

REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS OF WIMCO LIMITED

1. Your Directors submit their Report for the financial year ended 31st March, 2015.

2. COMPANY PERFORMANCE

It may be recalled that the Members had approved the Scheme of Arrangement for demerger of the Non-Engineering Businesses of the Company [comprising Safety Matches Business and Agri (Forestry) Business] (‘the Scheme’) to ITC Limited, the Holding Company, which had become effective from 27th June, 2014.

Pursuant to the aforesaid demerger, the Company’s business activities are mainly focused on fabrication and assembly of machinery for tube filling, cartoning, wrapping, material handling and conveyor solutions for the FMCG and Pharmaceutical Industry.

The Company’s order book remained subdued during the year with customers holding back capital expenditure in view of the sluggish demand conditions prevailing in the FMCG and Pharmaceutical Industry in India.

During the year, your Company recorded a Net Revenue of ₹ 1,290.45 lakhs (previous year ₹ 1,717.24 lakhs on a comparable basis) with an operating loss of ₹ 47.61 lakhs (previous year operating profit of ₹ 167.25 lakhs on a comparable basis).

The Company is focusing on building a robust business model, widening its customer base and developing superior solutions towards addressing customer requirements.

3. DIVIDEND

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

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) Changes in Directors and Key Managerial Personnel during the year

During the year under review, consequent to re-organisation of the Board of Directors (‘the Board’) of the Company, Mr. V. M. Rajasekharan stepped down as Managing Director of the Company with effect from close of work on 6th November, 2014. Further, Mr. R. L. Auddy resigned as Director of the Company with effect from 24th February, 2015. Your Directors would like to place on record their appreciation for the contribution made by Messrs. Rajasekharan and Auddy during their tenure with the Company.

The Board at the meeting held on 6th November, 2014 appointed Mr. R. Senguttuvan (DIN: 03092725) as an Additional Director and subject to the approval of the Members, also as Managing Director of the Company for a period of three years with effect from 7th November, 2014. By virtue of the provisions of Section 161 of the Companies Act, 2013 (‘the Act’) and Article 119 of the Articles of Association of the Company, Mr. Senguttuvan will vacate his office at the ensuing Annual General Meeting (AGM) of the Company. Your Board, on the recommendation of the Nomination and Remuneration Committee, recommended for the approval of the Members, the appointment of Mr. Senguttuvan as a Director, not liable to retire by rotation, and also as Managing Director of your Company for a period of three years with effect from 7th November, 2014. Notice under Section 160 of the Act has been received for the appointment of Mr. Senguttuvan, who has filed his consent to act as a Director of the Company, if appointed. Appropriate resolution seeking your approval to the said appointment is appearing in the Notice convening the ensuing AGM of the Company.

During the year under review, Mr. Subhatosh Banerjee (DIN: 07081375) and Mr. Partho Chatterjee (DIN: 00042208) were appointed by the Members as Independent Directors of the Company under Section 149 read with Schedule IV of the Act, for a period of five years with effect from 4th February, 2015.

The Board during the year appointed Mr. Saurabh Pal as the Chief Financial Officer of the Company with effect from 4th February, 2015.

(b) Retirement by rotation

In accordance with the provisions of Section 152(6) of the Act and Article 131 of the Articles of Association of the Company, Mr. C. R. Dua (DIN: 00036080) and Mr. R. Tandon (DIN: 00042227), Directors, will retire by rotation at the ensuing AGM of the Company and, being eligible, offer themselves for re-election. Your Board have recommended their re-election.

(c) Declaration of Independence by the Independent Directors

The Independent Directors of your Company have confirmed that they meet the criteria of Independence as prescribed under Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

(d) Attributes, qualifications and appointment of Directors

The Nomination and Remuneration Committee of the Board adopted the attributes and qualifications as provided in Section 149(6) of the Act and Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014, in respect of Independent Directors and to the extent applicable, in respect of Non-Independent Directors.

Majority of the Non-Executive Directors of the Company, other than Independent Directors, are executives of ITC Limited, the Holding Company, who fulfil the fit and proper criteria for appointment as Directors of the Company. Further, all Directors of the Company, other than Independent Directors and the Managing Director, are liable to retire by rotation. One-third of the Directors who are liable to retire by rotation, retire every year and are eligible for re-election.

(e) Remuneration Policy

The Board, on the recommendation of the Nomination and Remuneration Committee, approved the Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company, a copy of which is enclosed as **Annexure 1** to this Report.

5. NUMBER OF BOARD MEETINGS

During the year ended 31st March, 2015, seven meetings of the Board were held.

6. BOARD COMMITTEES

The three Board Committees of the Company and their composition are as follows:

Audit Committee	Nomination and Remuneration Committee
Mr. R. Tandon (Chairman)	Mr. P. Chatterjee (Chairman)
Mr. S. Banerjee	Mr. S. Banerjee
Mr. P. Chatterjee	Mr. K. N. Grant
	Mr. R. Tandon

Securityholders Relationship Committee

Mr. R. Tandon (Chairman)
Mr. R. Senguttuvan
Mr. R. K. Singhi

7. DIRECTORS’ RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Act, your Directors confirm having: -

- followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

8. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Presently, the Company does not have any subsidiary, associate or joint venture.

It may be recalled that pursuant to the Scheme, Pavan Poplar Limited and Prag Agro Farm Limited ceased to be subsidiaries of the Company with effect from 27th June, 2014.

9. EMPLOYEES

The relations between your Company and its employees have generally been cordial during the year under review. None of the employees of your Company is covered under the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

10. RISK MANAGEMENT

The Company’s risk management framework is designed to bring robustness to the risk management processes within the Company and to address risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company.

The responsibility for management of risks vests with the Management responsible for the day-to-day conduct of the affairs of the Company. The Internal Auditor appointed by the Board periodically carries out risk focused audits with the objective of identifying areas where risk management processes could be strengthened. Annual update is provided to the Audit Committee on the effectiveness of the Company’s risk management systems and policies. During the year under review, the Risk Management Policy of the Company was approved by the Board.

11. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with respect to the financial statements, commensurate with its size and scale of operations. The Internal Auditor evaluates the adequacy and efficacy of such internal financial controls. The Audit Committee provides guidance on internal controls, reviews internal audit findings and ensures that internal audit recommendations are implemented.

During the year, no reportable material weakness in the design or operation of the internal financial controls in the Company was observed. Nonetheless your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year ended 31st March, 2015, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

13. RELATED PARTY TRANSACTIONS

During the year ended 31st March, 2015, the Company has not entered into any contract or arrangement with its related parties which is not on arm’s length basis. The details in Form No. AOC-2 of a material transaction between the Company and its related party are enclosed under **Annexure 2** to this Report.

14. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

During the year under review, no significant or material orders were passed by the Regulators / Courts / Tribunals impacting the going concern status of the Company and its future operations.

15. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in Form No. MGT-9 are enclosed under **Annexure 3** to this Report.

16. AUDITORS

The Company’s Auditors, Messrs. Deloitte Haskins & Sells, Chartered Accountants (‘DHS’) (Registration No. 302009E), were appointed at the Ninety-First AGM to hold such office till the conclusion of the Ninety-Sixth AGM. Your Board, in terms of Section 139 of the Act, on the recommendation of the Audit Committee, has recommended for the ratification of the Members the appointment of DHS from the conclusion of the ensuing AGM till the conclusion of the Ninety-Third AGM. The Board, in terms of Section 142 of the Act, on the recommendation of the Audit Committee, has also recommended for the approval of the Members the remuneration of DHS for the financial year 2015-16. Appropriate resolution in respect of the above is appearing in the Notice convening the ensuing AGM of the Company.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of business of your Company, no comment is required on conservation of energy and technology absorption. During the year under review, the Company earned foreign exchange of ₹ 32.84 lakhs, while the total outflow of foreign exchange was ₹ 0.55 lakhs.

18. ACKNOWLEDGEMENT

The Board acknowledges the support of the Government, investors, banks, customers, suppliers and business associates and the dedication and hard work of its employees.

Date: 28th April, 2015
Kolkata

For and on behalf of the Board

K. N. Grant
Chairman
R. Senguttuvan
Managing Director

Annexure 1 to the Report of the Board of Directors for the financial year ended 31st March, 2015

Wimco Limited - Remuneration Policy

The Company's Remuneration Strategy is designed to attract and retain talent that gives its business a unique competitive advantage and enables the Company to achieve its objectives.

