100MH1997PLC128846

Nominal Capital: Rs. 40,000,000/-

Paid Up Capital: Rs. 38,000,200/-

To,
The Members,
PRAG AGRO FARM LIMITED

We have examined the registers, records, books and papers of **PRAG AGRO FARM LIMITED** (the Company) as required to be maintained under the Companies Act, 1956/the Companies Act, 2013 (to the extent notified & applicable), (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies within the time prescribed. No forms and returns were filed with Regional Director, Central Government and Company Law Board.
3. The Company being a Public Limited Company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met **FIVE** times on April 24, 2013, June 14, 2013, August 16, 2013, November 01, 2013 and March 21, 2014 in respect of these meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not closed its register of Members during the financial year under scrutiny.
6. The Annual General Meeting of the Company for the financial year ended 31st March, 2013 was held on 17th September, 2013 after giving due notice to the Members of the Company and the resolutions passed thereat were duly recorded in the Minutes book maintained for the purpose.
7. No Extra Ordinary General Meeting of the Company was held during the financial year under review.
8. The Company has not advanced any loan to its Directors pursuant to provisions of Section 295 of the Act and Section 185 of the Companies Act, 2013.
9. As per information provided by the Company, the Company has not entered into any contract falling within the purview of Section 297 of the Act during the financial year under scrutiny.
10. The Company was not required to make entries in the Register maintained under section 301 of the Act.

11. As per the explanation and information provided by the Company, there were no instances falling within the purview of Section 314 of the Act.
12. The Company has not issued duplicate share certificates during the financial year.
13. The Company has:
 - (i) not made allotment/transfer/transmission of shares during the year under certification;
 - (ii) not deposited any amount in a Separate Bank Account as no dividend was declared during the financial year;
 - (iii) not paid/posted warrants for dividends as no dividend was declared during the financial year;
 - (iv) there being no transaction necessitating transfer, the Company has not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - (v) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted.
15. As the paid up share capital of the Company is less than Rs. 50,000,000 (Rupees Five Crore only), the Company was not required to appoint Managing Director/Whole-time Director/Manager in pursuance of Section 269 of the Act.
16. The Company has not appointed any sole-selling agent during the financial year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares/debentures/other securities during the financial year.
20. The Company has not bought back any shares during the financial year under review.
21. The Company has not issued preference shares/debentures and hence has not redeemed any preference shares/debentures during the year.
22. There was no transaction necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including unsecured loans falling within the purview of Section 58A during the financial year.
24. The Borrowing made by the Company is within the limit of Rs. 100,000,000 (Rupees Ten Crore only) as approved by the Members of the Company in an Extra-Ordinary General Meeting of the Company held on February 19, 2001.

25. As per information provided by the Company, the Company has not entered into any transaction falling within the purview of Section 372A of the Act during the financial year under scrutiny.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under review.
27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under review.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under review.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under review.
30. The Company has not altered its Articles of Association during the year under review.
31. As per information furnished, there was no prosecution initiated against or show cause notices received by the Company, during the financial year under scrutiny, for offences under the Act.

32. As per information furnished, the Company has not received any money as security from its employees during the year under certification.
33. The Company has not constituted its own Provident Fund Scheme for its employees or class of employees. Thus, the provisions of section 418 of the Act are not applicable to the Company.

For MEHTA & MEHTA
Company Secretaries

Dipti Mehta
Partner
FCS No.: 3667
C P No.: 3202

Date: 8th May, 2014
Place: Mumbai

Annexure A

Registers and Books as maintained by the Company:

1. Register of Application and Allotment.
2. Register of Members u/s 150(1).
3. Register of Transfers.
4. Register of Charges u/s 143.
5. Board Meeting Minutes u/s 193.
6. General Meeting Minutes u/s 193/196.
7. Register of Disclosure of Interest of Directors u/s 299.
8. Register of Contracts in which Directors are interested u/s 301.
9. Register of Directors, Managing Director, Manager and Secretary u/s 303(1).
10. Register of Directors Shareholdings u/s 307(1)

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2014.

Document	Filed u/s	Particulars	Date of filing
Form 66	383A	Compliance Certificate for the financial year ended 31st March, 2013.	Filed on 30/09/2013 with Normal fees.
Form 23 AC & Form ACA	220	Balance Sheet and Statement of Profit and Loss for the financial year ended 31st March, 2013.	Filed on 15/10/2013 with Normal fees.
Form 20B	159	Annual Return for the year financial ended 31st March, 2013.	Filed on 24/10/2013 with Normal fees.

For MEHTA & MEHTA
Company Secretaries

Dipti Mehta
Partner
FCS No.: 3667
C P No.: 3202

Date: 8th May, 2014
Place: Mumbai

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PRAG AGRO FARM LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Prag Agro Farm 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 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

Mumbai, 8th May, 2014

Membership No: 103145

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) Fixed assets disposed off during the year were not substantial and, therefore, do not affect the going concern assumption. Also refer note 23 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 assets 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 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, Provident fund, 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 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 debentureholders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short term basis have not been used for long term investment.
- (xviii) 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	38,000,200	38,000,200
Reserves and surplus	2	(114,124,223)	(73,580,471)
Non-current liabilities			
Long-term borrowings	3	83,979,967	82,815,247
Current liabilities			
Trade payables	4	302,108	306,372
Other current liabilities	5	254,831	110,916
TOTAL		8,412,883	47,652,264
ASSETS			
Non-current assets			
Fixed assets	6	—	21,273,231
Tangible assets			
Non-current investments	7	16,000	21,000
Long-term loans and advances	8	758,163	764,699
Current assets			
Current investments	9	13,000	18,000
Inventories	10	—	17,900,052
Trade receivables	11	391,840	397,595
Cash and bank balances	12	111,983	145,478
Short-term loans and advances	13	7,115,230	7,121,956
Other current assets	14	6,667	10,253
TOTAL		8,412,883	47,652,264
Significant accounting policies	25		

The accompanying notes 1 to 25 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 Number: 103145
Place: Mumbai
Date: 8th May, 2014

For and on behalf of the Board

S. K. Sipani Director
S. Limaye Director
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	15	6,910,394	7,471,650
Other operating revenue	16	—	161,634
Other income	17	114,844	2,956
Total income		<u>7,025,238</u>	<u>7,636,240</u>
Expenses			
Cost of seeds	18	632,386	466,580
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(2,046,845)	(3,673,839)
Depreciation, amortisation and impairment expense	6	1,258,164	1,150,354
Other expenses	20	7,748,775	8,997,921
Total expense		<u>7,592,480</u>	<u>6,941,016</u>
(Loss) / Profit before exceptional items and tax		<u>(567,242)</u>	<u>695,224</u>
Exceptional items (see note 23)		<u>(39,954,628)</u>	<u>—</u>
(Loss) / Profit before tax		<u>(40,521,870)</u>	<u>695,224</u>
Tax expense - Current tax		21,883	927
(Loss) / Profit after tax		<u>(40,543,753)</u>	<u>694,297</u>
Earnings per equity share (₹) - basic and diluted	21	(10.67)	0.18
Face value (₹)		10.00	10.00
Significant accounting policies	25		

The accompanying notes 1 to 25 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 Number: 103145
Place: Mumbai
Date: 8th May, 2014