The Company's Remuneration Strategy, whilst focusing on remuneration and related aspects of performance management, is aligned with and reinforces the employee value proposition of a superior quality of work life, that includes an enabling work environment, an empowering and engaging work culture and opportunities to learn and grow.

The Compensation approach endeavours to align each employee with the Company's goals.

POLICY

It is the Company's policy:

1. To ensure that its Remuneration practices support and encourage meritocracy.
2. To ensure that Remuneration is market-led and takes into account the competitive context of the Company's business.
3. To leverage Remuneration as an effective instrument to enhance performance and therefore to link the remuneration to both individual and collective performance outcomes.
4. To adopt a comprehensive approach to Remuneration in order to support a superior quality of personal and work life, in a manner so as to judiciously balance short term with long term priorities.
5. To design Remuneration practices such that they reinforce the Company's values and culture and to implement them in a manner that complies with all relevant regulatory requirements.

Remuneration of Managing / Wholtime Directors, Key Managerial Personnel and Senior Management

1. Remuneration of Key Managerial Personnel and Senior Management is determined and recommended by the Nomination and Remuneration Committee and approved by the Board. Remuneration of Managing Director / Wholtime Director / Manager is also subject to the approval of the shareholders.

2. Remuneration is reviewed and revised periodically, when such a revision is warranted by the market.
3. Apart from fixed elements of remuneration and benefits, Key Managerial Personnel and Senior Management are also eligible for Variable Pay / Performance Bonus which is linked to their individual performance and the overall performance of the Company.

Remuneration of Non-Executive Directors

Non-Executive Directors are entitled to sitting fees for attending meetings of the Board and Board Committees, the quantum of which is determined by the Board, within the limits prescribed under the Companies Act, 2013 and the Rules thereunder. The expenses of the Non-Executive Directors for attending meetings of the Board and Board Committees are also borne by the Company, in terms of the Articles of Association of the Company.

Remuneration of Management Staff

1. Remuneration of Management Staff is approved by the Board on the recommendation of the Executive Management Committee.
2. Remuneration is reviewed and revised periodically, when such a revision is warranted by the market. The quantum of revision is linked to market trends, the competitive context of the Company's business, as well as the track record of the individual employee.
3. Variable Pay cognises for the performance rating of the individual employee and the overall performance of the Company.

Remuneration of Non-Management Staff

1. Remuneration of non-management staff is market-led, leverages performance and is approved by the Executive Management Committee.
2. Remuneration of non-management unionised employees is determined through a process of negotiations with the recognised union/s or employee representatives, through a long-term agreement.
3. Remuneration, comprising fixed and variable components, is arrived at based on benchmarking with region-cum-industry practices and cognizing for market dynamics, competitiveness of the unit, overall performance of the Company's business, availability of skills, inflation/cost of living and the impact of cost escalation and productivity gains on present and future competitiveness.

Annexure 2 to the Report of the Board of Directors for the financial year ended 31st March, 2015

FORM NO. AOC-2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

a)	Name(s) of the related party and nature of relationship	Nil
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

a)	Name(s) of the related party and nature of relationship	ITC Limited (ITC), the Holding Company
b)	Nature of contracts / arrangements / transactions	Sale of Machineries & related spares and providing services relating to machine maintenance, installation and repairs etc.
c)	Duration of the contracts / arrangements / transactions	Ongoing
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Value of the transaction during the year - ₹ 201.35 lakhs
e)	Date(s) of approval by the Board, if any	—
f)	Amount paid as advances, if any	Nil

For and on behalf of the Board

Date: 28th April, 2015
Kolkata**K. N. Grant** Chairman
R. Senguttuvan Managing Director**Annexure 3 to the Report of the Board of Directors****FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2015**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	:	U24291MH1923PLC001082
ii)	Registration Date	:	7th September, 1923
iii)	Name of the Company	:	Wimco Limited
iv)	Category / Sub-Category of the Company	:	Unlisted Public Company limited by shares
v)	Address of the Registered office and contact details	:	Indian Mercantile Chambers R. Kamani Marg, Ballard Estate Mumbai - 400001 Phone: 022- 4366 3333 Fax: 022- 2269 2228
vi)	Whether listed company	:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Fabrication / assembly of machinery, including tube filling machines, cartoning machines, wrapping machines, loading machines and conveyor solutions.	28199	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held in the Company	Applicable Section
1.	ITC Limited Virginia House, 37 J. L. Nehru Road Kolkata - 700 071	L16005WB1910PLC001985	Holding company	98.21%	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	—	—	—	—	—	—	—	—	N.A.
b) Central Govt.	—	—	—	—	—	—	—	—	N.A.
c) State Govt.(s)	—	—	—	—	—	—	—	—	N.A.
d) Bodies Corp.	18,50,81,193	—	18,50,81,193	98.21	18,50,81,193	—	18,50,81,193	98.21	Nil
e) Banks / FI	—	—	—	—	—	—	—	—	N.A.
f) Any Other	—	—	—	—	—	—	—	—	N.A.
Sub-total (A)(1)	18,50,81,193	—	18,50,81,193	98.21	18,50,81,193	—	18,50,81,193	98.21	Nil
(2) Foreign									
a) NRIs - Individuals	—	—	—	—	—	—	—	—	N.A.
b) Other - Individuals	—	—	—	—	—	—	—	—	N.A.
c) Bodies Corp.	—	—	—	—	—	—	—	—	N.A.
d) Banks / FI	—	—	—	—	—	—	—	—	N.A.
e) Any Other	—	—	—	—	—	—	—	—	N.A.
Sub-total (A)(2)	—	—	—	—	—	—	—	—	N.A.
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	18,50,81,193	—	18,50,81,193	98.21	18,50,81,193	—	18,50,81,193	98.21	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	—	4,844	4,844	0	—	4844	4844	0	Nil
b) Banks / FI	5,027	10,090	15,117	0	5,027	10,090	15,117	0	Nil
c) Central Govt.	—	—	—	—	—	—	—	—	N.A.
d) State Govt.(s)	—	—	—	—	—	—	—	—	N.A.
e) Venture Capital Funds	—	—	—	—	—	—	—	—	N.A.
f) Insurance Companies	—	—	—	—	—	—	—	—	N.A.
g) FIs	—	1,550	1,550	0	—	1,550	1,550	0	Nil
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	N.A.
i) Others (specify)	—	—	—	—	—	—	—	—	N.A.
Sub-total (B)(1)	5,027	16,484	21,511	0.01	5,027	16,484	21,511	0.01	Nil
2. Non-Institutions									
a) Bodies Corp.	—	—	—	—	—	—	—	—	—
i) Indian	66,789	22,731	89,520	0.05	67,569	22,731	90,300	0.05	0.00
ii) Overseas	—	—	—	—	—	—	—	—	N.A.
b) Individuals	—	—	—	—	—	—	—	—	—
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	15,81,292	16,53,567	32,34,859	1.71	15,83,479	16,49,472	32,32,951	1.71	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	—	—	—	—	—	—	—	—	N.A.
c) Others (specify)	—	—	—	—	—	—	—	—	—
- Non-resident Indians	22,057	10,860	32,917	0.02	23,185	10,860	34,045	0.02	0.00
Sub-total (B)(2)	16,70,138	16,87,158	33,57,296	1.78	16,74,233	16,83,063	33,57,296	1.78	Nil
Total Public Shareholding (B)=(B)(1)+(B)(2)	16,75,165	17,03,642	33,78,807	1.79	16,79,260	16,99,547	33,78,807	1.79	Nil
C. Shares held by Custodian for GDRs&ADRs	—	—	—	—	—	—	—	—	N.A.
Grand Total (A+B+C)	18,67,56,358	17,03,642	18,84,60,000	100	18,67,60,453	16,99,547	18,84,60,000	100.00	Nil

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	
1.	ITC Limited	18,50,81,193	98.21	Nil	18,50,81,193	98.21	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year				
	At the end of the year				
No change during the year					

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the top ten shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Rajdev Singh				
	At the beginning of the year	30,100	0.02		
	Date wise Increase / Decrease in Shareholding during the year	—	N.A.	—	N.A.
	At the end of the year			30,100	0.02
2.	Sardar Gur Bachan Singh				
	At the beginning of the year	13,710	0.01		
	Date wise Increase / Decrease in Shareholding during the year	—	N.A.	—	N.A.
	At the end of the year			13,710	0.01
3.	Biren Dolatrai Nayak				
	At the beginning of the year	13,300	0.01		
	Date wise Increase / Decrease in Shareholding during the year	—	N.A.	—	N.A.
	At the end of the year			13,300	0.01
4.	Prakash T. Tulsiani				
	At the beginning of the year	12,000	0.01		
	Date wise Increase / Decrease in Shareholding during the year	—	N.A.	—	N.A.
	At the end of the year			12,000	0.01
5.	MSPL Limited				
	At the beginning of the year	12,000	0.01		
	Date wise Increase / Decrease in Shareholding during the year	—	N.A.	—	N.A.
	At the end of the year			12,000	0.01
6.	Mathura Nath Banerjee				
	At the beginning of the year	11,250	0.01		
	Date wise Increase / Decrease in Shareholding during the year	—	N.A.	—	N.A.
	At the end of the year			11,250	0.01
7.	Sardar Paramjit Singh				
	At the beginning of the year	10,230	0.01		
	Date wise Increase / Decrease in Shareholding during the year	—	N.A.	—	N.A.
	At the end of the year			10,230	0.01
8.	Cawas Mistry				
	At the beginning of the year	10,000	0.01		
	Date wise Increase / Decrease in Shareholding during the year	—	N.A.	—	N.A.
	At the end of the year			10,000	0.01
9.	S. Rajdev Singh				
	At the beginning of the year	10,000	0.01		
	Date wise Increase / Decrease in Shareholding during the year	—	N.A.	—	N.A.
	At the end of the year			10,000	0.01
10.	M/s. Rishra Investments Limited				
	At the beginning of the year	10,000	0.01		
	Date wise Increase / Decrease in Shareholding during the year	—	N.A.	—	N.A.
	At the end of the year			10,000	0.01

(v) Shareholding of Directors and Key Managerial Personnel:

None of the Directors and Key Managerial Personnel hold any share in the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment : Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	R. Senguttuvan (Managing Director) (refer note 1)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	—
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	—
2.	Stock Option	—
3.	Sweat Equity	—
4.	Commission - as % of profit - others, specify	—
5.	Others, please specify	—
Total Amount (A)		—
Ceiling as per the Act		₹ 30,00,000 per annum (refer note 2)

Note 1: ITC Limited (ITC), the Holding Company, has deputed the services of Mr. R. Senguttuvan to the Company without levy of any charge. Accordingly, Mr. Senguttuvan's remuneration for the financial year ended 31st March, 2015 has been borne by ITC.

Note 2: Ceiling as per Part II of Schedule V of the Companies Act, 2013 has been disclosed, considering that the Company has not made profits during the financial year ended 31st March, 2015.

B. REMUNERATION TO OTHER DIRECTORS:

(Amount in ₹)

Sl. No.	Name of the Director	Particulars of Remuneration			Total Amount
		Fee for attending Board and Board Committee meetings	Commission	Others, please specify	
1.	Independent Directors				
	S. Banerjee	50,000	Nil	Nil	50,000
	P. Chatterjee	50,000			50,000
	Total Amount (B)(1)	1,00,000			1,00,000
2.	Other Non-Executive Directors				
	K. N. Grant	Nil	Nil	Nil	Nil
	C. R. Dua	20,000			20,000
	D. Dutta	30,000			30,000
	R. K. Singhi	Nil			Nil
	R. Tandon	Nil			Nil
	Total Amount (B)(2)	50,000	Nil	Nil	50,000
Total Amount (B) = (B)(1) + (B)(2)					1,50,000
Total Managerial Remuneration (A + B)					1,50,000
Overall ceiling as per the Act					₹ 30,00,000 per annum (refer note)

Note : Ceiling as per Part II of Schedule V of the Companies Act, 2013 has been disclosed, considering that the Company has not made profits during the financial year ended 31st March, 2015.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	S.K. Sipani (Company Secretary) (refer note 1)	S. Pal (Chief Financial Officer) (refer note 2)
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	—	2,54,100
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	—	54,467
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	—	—
2.	Stock Option	—	—
3.	Sweat Equity	—	—
4.	Commission - as % of profit - others, specify	—	—
5.	Others, please specify	—	—
Total Amount		—	3,08,567

Note 1: ITC Limited (ITC), the Holding Company, has deputed the services of Mr. S. K. Sipani to the Company without levy of any charge. Accordingly, Mr. Sipani's remuneration for the financial year ended 31st March, 2015 has been borne by ITC.

Note 2: Mr. S. Pal has been appointed as the Chief Financial Officer of the Company with effect from 4th February, 2015.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES against the Company, Directors and other Officers in Default under the Companies Act, 2013 : None

Date : 28th April, 2015
Kolkata

For and on behalf of the Board

K. N. Grant
R. Senguttuvan

Chairman
Managing Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WIMCO LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of WIMCO LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - the Company does not have any pending litigations which would impact its financial position
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Deloitte Haskins & Sells**

Chartered Accountants

Firm's Registration No. 302009E

Ketan Vora

Partner

Membership No: 100459

Place: Mumbai

Date : 28th April, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- Having regard to the nature of the Company's business / activities / results during the year, clauses (vi), and (xi) of paragraph 3 of the Order are not applicable to the Company.
- In respect of its fixed assets:
 - The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- In respect of its inventory:
 - As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- 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 purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act.
- According to the information and explanations given to us in respect of statutory dues:
 - The Company has been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
 - There are no dues of Income-tax, Value Added tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2015 on account of disputes.
 - There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit. The Company has incurred cash losses in the immediately preceding financial year.
- In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The company does not have borrowings from financial institutions and has not issued debentures.
- According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**

Chartered Accountants

Firm's Registration No. 302009E

Ketan Vora

Partner

Membership No: 100459

Place: Mumbai

Date : 28th April, 2015

BALANCE SHEET AS AT MARCH 31, 2015

	Note	As at March 31, 2015 (₹ in Lacs)	As at March 31, 2014 (₹ in Lacs)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	1,884.60	6,884.60
Reserves and surplus	2	(1,636.46)	2,877.60
Non-current liabilities			
Long-term borrowings	3	—	200.00
Other long-term liabilities	4	—	6,278.91
Long-term provisions	5	6.17	93.44
Current liabilities			
Short-term borrowings	6	—	11.19
Trade payables	7	411.60	1,380.55
Other current liabilities	8	124.94	442.13
Short-term provisions	9	2.05	13.32
TOTAL		792.90	18,181.74
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	75.61	13,540.34
Intangible assets		0.03	14.99
Capital work-in-progress		—	—
Non-current investments	11	—	0.09
Deferred tax asset (net)	12	—	—
Long-term loans and advances	13	37.11	1,623.03
Other non-current assets	14	—	0.25
Current assets			
Inventories	15	278.15	1,183.63
Trade receivables	16	192.08	520.16
Cash and bank balances	17	86.97	254.75
Short-term loans and advances	18	122.95	633.95
Other current assets	19	—	410.55
TOTAL		792.90	18,181.74

The accompanying notes 1 to 44 are an integral part of the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

KETAN VORA
Partner

Place : Mumbai
Date : 28th April, 2015

For and on behalf of the Board

K N GRANT
Chairman

R. SENGUTTUVAN
Managing Director

S K SIPANI
Company Secretary

SAURABH PAL
Chief Financial Officer

Place : Kolkata
Date : 28th April, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note	For the year ended March 31, 2015 (₹ in Lacs)	For the year ended March 31, 2014 (₹ in Lacs)
INCOME			
Gross Revenue from sale of products and services	20	1,379.50	17,028.57
Less : Excise duty		89.05	815.06
Net Revenue from sale of products and services		1,290.45	16,213.51
Other operating revenue	21	1.75	62.46
Revenue from operations		1,292.20	16,275.97
Other income	22	11.14	2,031.70
Total Revenue		1,303.34	18,307.67
EXPENSES			
Cost of material consumed	23	824.51	4,439.88
Cost of seeds	23	—	33.94
Purchase of Stock-in-Trade		—	6,887.33
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(28.21)	902.94
Employee benefits expense	25	195.05	1,923.41
Finance cost	26	4.82	0.38
Depreciation and amortisation expense	10	7.14	358.58
Other expenses	27	347.64	3,476.24
Total Expenses		1,350.95	18,022.70
(Loss) / Profit before exceptional items and tax		(47.61)	284.97
Exceptional items (see note 34)		—	(1,438.86)
Loss before tax		(47.61)	(1,153.89)
(Loss) / Profit from continuing operations before tax		(47.61)	167.25
Tax Expense		—	—
(Loss) / Profit from continuing operations after tax		(47.61)	167.25
(Loss) from discontinuing operations before tax		—	(1,321.14)
Tax Expense		—	—
(Loss) from discontinuing operations after tax		—	(1,321.14)
Loss after tax		(47.61)	(1,153.89)
Earnings per equity share (₹) - basic and diluted	28	(0.03)	(0.61)
Face value (₹)		1.00	1.00