For and on behalf of the Board

S. K. Sipani Director
S. Limaye Director
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		
(Loss) / Profit before exceptional items and tax	<u>(567,242)</u>	<u>695,224</u>
Exceptional items (see note 23)	<u>(39,954,628)</u>	<u>—</u>
(Loss) / Profit before tax	<u>(40,521,870)</u>	<u>695,224</u>
Adjustments for:		
Depreciation and amortisation expense	1,258,164	1,150,354
Fixed assets impairment charge	20,007,731	—
Profit on sale of tangible assets (net)	(112,024)	—
Interest income	(2,820)	(2,956)
Operating Profit before working capital changes	<u>(19,370,819)</u>	<u>1,842,622</u>
Adjustment for:		
Trade payables and Other current liabilities	139,652	(224,716)
Inventories	17,900,052	(3,673,839)
Loans and advances and other current assets	6,727	(2,184,241)
Trade receivables	5,755	380,678
Net cash generated from operations before tax	<u>(1,318,633)</u>	<u>(3,859,496)</u>
Taxes paid (net of refunds)	(15,348)	—
Net cash used in operating activities	<u>(1,333,981)</u>	<u>(3,859,496)</u>
B. Cash flow from investing activities		
Purchase of Short term investments	—	(5,000)
Redemption of Long-term and short-term investments	10,000	—
Proceeds from sale of tangible assets	119,360	—
Interest received	6,406	2,956
Net cash generated from/(used in) investing activities	<u>135,766</u>	<u>(2,044)</u>
C. Cash flow from financing activities		
Borrowing from holding Company	1,164,720	3,930,393
Net cash generated from financing activities	<u>1,164,720</u>	<u>3,930,393</u>
D. Net increase in cash and cash equivalents	<u>(33,495)</u>	<u>68,853</u>
E. Reconciliation		
Cash and cash equivalents at the beginning of the year	145,478	76,625
Cash and cash equivalents at the end of the year	<u>111,983</u>	<u>145,478</u>
	<u>(33,495)</u>	<u>68,853</u>

Notes:

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

The accompanying notes 1 to 25 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 Number: 103145
Place: Mumbai
Date: 8th May, 2014

For and on behalf of the Board

S. K. Sipani Director
S. Limaye Director
Place: Kolkata
Date: 8th May, 2014

NOTES TO THE FINANCIAL STATEMENTS

	As at	As at
	March 31, 2014	March 31, 2013
	(₹)	(₹)
1. Share capital		
Authorised :		
4,000,000 (2013: 4,000,000)		
Equity Shares of ₹ 10 each	40,000,000	40,000,000
	<u>40,000,000</u>	<u>40,000,000</u>
Issued		
3,800,020 (2013: 3,800,020)		
Equity Shares of ₹ 10 each	38,000,200	38,000,200
(see notes (a), (b) and (c) below)		
	<u>38,000,200</u>	<u>38,000,200</u>
Subscribed and Paid-up		
3,800,020 (2013: 3,800,020)		
Equity Shares of ₹ 10 each fully paid-up	38,000,200	38,000,200
(see notes (a), (b) and (c) below)		
Total	<u>38,000,200</u>	<u>38,000,200</u>
a) Reconciliation of number of shares		
	As at 31 March 2014	As at 31 March 2013
	Number of Shares	Number of Shares
	Amount in (₹)	Amount in (₹)
Equity Shares		
Balance as at the beginning of the year	3,800,020	3,800,020
Movement during the year		
Balance as at the end of the year	<u>3,800,020</u>	<u>3,800,020</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	As at
	March 31, 2014	March 31, 2013
	(₹)	(₹)
Equity Shares		
3,800,020 (2013: 3,800,020)		
Equity shares of ₹ 10 each, fully paid up are held by the holding company Wimco Limited and its nominees.	3,80,00,200	3,80,00,200
d) Name of share holders holding more than 5% of the shares of the Company		
	As at	As at
	March 31, 2014	March 31, 2013
	(No. of shares and %)	(No. of shares and %)
Equity Shares		
Wimco Limited , the holding Company	38,00,020	38,00,020
	100%	100%

6. Fixed assets

Description	Gross Block				Accumulated Depreciation/Impairment						NET BLOCK	
	As at April 1, 2013	Additions during the year	Disposed/ Adjusted during the year	As at March 31, 2014	As at April 1, 2013		Charged for the year		Disposal/ Adjustments during the year	As at March 31, 2014		
					Depreciation	Impairment	Depreciation	Impairment		Depreciation		Impairment
Tangible assets												
Leasehold land	101,690,195	—	—	101,690,195	29,537,276	51,001,947	1,143,241	20,007,731	—	30,680,517	71,009,678	—
Building	179,500	—	—	179,500	70,784	—	108,716	—	—	179,500	—	—
Plant and equipment	45,500	—	15,000	30,500	31,957	—	6,207	—	7,664	30,500	—	—
Furniture and fixture	1,500	—	—	1,500	1,500	—	—	—	—	1,500	—	—
Vehicle	36,500	—	36,500	—	36,500	—	—	—	36,500	—	—	—
TOTAL	101,953,195	—	51,500	101,901,695	29,678,017	51,001,947	1,258,164	20,007,731	44,164	30,892,017	71,009,678	—