The accompanying notes 1 to 44 are an integral part of the Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

KETAN VORA
Partner

Place : Mumbai
Date : 28th April, 2015

For and on behalf of the Board

K N GRANT
Chairman

R. SENGUTTUVAN
Managing Director

S K SIPANI
Company Secretary

SAURABH PAL
Chief Financial Officer

Place : Kolkata
Date : 28th April, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	For the year ended March 31, 2015 (₹ in Lacs)	For the year ended March 31, 2014 (₹ in Lacs)
A. Cash flow from operating activities		
(Loss) / Profit before exceptional items and taxation	(47.61)	284.97
Exceptional items (See note 34)	—	(1,438.86)
Loss before taxation	(47.61)	(1,153.89)
Adjustments for:		
Depreciation and amortisation Expense	7.14	358.58
Profit on sale of tangible assets (net)	—	(69.62)
Compensation for Compulsory Acquisition of Land (net)	—	(923.66)
Liabilities no longer required written back	—	(206.68)
Doubtful and Bad debts	15.27	13.57
Doubtful and Bad advances, loans and deposits	2.68	54.51
Provision for diminution in value of investments	—	599.06
Interest income	—	(81.90)
Interest expenditure	4.82	0.38
Operating loss before working capital changes	(17.70)	(1,409.65)
Adjustments for:		
Trade receivables	116.77	81.22
Loans and advances and Other current assets	32.37	687.50
Inventories	26.91	1,502.42
Trade Payables, Other current and long-term liabilities and Provisions	(29.91)	(2,710.61)
Cash (used in) / generated from operations before taxation	128.44	(1,849.12)
Income tax paid (net of refunds)	(36.66)	(90.38)
Net cash generated / (used in) from operations	91.78	(1,939.50)
B. Cash flow from investing activities		
Purchase of Fixed Assets	(1.27)	(91.27)
Sale of Fixed Assets	—	2,127.54
Interest received	—	81.90
Net cash (used in) / generated from investing activities	(1.27)	2,118.17
C. Cash flow from financing activities		
Proceeds from rights issue of equity shares	—	—
Interest paid	(4.82)	(0.38)
Repayment of borrowings to holding / subsidiary company	—	(7.21)
Net cash used in financing activities	(4.82)	(7.59)
D. Net increase in cash and cash equivalents (A+B+C)	85.69	171.08
E. Reconciliation		
Cash and cash equivalents at the beginning of the year	254.75	83.67
Less : Cash balance adjusted pursuant to Scheme of Arrangement (see note 33)	(253.47)	—
	1.28	83.67
Cash and cash equivalents at the end of the year	86.97	254.75
	85.69	171.08
Cash and cash equivalents comprise of		
Cash on hand	0.36	2.90
Balances with banks	86.61	251.85
	86.97	254.75

The accompanying notes 1 to 44 are an integral part of the Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

KETAN VORA
Partner

Place : Mumbai
Date : 28th April, 2015

For and on behalf of the Board

K N GRANT
Chairman

R. SENGUTTUVAN
Managing Director

S K SIPANI
Company Secretary

SAURABH PAL
Chief Financial Officer

Place : Kolkata
Date : 28th April, 2015

NOTES TO THE FINANCIAL STATEMENTS

	As at March 31, 2015 (₹ in Lacs)	As at March 31, 2014 (₹ in Lacs)
1. Share capital		
Authorised		
35,00,00,000 (2014: 35,00,00,000) Equity shares of ₹ 1 (2014: ₹ 1) each [see note (B)(I) (a) and (b) below]	3,500.00	3,500.00
1,13,00,000 (2014: 1,13,00,000) Redeemable preference shares of ₹ 100 each [see note (B)(I)(b) below]	11,300.00	11,300.00
TOTAL	14,800.00	14,800.00
Issued		
18,84,60,000 (2014: 18,84,60,000) Equity shares of ₹ 1 each [see notes (B)(I)(a) below]	1,884.60	1,884.60
Nil (2014: 50,00,000) Zero coupon preference shares of ₹ 100 each [see note (B)(II) below]	—	5,000.00
Subscribed and paid up		
18,84,60,000 (2014: 18,84,60,000) Equity shares of ₹ 1 each fully paid up [see note B(I) (a) below]	1,884.60	1,884.60
Nil (2014: 50,00,000) Zero coupon preference shares of ₹ 100 each [see note (B)(II) below]	—	5,000.00
TOTAL	1,884.60	6,884.60
A) Reconciliation of number of shares	As at March 31, 2015	As at March 31, 2014
Equity shares	(No. of Shares)	(No. of Shares)
Balance as at the beginning of the year	18,84,60,000	18,84,60,000
Balance as at the end of the year	18,84,60,000	18,84,60,000
Zero coupon preference shares		
Balance as at the beginning of the year	50,00,000	50,00,000
Adjustment pursuant to Scheme of arrangement [see note (B)(II) below and note 33]	(50,00,000)	—
Balance as at the end of the year	—	50,00,000
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) Pursuant to the provisions of Section 94 of the Companies Act, 1956, the Authorised Share Capital of the Company 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, was re-classified to ₹ 1,48,00,00,000 comprising 35,00,00,000 Equity Shares of ₹ 1/- each and 1,13,00,000 Redeemable Preference Shares of ₹ 100/- each.		
(II) 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 and were redeemable on or before September 15, 2015. Pursuant to the Scheme of Arrangement, the outstanding preference share capital has been cancelled and adjusted with the deficit in the Statement of Profit and Loss.		
C) Shares held by Holding Company	As at March 31, 2015 (₹ in Lacs)	As at March 31, 2014 (₹ in Lacs)
Equity shares		
18,50,81,193 (2014: 18,50,81,193) Equity shares of ₹ 1 each, fully paid up are held by ITC Limited (Holding Company)	1,850.81	1,850.81
Preference shares		
Nil (2014: 50,00,000) Zero coupon preference shares of ₹ 100 each fully paid held by ITC Limited (Holding Company) - [see note (B)(II) above and note 33]	—	5,000.00
D) Name of share holders holding more than 5% of the shares of the Company	As at March 31, 2015 (No. of Shares)	As at March 31, 2014 (No. of Shares)
Equity Shares		
ITC Limited (Holding Company)	18,50,81,193 98.21%	18,50,81,193 98.21%
Zero Coupon Preference Shares		
ITC Limited (Holding Company) - [see note (B)(II) above and note 33]	—	50,00,000 100.00%

NOTES TO THE FINANCIAL STATEMENTS

	As at March 31, 2015 (₹ in Lacs)		As at March 31, 2014 (₹ in Lacs)
2. Reserves and surplus			
Capital reserve			
Balance at the beginning of the year	29.96		29.96
Less: Adjustment pursuant to Scheme of Arrangement (see note 33)	<u>(29.96)</u>	—	29.96
Capital redemption reserve			
Balance at the beginning of the year	500.00		500.00
Less: Adjustment pursuant to Scheme of Arrangement (see note 33)	<u>(500.00)</u>	—	500.00
Securities premium			
Balance at the beginning of the year	4,141.23		4,441.23
Less : Premium on zero coupon preference shares created during the financial year 2013-14	—		(300.00)
Add : Reversal of Premium on zero coupon preference shares created during the financial year 2013-14	300.00		
Add : Adjustment pursuant to Scheme of Arrangement - Reversal of Premium on zero coupon preference shares provided till March 31, 2013 (See Note 33)	<u>741.68</u>		
	<u>5,182.91</u>		4,141.23
Less: Adjustment pursuant to Scheme of Arrangement (see note 33)	<u>(5,182.91)</u>	—	4,141.23
Revaluation reserve			
Balance at the beginning of the year	4,320.28		4,556.85
Less : Transfer to General Reserve on compulsory acquisition of Land			(236.57)
Add : Reversal of transfer to General Reserve on compulsory acquisition of land	236.57		
Less: Adjustment pursuant to Scheme of Arrangement (see note 33)	<u>(4,556.85)</u>	—	4,320.28
Capital subsidy		14.93	14.93
General reserve			
Balance at the beginning of the year	—		—
Add : Transfer from Revaluation Reserve	—		236.57
Less: Transfer to the Profit and Loss balance	<u>—</u>	—	<u>236.57</u>
(Deficit) in the Statement of Profit and Loss			
Balance at the beginning of the year	(6,128.80)		(5,211.48)
Add : Transfer from Demerger Adjustment Account	(1,507.22)		
Less: Adjustment of Loss of Non-Engineering Business during the Financial year 2013-14	1,321.14		
Add: Reversal of revaluation reserve credited to Statement of Profit and Loss from General reserve (pertaining to Non-Engineering Business)	(236.57)		
Add : Income Tax payment pertaining to Engineering business for the year 2013-14	(36.66)		
Less: Adjustment pursuant to Scheme of Arrangement (see note 33)	<u>5,000.00</u>		
	<u>(1,588.11)</u>		
Add: Loss for the year	(47.61)		(1,153.89)
Add: Adjustment on account of depreciation on Fixed assets under Companies Act 2013 (Refer Note 10C)	(15.67)		
Less: Transfer from General Reserve	<u>—</u>	(1,651.39)	236.57
Demerger Adjustment Account (pursuant to Scheme of Arrangement (See note 33))	(1,507.22)		(6,128.80)
Less : Transfer to Surplus	<u>1,507.22</u>	—	
TOTAL		<u>(1,636.46)</u>	<u>2,877.60</u>
3. Long-term borrowings			
Unsecured :			
Loans and advances from related parties			
Pavan Poplar Limited [Fellow Subsidiary (see note 30)]	—		200.00
TOTAL	<u>—</u>		<u>200.00</u>
4. Other long-term liabilities			
Security deposit received from Holding Company	—		5,035.00
Premium on zero coupon preference shares (See note below)	—		1,041.68
Rent payable	<u>—</u>		<u>202.23</u>
TOTAL	<u>—</u>		<u>6,278.91</u>

Note - Pursuant to Scheme of Arrangement, Premium on redemption of Preference Share Capital (Premium is payable to ITC Limited, Holding Company) is reversed and credited to Securities Premium account, consequent to cancellation of Preference Share capital.

NOTES TO THE FINANCIAL STATEMENTS

	As at March 31, 2015 (₹ in Lacs)	As at March 31, 2014 (₹ in Lacs)
5. Long-term provisions		
Provisions for employee benefits (see note 25)		
Provision for compensated absences	6.17	93.44
TOTAL	6.17	93.44
6. Short-term borrowings		
Unsecured :		
Short-term loans and advances from related parties		
Pavan Poplar Limited [Fellow Subsidiary (see note 30)]	—	11.19
TOTAL	—	11.19
7. Trade payables		
Total outstanding dues of micro enterprises and small enterprises (see note 35)	—	—
Total outstanding dues of creditors other than micro enterprises and small enterprises (see note 30 for payables to related parties)	411.60	1,380.55
TOTAL	411.60	1,380.55
8. Other current liabilities		
Interest accrued but not due on deposits	—	8.26
Advances from customers	95.07	106.32
Deposits from customers	—	40.19
Employee benefits payable	10.65	208.40
Statutory dues payable*	16.68	74.57
Payable to the Holding Company (see note 30 for dues payable to related parties)	2.54	—
Rent payable	—	4.39
TOTAL	124.94	442.13
*Statutory dues payable include		
Wealth tax and withholding taxes	—	52.00
VAT and Others	16.68	22.57
TOTAL	16.68	74.57
9. Short-term provisions		
Current Taxation		
Provisions for employee benefits (See Note 25)		
Provision for gratuity	—	2.93
Provision for compensated absences	2.05	10.39
TOTAL	2.05	13.32

10. Fixed assets

Fixed Assets Balances as at March 31st, 2015

(₹ in Lacs)

Tangible assets and Intangible assets	GROSS BLOCK					ACCUMULATED DEPRECIATION / AMORTISATION / IMPAIRMENT						NET BLOCK	
	As at April 1, 2014	Additions during the year	Transferred out on demerger	Disposal/ Adjustments during the year	As at March 31, 2015	As at April 1, 2014		Depreciation for the year	Transferred out on demerger	Disposal/ Adjustments during the year (Refer note 10C)	As at March 31, 2015		As at March 31, 2015
						Depreciation	Impairment				Depreciation	Impairment	
Tangible assets													
Freehold land (see note 10A below)	11,481.72	—	11,433.80	—	47.92	—	167.73	—	167.73	—	—	—	47.92
Leasehold land	247.28	—	247.28	—	—	0.66	246.62	—	247.28	—	—	—	—
Buildings	4,127.93	—	4,022.46	—	105.47	3,723.89	—	0.70	3,623.02	0.16	101.73	—	3.74
Plant and Equipment (see note - 10A below)	5,572.13	—	5,554.57	—	17.56	4,022.84	—	0.58	4,012.05	—	11.37	—	6.19
Computers	153.62	—	111.31	—	42.31	132.38	—	3.21	104.55	3.38	34.42	—	7.89
Office Equipments	110.22	0.96	84.75	—	26.43	68.51	—	0.56	56.81	12.00	24.26	—	2.17
Furniture and Fixtures	403.97	0.31	388.86	—	15.42	251.95	—	1.26	241.11	0.13	12.23	—	3.19
Motor cars, lorries, tractors	137.96	—	131.35	—	6.61	79.91	—	0.83	78.64	—	2.10	—	4.51
TOTAL	22,234.83	1.27	21,974.38	—	261.72	8,280.14	414.35	7.14	8,531.19	15.67	186.11	—	75.61
Intangible assets													
Computer software	289.84	—	289.32	—	0.52	274.85	—	—	274.36	—	0.49	—	0.03
TOTAL	289.84	—	289.32	—	0.52	274.85	—	—	274.36	—	0.49	—	0.03

10A. Assets given on operating lease

(₹ in Lacs)

Tangible asset	Year Ended March 31, 2015				Year Ended March 31, 2014			
	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year
Freehold Land	—	—	—	—	7,582.24	—	7,582.24	—
Plant and Equipment	—	—	—	—	622.91	503.44	119.47	20.16
TOTAL	—	—	—	—	8,205.15	503.44	7,701.71	20.16

10B. In terms of the Scheme of Arrangement, the fixed assets pertaining to Non engineering business have been transferred to ITC Limited effective April 1, 2013 (See Note 33)

10C. Pursuant to the enactment of Companies Act, 2013 ("the Act"), effective April 1, 2014, the Company has revised the estimated economic useful life of its fixed assets generally in accordance with that provided in Schedule II to the Act. As a result (after considering the transitional provision specified in the Schedule II of Rs.15.67 lacs which was debited to reserves), the Depreciation charge for the current year is lower by Rs. 0.35 lacs as compared to the depreciation charge that would have arisen had the Company followed the estimated economic useful lives as in the previous year.