Note: The impairment charge for the year (₹ 20,007,731), has been considered as an exceptional item (see note 23).

Description	Gross Block				Accumulated Depreciation/Impairment						NET BLOCK	
	As at April 1, 2012	Additions during the year	Disposed/ Adjusted during the year	As at March 31, 2013	As at April 1, 2012		Charged for the year		Disposal/ Adjustments during the year	As at March 31, 2013		
					Depreciation	Impairment	Depreciation	Impairment		Depreciation		Impairment
Tangible assets												
Leasehold land	101,690,195	—	—	101,690,195	28,394,047	51,001,947	1,143,229	—	—	29,537,276	51,001,947	21,150,972
Building	179,500	—	—	179,500	64,895	—	5,889	—	—	70,784	—	108,716
Plant and equipment	45,500	—	—	45,500	30,721	—	1,236	—	—	31,957	—	13,543
Furniture and fixture	1,500	—	—	1,500	1,500	—	—	—	—	1,500	—	—
Vehicle	36,500	—	—	36,500	36,500	—	—	—	—	36,500	—	—
TOTAL	101,953,195	—	—	101,953,195	28,527,663	51,001,947	1,150,354	—	—	29,678,017	51,001,947	21,273,231

	As at	As at		As at	As at
	March 31, 2014	March 31, 2013		March 31, 2014	March 31, 2013
	(₹)	(₹)		(₹)	(₹)

7. Non-current investments

Unquoted :		
Trade investments		
Investment in government securities		
National savings certificates		
(pledged with various Mandi Samitis and held in the name of the employees)	15,000	20,000
Kissan vikas patra	1,000	1,000
Total non-current investments (at cost) unquoted	<u>16,000</u>	<u>21,000</u>

8. Long term loans and advances

Advance tax and tax deducted at source	758,163	764,699
[net of provision ₹ 350,758 (2013: ₹ 328,875)]		
Total	<u>758,163</u>	<u>764,699</u>

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.

	As at	As at
	March 31, 2014	March 31, 2013
	(₹)	(₹)
2. Reserves and surplus		
(Deficit) in the statement of profit and loss		
Balance at the beginning of the year	(73,580,470)	(74,274,768)
Add : (loss) / Profit for the year	<u>(40,543,753)</u>	<u>694,297</u>
	<u>(114,124,223)</u>	<u>(73,580,471)</u>

3. Long-term borrowings

Unsecured :		
Loans and advances from related parties	83,979,967	82,815,247
	<u>83,979,967</u>	<u>82,815,247</u>

Borrowings	Terms
Loans and advances from related party – Wimco Limited (holding company)	Interest free, repayment extended to March 31, 2016.

4. Trade payables

Total outstanding dues of micro enterprises and small enterprises (see note below)	—	—
Total outstanding dues of creditors other than micro enterprises and small enterprises	302,108	306,372
Total	<u>302,108</u>	<u>306,372</u>

Note: There are no Micro and Small Enterprises to whom the Company owes any amounts, which were 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	240,078	100,000
Statutory dues payable		
Tax deducted at source	14,753	10,916
Total	<u>254,831</u>	<u>110,916</u>

Amount in (₹)