NOTES TO THE FINANCIAL STATEMENTS

Fixed Assets Balances as at March 31, 2014

(₹ in Lacs)

Tangible assets and intangible assets	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION / IMPAIRMENT						NET BLOCK
	As at April 1, 2013	Additions during the year	Disposal/ Adjustments during the year	As at March 31, 2014	As at April 1, 2013		Depreciation for the year	Disposal/ Adjustments during the year	As at March 31, 2014		As at March 31, 2014
					Depreciation	Impairment			Depreciation	Impairment	
Tangible assets											
Freehold land	12,157.16	—	675.44	11,481.72	—	167.73	—	—	—	167.73	11,313.99
Leasehold land	247.28	—	—	247.28	0.66	246.62	—	—	0.66	246.62	—
Buildings	5,268.66	28.63	1,169.36	4,127.93	4,764.78	—	17.30	1,058.19	3,723.89	—	404.04
Plant and Equipment	6,247.52	69.01	744.40	5,572.13	4,164.15	—	314.36	455.67	4,022.84	—	1,549.29
Computers	222.38	10.11	78.87	153.62	196.90	—	1.30	65.82	132.38	—	21.24
Office Equipments	122.61	—	12.39	110.22	74.09	—	4.95	10.53	68.51	—	41.71
Furniture and Fixtures	513.24	0.45	109.72	403.97	304.79	—	13.79	66.63	251.95	—	152.02
Motor cars, lorries, tractors	135.07	30.99	28.10	137.96	100.42	—	6.67	27.18	79.91	—	58.05
TOTAL	24,913.92	139.19	2,818.28	22,234.83	9,605.79	414.35	358.37	1,684.02	8,280.14	414.35	13,540.34
Intangible assets											
Computer software	289.84	—	—	289.84	274.64	—	0.21	—	274.85	—	14.99
TOTAL	289.84	—	—	289.84	274.64	—	0.21	—	274.85	—	14.99

	As at March 31, 2015 (₹ in Lacs)	As at March 31, 2014 (₹ in Lacs)
11. Non-current investments		
Unquoted		
Trade investment		
A. Investment in government securities		
National savings certificates (pledged with various Mandi Samitis)	—	0.06
B. Investment in equity instruments		
Investments in wholly owned subsidiary companies		
Pavan Poplar Limited	—	599.06
Nil (2014: 55,10,004) equity shares of ₹ 10 each, fully paid (including 6 Equity Shares held by nominees)		
Prag Agro Farm Limited	—	381.90
Nil (2014: 38,00,020) equity shares of ₹ 10 each, fully paid (including 6 equity shares held by nominees)		
Less : Provision for diminution in value	—	(980.96)
	—	0.06
Other investments		
Investments in other companies		
Woodlands Multispeciality Hospital Limited (Formerly known as Woodlands Hospital & Medical Research Centre Limited)	—	0.02
Nil (2014: : 22) 1/2% debentures of ₹ 100 each fully paid		
Mirage Advertising and Marketing Limited	—	1.25
Nil (2014: 12,488) equity shares of ₹ 10 each fully paid		
Bilaspur Cane Development Corporation Limited	—	0.01
Nil (2014: 100) equity shares of ₹ 10 each fully paid		
Less : Provision for diminution in value	—	(1.25)
	—	0.03
Total non-current investments (at cost) - unquoted	—	982.30
Less : Aggregate provision for diminution in value	—	(982.21)
	—	0.09
12. Deferred tax asset (net)		
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	1.28	416.03
Tax effect of items constituting deferred tax assets		
Unabsorbed depreciation carried forward	54.02	1,174.90
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	4.02	124.51
On VRS cost u/s 35 DDA of the Income tax Act, 1961	—	655.54
Provision for doubtful debts / advances	20.20	693.25
Brought forward business losses	131.79	3,514.24
	210.03	6,162.44
Deferred tax asset (net) recognised *	—	—

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

NOTES TO THE FINANCIAL STATEMENTS

	As at March 31, 2015 (₹ in Lacs)	As at March 31, 2014 (₹ in Lacs)
13. Long term loans and advances		
Unsecured, considered good		
Loan / Advance to Fellow Subsidiary (see note 30)	—	839.80
Advances recoverable in cash (employee advances etc.)	—	40.36
Advance Income tax and Tax deducted at source (net of provisions)	37.11	1,571.82
Fringe Benefits Tax	—	10.85
	37.11	2,462.83
Less: Allowance for bad and doubtful loans and advances	—	(839.80)
TOTAL	37.11	1,623.03
14. Other non-current assets		
Other bank balances (see note 17)	—	0.25
TOTAL	—	0.25
15. Inventories (At lower of cost and net realisable value)		
Raw materials	89.73	406.60
Work-in-progress (including plantations in the previous year)	164.92	455.43
Finished goods - manufactured	23.50	48.18
Finished goods - traded	—	—
Stores and spares	—	273.42
TOTAL	278.15	1,183.63
16. Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment:		
Unsecured, considered good *	—	54.75
Unsecured, considered doubtful	54.36	499.98
Less: Provision for doubtful debts	(54.36)	(499.98)
	—	54.75
Others Trade Receivables*	192.08	465.41
TOTAL	192.08	520.16
* See note 30 for receivables due from related parties		
17. Cash and Bank Balances		
Cash and cash equivalents (As per AS 3 Cash Flow Statement)		
Cash on hand	0.36	2.90
Balances with banks:		
- In Current accounts	13.71	128.98
- Cash credit (including working capital demand loan) with banks@	72.90	122.12
Total Cash & Cash Equivalents (As per AS 3 Cash Flow Statement)	86.97	254.00
Other bank balances		
In restricted bank accounts (non-current)	—	0.25
Deposit with original maturity of more than twelve months (current)	—	0.75
Less: Amounts disclosed under non-current assets (see note 14)	—	(0.25)
Total Other bank balances	—	0.75
TOTAL CASH & BANK BALANCES	86.97	254.75
@ 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.		
18. Short-term loans and advances		
Unsecured, considered good unless otherwise stated		
Sundry advances to suppliers, employees, etc.		
Considered good	1.10	153.75
Considered doubtful	5.08	49.62
	6.18	203.37
Less: Allowance for bad and doubtful loans and advances	(5.08)	(49.62)
	1.10	153.75
Prepaid expenses	12.47	35.89
Balances with government authorities#	109.28	221.08
Deposits		
Considered good	0.10	223.23
Considered doubtful	—	51.12
	0.10	274.35
Less: Provision for doubtful deposits	—	(51.12)
	0.10	223.23
TOTAL	122.95	633.95
#Balances with government authorities		
CENVAT/ Service Tax credit receivable	4.41	120.61
VAT credit receivable	104.87	100.47
	109.28	221.08

NOTES TO THE FINANCIAL STATEMENTS

	As at March 31, 2015 (₹ in Lacs)	As at March 31, 2014 (₹ in Lacs)
19. Other current assets		
Consideration receivable towards sale of Fixed Assets	—	410.55
TOTAL	<u>—</u>	<u>410.55</u>
	For year ended March 31, 2015 (₹ in Lacs)	For year ended March 31, 2014 (₹ in Lacs)
20. Gross revenue from sale of products and services (see note 36)		
Sale of Products		
Finished goods (including plantations)	1,287.75	9,146.19
Traded goods	—	7,798.39
Sale of services	91.75	83.99
TOTAL	<u>1,379.50</u>	<u>17,028.57</u>
21. Other operating revenue		
Sale of Scrap	1.75	40.67
Income from sale of energy	—	21.79
TOTAL	<u>1.75</u>	<u>62.46</u>
22. Other income		
Interest income on Income Tax refund	—	77.20
Interest income - others	—	4.70
Net gain on foreign currency transactions	—	0.48
Rental Income *	—	403.90
Liabilities no longer required written back	—	206.68
Income from sale of scrap	—	322.97
Compensation received on compulsory acquisition of Land (net)	—	923.66
Profit on sale / discard of fixed assets (net)	—	69.62
Miscellaneous Income	11.14	22.49
TOTAL	<u>11.14</u>	<u>2031.70</u>
* Includes income from operating lease of land and office building premises at various locations		
23. Cost of materials consumed		
(a) Raw materials including packing materials (including provision made for obsolete Raw materials)		
Opening Stock	406.60	771.07
Less: Transfer of stocks to ITC Limited in terms of the Scheme of Arrangement (see note 33)	(261.75)	—
	<u>144.85</u>	<u>771.07</u>
Add: Purchases	769.39	4,075.41
Less: Closing stock	(89.73)	(406.60)
Cost of materials consumed (see note 38)	<u>824.51</u>	<u>4,439.88</u>
(b) Cost of seeds	—	33.94
TOTAL	<u>824.51</u>	<u>4,473.82</u>
24. Changes in inventories of finished goods, work-in-progress and stock-in-trade (including provision made for obsolete inventories)		
Stock at the end of the year		
Finished goods	23.50	48.18
Work-in-progress (including plantations)	164.92	455.43
Stock-in-trade	—	—
Total (A)	<u>188.42</u>	<u>503.61</u>
Less: Stock at the beginning of the year		
Finished goods	854.77	
Work in progress (including plantations)	516.55	
Stock in trade	35.23	
	<u>1,406.55</u>	
Less: Transfer of stocks to ITC Limited in terms of the Scheme of Arrangement (See note 33)		
Finished goods	846.79	854.77
Work in progress (including plantations)	364.32	516.55
Stock in trade	35.23	35.23
Total (B)	<u>1,246.34</u>	<u>1,406.55</u>
Decrease / (Increase) in stocks [B-A]	<u>(28.21)</u>	<u>902.94</u>

NOTES TO THE FINANCIAL STATEMENTS

	As at March 31, 2015 (₹ in Lacs)	As at March 31, 2014 (₹ in Lacs)
25. Employee benefits expense		
Salaries and wages	160.02	1,487.42
Contribution to provident and other funds	11.80	290.21
Workmen and staff welfare expenses	23.23	146.43
	<u>195.05</u>	<u>1,924.06</u>
Less: Recoveries	—	(0.65)
TOTAL	<u>195.05</u>	<u>1,923.41</u>

(₹ in Lacs)

	Defined Benefit Plans			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2015	2014	2015	2014
Change in obligation during the year				
1. Obligation at the beginning of the year	391.26	389.35	103.83	95.51
2. Service cost	2.75	26.65	1.89	18.78
3. Interest cost	3.51	35.04	0.65	8.60
4. Actuarial losses / (gains)	(2.44)	42.45	1.31	6.55
5. Benefits' payments	(346.95)	(102.23)	(99.46)	(25.61)
6. Obligations at the end of the year	<u>48.13</u>	391.26	<u>8.22</u>	103.83
Change in plan assets				
1. Plan assets at the beginning of the year	388.33	345.02	—	—
2. Expected return on plan assets	2.44	25.54	—	—
3. Contribution by employers	—	120.00	—	—
4. Benefits' payments	(346.95)	(102.23)	—	—
5. Actuarial (losses) / gains	8.95	—	—	—
6. Plan assets at the end of the year	<u>52.77</u>	388.33	—	—
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	52.77	388.33	—	—
2. Present value of the defined benefit obligation at the end of the year	48.13	391.26	8.22	103.83
3. Asset / (liability) recognised in the balance sheet	—	(2.93)	(8.22)	(103.83)
Cost for the period				
1. Service cost	2.75	26.65	1.89	18.78
2. Interest cost	3.51	35.04	0.65	8.60
3. Return on plan assets	(2.44)	(25.54)	—	—
4. Actuarial losses / (gains)	(11.39)	42.45	1.31	6.55
Net cost	<u>(7.57)</u>	78.60	<u>3.85</u>	33.93
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				
Actuarial Assumptions:				
1. Discount Rate	7.75%	9.00%	7.75%	9.00%
2. Salary escalation	5.00%	5.00%	5.00%	5.00%
3. Expected return on plan assets	5.78%	7.62%	—	—

(₹ in Lacs)

Net Asset / (Liability) recognized in Balance Sheet (including experience adjustment impact)	For the year ended March 31, 2015		For the year ended March 31, 2014		For the year ended March 31, 2013		For the year ended March 31, 2012	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
1. Present value of defined benefit obligation	48.13	8.22	391.26	103.83	389.35	95.51	367.47	89.93
2. Fair value on plan assets	52.77	—	388.33	—	345.02	—	279.70	—
3. Status [(deficit) / surplus]	4.64	(8.22)	(2.93)	(103.83)	(44.33)	(95.51)	(87.77)	(89.93)

The experience adjustments as at March 31, 2015 of plan assets is ₹ 0.83 Lacs (2014 - ₹ 6.60 Lacs) and obligations is gain of ₹ 11.40 Lacs (2014 - ₹ 42.45 Lacs)

A. The excess of fair value of plan assets over present value of defined benefit obligation has not been recognized based on prudence.

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 expected return on each major class are not readily available. We understand that 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.

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended March 31, 2015 (₹ in Lacs)	For the year ended March 31, 2014 (₹ in Lacs)
26. Finance cost		
Interest expense	4.82	0.38
	<u>4.82</u>	<u>0.38</u>
27. Other expenses		
Consumption of stores and spare parts (including provision made for obsolete spares)	1.00	366.67
Sub-Contracting Expenses	52.50	101.93
Power and fuel	20.17	488.83
Rent *	—	294.94
Repairs and Maintenance		
- Buildings	3.66	97.62
- Machinery	0.54	256.52
- Others	10.64	55.25
Rates and taxes	8.60	218.31
Insurance	3.93	54.49
Maintenance and upkeep	16.38	213.99
Travelling and conveyance	84.40	197.75
Printing and stationery	8.08	18.85
Freight and forwarding	17.48	259.89
Warehousing charges	1.55	31.77
Advertising and sales promotion charges	1.75	45.47
Commission	—	12.35
Bank charges	1.10	2.26
Information technology services	9.90	102.63
Training and development	1.51	1.57
Professional fees	46.41	143.85
Postage and telephone charges	10.14	30.00
Net loss on foreign currency transactions and translation	0.16	—
Payment to Auditors (see note 31)	5.45	17.81
Directors' sitting fees	1.80	0.50
Plantation, Cultivation and Harvesting Charges	—	230.60
Doubtful and Bad debts	15.27	13.57
Doubtful and Bad advances, loans and deposits	2.68	54.51
Miscellaneous expenses	22.54	164.31
TOTAL	<u>347.64</u>	<u>3,476.24</u>

* 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. The same have been transferred to ITC Limited pursuant to the Scheme of Arrangement (see note 33)

28. Earnings per share

(Loss) / Profit after tax, attributable to equity shareholders (A)	(47.61)	(1,153.89)
Weighted average number of equity shares (B)	18,84,60,000	18,84,60,000
Earning per share - basic and diluted (in ₹) (A / B)	(0.03)	(0.61)
Nominal value of an equity share (in ₹)	1.00	1.00
(Loss) / Profit from continuing operations after tax (A)	(47.61)	167.25
Weighted average number of equity shares (B)	18,84,60,000	18,84,60,000
Earning per share - basic and diluted (in ₹) (A / B)	(0.03)	0.09
(Loss) / Profit from discontinuing operations after tax (A)	—	(1,321.14)
Weighted average number of equity shares (B)	—	18,84,60,000
Earning per share - basic and diluted (in ₹) (A / B)	—	(0.70)

NOTES TO THE FINANCIAL STATEMENTS

29. Segment Information for the year ended March 31, 2015

Pursuant to the scheme of arrangement, the Non-engineering businesses have been transferred to ITC Limited with effect from April 1, 2013 and the company is now engaged in Engineering Business alone, which is the only reportable primary business segment.

(₹ in lacs)

Information about primary business segments	March 31, 2015	March 31, 2014				
	Engineering	Match	Engineering	Agri Forestry	Unallocated	Total
Revenue						
External	1,379.50	13,645.74	1,836.94	1,545.89	—	17,028.57
Inter-segment	—	—	—	—	—	—
Total	1,379.50	13,645.74	1,836.94	1,545.89	—	17,028.57
Less: Eliminations on account of inter segment revenue	—	—	—	—	—	—
Total revenue	1,379.50	13,645.74	1,836.94	1,545.89	—	17,028.57
Result						
Segment result	(42.79)	(906.80)	205.06	668.54	—	(33.20)
Unallocated expenditure net of unallocated income	—	—	—	—	236.65	236.65
Operating (Loss) / Profit before exceptional items, interest and taxation	(42.79)	(906.80)	205.06	668.54	236.65	203.45
Exceptional Items	—	—	—	(1,438.86)	—	(1,438.86)
Operating (Loss) / Profit before interest and taxation	(42.79)	(906.80)	205.06	(770.32)	236.65	(1,235.41)
Interest expenses	(4.82)	—	—	—	(0.38)	(0.38)
Interest income	—	—	—	0.13	81.77	81.90
Provision for taxation	—	—	—	—	—	—
Net (Loss) / Profit	(47.61)	(906.80)	205.06	(770.19)	318.04	(1,153.89)
Other Information						
Segment assets	755.79	2,996.68	780.86	782.18	13,622.02	18,181.74
Segment liabilities	544.76	699.29	542.48	307.10	6,870.67	8,419.54
Capital expenditure	1.27	22.83	12.89	54.85	0.70	91.27
Depreciation	7.14	212.03	5.09	8.21	133.25	358.58

Information about Secondary Business Segments Revenue by Geographical Segments	March 31, 2015			March 31, 2014		
	India	Outside India	Total	India	Outside India	Total
Sales	1,326.97	52.53	1,379.50	16,726.86	301.71	17,028.57
Carrying Amount of Segment Assets	749.37	6.42	755.79	18,177.48	4.26	18,181.74
Capital Expenditure	1.27	—	1.27	91.27	—	91.27

30. Related party disclosures

1. Parties exercising control over the Company:

Related Party	Relationship
ITC Limited	Holding company

2. Other related Parties with whom the Company had transactions

Related Party	Relationship
Pavan Poplar Limited (PPL)	Fellow Subsidiary (Wholly owned subsidiary till 31.03.2013)
Prag Agro Farm Limited (PAFL)	Fellow Subsidiary (Wholly owned subsidiary till 31.03.2013)
Surya Nepal Private Limited (SNPL)	Fellow subsidiary
ITC Infotech India Limited (ITCIIIL)	Fellow subsidiary
International Travel House Limited (ITHL)	Associate of the Holding Company

3. Directors of the Company

Managing Director	R Senguttuvan (from 7.11.2014)
	VM Rajasekharan (upto close of work on 6.11.2014)
No remuneration is paid by the Company to the Managing Director in accordance with the terms of his appointment.	