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 (₹)
11. Trade receivables				
Trade receivables outstanding for a period less than six months from the date they are due for payment				
Unsecured, considered good	391,840	397,595		
TOTAL	<u>391,840</u>	<u>397,595</u>		
12. Cash and bank balances				
Cash and cash equivalents				
Balances with bank :				
- In current accounts	97,320	135,176		
Cash on hand	14,663	10,302		
TOTAL	<u>111,983</u>	<u>145,478</u>		
13. Short term loans and advances				
Other loans and advances - unsecured, considered good				
Commercial tax receivable	7,064,910	7,081,133		
Prepaid expenses	50,320	40,823		
TOTAL	<u>7,115,230</u>	<u>7,121,956</u>		
14. Other current assets				
Interest accrued	6,667	10,253		
TOTAL	<u>6,667</u>	<u>10,253</u>		
15. Revenue from sale of products				
Revenue from sale of products				
Agri produces	6,507,503	7,089,319		
Others	402,891	382,331		
TOTAL	<u>6,910,394</u>	<u>7,471,650</u>		
	For the year ended	For the year ended		
	March 31, 2014	March 31, 2013		
	(₹)	(₹)		
16. Other Operating Revenue				
Insurance claims	-	161,634		
TOTAL	<u>-</u>	<u>161,634</u>		
17. Other Income				
Profit on Sale of Assets	112,024			
Interest Income	2,820	2,956		
TOTAL	<u>114,844</u>	<u>2,956</u>		
18. Cost of seeds				
Poplar ETP's	74,350	142,584		
Seeds	558,036	323,996		
TOTAL	<u>632,386</u>	<u>466,580</u>		
19. 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	-	49,613		
Work in progress - agri produces	-	3,362,931		
Work in progress - poplar trees	-	14,487,508		
Total A	<u>-</u>	<u>17,900,052</u>		
Less: Stock at the beginning of the year				
Finished goods	49,613	41,735		
Work in progress - agri produces	3,362,931	3,085,370		
Work in progress - poplar trees	14,487,508	11,099,108		
Total B	<u>17,900,052</u>	<u>14,226,213</u>		
Decrease / (Increase) in stocks (B-A)	<u>17,900,052</u>	<u>(3,673,839)</u>		
Note: The stock at the end of the year (₹ 19,946,897) have been provided and considered as an exceptional item (see note 23)				
3. Transaction with related parties				

Amounts in (₹)

PARTICULARS	HOLDING COMPANY		FELLOW SUBSIDIARY		TOTAL	
	Wimco Limited		PPL			
	2014	2013	2014	2013	2014	2013
Purchases	74,350	142,584	1,566	2,736	75,916	145,320
Sales	1,450	111,475	24,300	118,472	25,750	229,947
Expenses Reimbursed	1,534,312	1,588,303	2,512,350	2,701,723	4,046,662	4,290,026
Expenses Recovered	-	50,435	52,461	208,200	52,461	258,635
Loans taken	1,164,720	4,299,506	-	-	1,164,720	4,299,506
Loan repayment	-	369,113	-	-	-	369,113
Outstanding payables	74,350	-	-	-	74,350	-
Outstanding unsecured loans	83,979,967	82,815,247	-	-	83,979,967	82,815,247

NOTES TO THE FINANCIAL STATEMENTS

25. Significant accounting policies

1. Basis of Accounting

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.

The accumulated losses of the Company as at March 31, 2014 have resulted in erosion of Company's net worth. However, based on the Company's future plans and letter of support received from Wimco Limited (Holding Company), these accounts have been prepared on a going concern basis.

2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. Fixed Assets / Amortisation / Impairment / Depreciation

Tangible Assets

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

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

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

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

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

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

Impairment

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

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

6. Contingencies and Provisions

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

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

7. Taxation

Income-tax expense comprises current tax and deferred tax charge or credit. Current tax is determined in accordance with the Income tax Act 1961. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised. As the Company is engaged in growing and selling agricultural produce, such income is exempt from income tax. Accordingly, there are no deferred tax assets/liabilities arising therefrom.

8. Earnings per share ('EPS')

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

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

For and on behalf of the Board

Rajesh Mehra

Partner

S. K. Sipani

Director

Membership Number: 103145

S. Limaye

Director

Place: Mumbai

Place: Kolkata

Date: 8th May, 2014

Date: 8th May, 2014