4. Transaction with Related Parties

₹ in Lacs

	HOLDING COMPANY		Fellow Subsidiaries								Associate of the Holding Company		Total	
	ITC Limited		PPL		PAFL		SNPL		ITCIIIL		ITHL			
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Sale of goods and services	201.35	13,922.58	—	7.31	—	0.74	13.95	67.19	—	—	—	—	215.31	13,997.82
Purchase of raw materials and components	—	72.69	—	—	—	0.01	—	—	—	—	—	—	—	72.70
Purchase of services	—	1.40	—	—	—	—	—	—	20.60	—	23.63	—	—	45.63
Expenses reimbursed	2.54	58.30	—	—	—	—	—	—	—	—	—	—	2.54	58.30
Expenses recovered	136.06	176.65	—	2.49	—	15.34	—	—	—	—	—	—	136.06	194.48
Rent received	—	423.58	—	—	—	—	—	—	—	—	—	—	—	423.58
Loans and advances given during the year	—	—	—	—	—	11.65	—	—	—	—	—	—	—	11.65
Outstanding loans and advances (Dr)	—	—	—	—	—	839.80	—	—	—	—	—	—	—	839.80
Loans and advances taken during the year	—	564.69	—	—	—	—	—	—	—	—	—	—	—	564.69
Repayment of loans and advances by the Company	—	2,714.51	—	7.21	—	—	—	—	—	—	—	—	—	2,721.72
Unsecured loans (Cr)	—	—	—	211.19	—	—	—	—	—	—	—	—	—	211.19
Outstanding receivables	33.48	61.65	—	—	—	0.74	—	60.90	—	—	—	—	33.48	123.29
Outstanding payables	2.54	6,086.62	—	47.45	—	—	—	—	—	—	—	—	2.54	6,134.07
Advance payable	—	194.52	—	—	—	—	—	—	—	—	—	—	—	194.52

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended March 31, 2015 (₹ in Lacs)	For the year ended March 31, 2014 (₹ in Lacs)
31. Auditors' remuneration		
Payments to the auditor as		
a. Statutory Audit fees	1.43	15.50
b. Tax Audit Fees	2.57	—
b. Out-of-pocket expenses	1.45	2.31
Total	5.45	17.81
32. Contingent liabilities and commitments (to the extent not provided for)		
A. 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.	—	7.04
B. Excise duty, sales tax and indirect taxes claims disputed relating to issues of applicability and classification	—	183.76
C. Local authority taxes / Cess/ Royalty on property, utilities etc. disputed relating to issues of applicability and determination	—	200.09
D. Third party claims arising from disputes relating to contracts	—	455.87
E. Other matters	—	57.34
	—	904.10
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
B. Claims have been filed by farmers in respect of disputes under the WIMCO NABARD Poplar Scheme.	—	19.65
	—	1,164.75
B. Commitments		
Capital Expenditure Commitments	—	—
	—	—
Total of contingent liability and commitments [A + B]	—	1,164.75
33. Scheme of arrangement with ITC Limited:		

Pursuant to the Scheme of Arrangement ("the Scheme") approved by the Hon'ble High Courts at Bombay and Calcutta and effective from June 27, 2014, the Non-Engineering Business [comprising Safety Matches Business and Agri (Forestry) Business] was demerged from the Company and transferred to ITC Limited, the Holding Company, with effect from April 1, 2013, the appointed date. As per the Scheme, all assets and liabilities of the Non-Engineering Business, including landed property, intellectual properties (brands, licences, trademarks), permissions/approvals, debts/obligations, borrowings, contingent liabilities, legal proceedings, carried forward losses, unavailed credits, exemptions and other statutory benefits stand transferred to ITC Limited from the appointed date. The employees of the Non-Engineering Business have also moved to ITC Limited and consequently the employee related benefits and all contracts and agreements in relation to them have been taken over by ITC Limited.

The Scheme has accordingly been given effect to in the financial statements of the Company for the year ended March 31, 2015.

1. As per the scheme, the assets and liabilities as at April 1, 2013 that have been transferred to ITC Limited are as follows :

	Amount (₹ lacs)
ASSETS	
Fixed Assets - Tangible & Intangible (Net Block)	14,867.50
Less : Revaluation Reserve	(4,556.85)
Fixed Assets net of Revaluation Reserve	10,310.65
Investments	599.15
Long term Loans and Advances	2,346.41
Other non current Assets	0.25
Inventories	2,300.42
Trade receivables	186.78
Cash and cash equivalents	96.92
Short-term loans and advances	779.71
Other current assets	128.39
TOTAL Assets (A)	16,748.68
LIABILITIES	
Long-term borrowings	(200.00)
Other long-term liabilities *	(5,246.79)
Long-term provisions	(85.96)
Short-term borrowings	(18.40)
Trade payables	(3,695.63)
Other current liabilities	(227.93)
Short-term provisions	(53.88)
TOTAL Liabilities (B)	(9,528.59)
Excess of assets transferred over liabilities [X = (A) - (B)]	7,220.09
2. As per the Scheme, the excess of assets transferred over liabilities, as at April 1, 2013, has been adjusted against the following:	
Capital redemption reserve	500.00
Capital reserve	29.96
Securities premium *	5,182.91
TOTAL [Y]	5,712.87

* The premium payable on redemption of preference share capital as on April 1, 2013 of ₹ 741.68 lakhs has been reversed and credited to Securities Premium Account

Excess of assets transferred over liabilities (X) after adjustment of reserves [Y] 1,507.22

The excess of assets transferred over liabilities (X) after adjustment of reserves [Y], that is ₹ 1,507.22 Lacs, has been accounted as "Demerger Adjustment Account" in the books of the Company and has been transferred to the opening balance in the Statement of Profit & Loss.

3. As per the Scheme, the Preference Share Capital of ₹ 5000 lacs divided into 50,00,000 zero coupon preference shares of ₹ 100 each stands cancelled and the same has been adjusted with the debit balance of the Profit & Loss Account as appearing in the books of the Company on the appointed date.

NOTES TO THE FINANCIAL STATEMENTS

44. Significant Accounting Policies**1. Basis of Preparation of Financial Statements**

A. The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.

The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 10.

B. Going concern assumption: As at 31 March 2015, the net worth of the Company has been substantially eroded due to accumulated losses. Despite the erosion of net worth, the financial statements have been prepared on a going concern basis as the holding company is committed towards providing continued operational and financial support for the foreseeable future.

2. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3. Fixed Assets / Depreciation**Tangible Assets**

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

Intangible Assets

II. Application software, which is not an integral part of the related hardware, is shown as intangible asset.

Depreciation

III. Depreciation on Fixed Assets, Tangible and Intangible is calculated in a manner that amortizes the cost of the assets after commissioning (or other amount substituted for cost), less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013

4. Valuation of Inventories

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.

5. 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.

6. 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.

7. Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset

if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

8. Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity, and compensated absences.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Post-employment benefits

The contributions towards provident fund are made to a 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.

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets.

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.

9. Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

10. 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.

11. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

12. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

13. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

For and on behalf of the Board

K N GRANT

Chairman

R. SENGUTTUVAN

Managing Director

S K SIPANI

Company Secretary

SAURABH PAL

Chief Financial Officer

Place: Kolkata

Date : 28th April, 2015