

VIKAS GRANARIES LIMITED

(Formerly known as Adarsh Derivatives Limited)


229, G. I. D. C. Industrial Estate

Chandisar - 385 510 (B.K.) Gujarat

E-mail : adicol_ad1@sanchamnet.in

Telephone : 91(2742) 283943, FAX : 91 (2742) 283448

**FORM A**

Sr. NO	PARTICULARS	DISCRIPTION
1.	NAME OF THE COMPANY	VIKAS GRANARIES LIMITED
2.	ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED	31 ST MARCH, 2013
3.	TYPE OF AUDIT OBSERVATION	UNQUALIFIED
4.	FREQUENCY OF OBSERVATIONS	NOT APPLICABLE
5.	TO BE SIGNED BY	
	CEO/ MANAGING DIRECTOR	<i>Bhimendra Dey</i>
	DIRECTOR	
	AUDITOR OF THE COMPANY	
	AUDIT COMMITTEE CHAIRMAN	<i>(S.P. Aggarwal)</i> <i>Prop.</i>

Regd. Office : Hissar Road, Siwani - 127 046 (India) Ph. 01255 - 277226

Corporate Office : B - 327 - 329, Agro Food Park, Udyog Vihar, Sri Ganganagar - 335 002 (Raj.) Ph. 0154 - 2494319

19th

Annual Report
2012-13



VIKAS GRANARIES LIMITED



BOARD OF DIRECTORS

Smt. Bimla Devi Jindal
Chairman & Managing Director
Sh. B.D. Agarwal
Director
Smt. Kamini Jindal
Director
Sh. Ravi Sharma
Independent Director
Sh. Neeraj Chhabra
Independent Director
Smt. Deepika Aggarwal
Independent Director

COMPANY SECRETARY

Miss. Jyoti Kocher

AUDIT COMMITTEE

Sh. Ravi Sharma
Chairman
Sh. Neeraj Chhabra
Member
Smt. Bimla Devi Jindal
Member

AUDITORS

S. Prakash Aggarwal & co.
Sri Ganganagar

COST AUDITORS

Baghuguna & Company, Noida

BANKERS

Punjab National Bank
Axis Bank Limited

REGISTERED OFFICE

Hisar Road, Siwani,
Haryana-127046

PLANT

Chandisar (Gujrat)
Member
Smt. Bimla Devi Jindal
Member

AUDITORS

S. Prakash Aggarwal & Co.
Sri Ganganagar

COST AUDITORS

Baghuguna & Company, Noida

BANKERS

Punjab National Bank
Axis Bank Limited

REGISTERED OFFICE

Hisar Road, Siwani, Haryana-127046

PLANT

Chandisar (Gujrat)

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NOTICE

Notice is hereby given that the 19th Annual General Meeting of the members of the Company will be held on Monday the 30th day of September, 2013 at 11.00 A.M. at Registered Office of the Company at Hisar Road, Siwani- 127046, Haryana, to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the audited statement of Profit & Loss for the year ended 31st March 2013, and the Balance Sheet as on the date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ravi Sharma who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in place of Mrs. Kamini Jindal who retires by rotation and being eligible offers herself for re-appointment
4. To appoint Mrs. Deepika Aggarwal as regular Director. She was appointed as Additional Director on January 04, 2013 and being eligible offers herself for re-appointment.
5. To Appoint Mr. Neeraj Chhabra as a regular Director. He was appointed as Additional Director on January 04, 2013 and being eligible offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

By Order of the Board of Director

Sd/-

(Bimla Devi Jindal)

Managing Director

Date : 12.08.2013

Place : Sri Ganganagar

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PERSONS AS PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to effective, must be received at the Regd. Office of the Company, not less than forty eight hours before the commencement of the Annual General meeting.
3. The Director's Report, Auditor's Report, Audited Balance Sheet as on 31st March 2013 and the Profit & Loss Account for the year ended on that date and Cash Flow Statement are enclosed.
4. Members are requested to bring the admission slips along with their copy of the Report and accounts to the meeting.
5. Members are requested to notify change in their address, if any, quoting their Folio number to the company or to the Registrar and Transfer Agent of the Company i.e. M/s Link Intime India Private Limited, 44 Community Centre, 2nd Floor, Naraina Industrial Area, Phase I, Near PVR, Naryana, New Delhi-110028.

6. Members who have multiple account in identical names or joint accounts in same order are requested to send all their relevant share certificate(s) at the registered office of the company for consolidation of all such shareholdings into one account to facilitate better services.
7. The Register of Members of the Company shall remain closed from 17th September to 25th September 2013 (both days inclusive)
8. Members desirous of obtaining any information concerning the accounts and operation of the Company are requested to address their questions to the Company so as to reach at least seven days before the date of the meeting, so that the information required may be made available at the meeting, to the best extent possible.

Invitation to participate in the Green Initiative launched by the Ministry of Corporate Affairs

The Ministry of Corporate Affairs (MCA) has permitted paperless compliances by companies; vide its circulars No. 17/2011 and No. 18/2011 dated April 21, 2011 and April 29, 2011 respectively. MCA has clarified that services of documents to Members through e-mail will constitute sufficient compliances with Section 53 of The Companies Act, provided the Members are given an advance opportunity to register their e-mail ids or changes if any therein with the company.

Pursuant thereto, we invite our Members to participate in the Green Initiatives by registering their e-mail ids with the Company to enable it to send documents required to be sent under section 219 of the Companies Act viz. Annual Report and other documents such as Notices of General Meetings, Postal Ballot Notices, ECS Credits etc. by email.

ADDITIONAL INFORMATION: -

1. **Brief profile of Mrs. Deepika Aggarwal:-** Mrs. Deepika Aggarwal is appointed as additional director of the company and being eligible offers herself as regular director, her tenure is upto the Annual General Meeting.

Mrs. Deepika Aggarwal has been appointed by the Board as an Additional Director w.e.f.04.01.2013. Mrs. Deepika Aggarwal is a person with excellent academic background and possesses good educational qualifications. She is Master of Art. Considering and seeking her managerial capabilities, skills and efficiency your Directors recommend appointment of Mrs. Deepika Aggarwal as Director of the Company.
2. **Brief profile of Mr. Neeraj Chhabra:-** Mr. Neeraj Chhabra is appointed as additional director of the company and being eligible offers himself as regular director, his tenure is upto the Annual General Meeting.

Mr. Neeraj Chhabra has been appointed by the Board as an Additional Director w.e.f.04.01.2013. Mr. Neeraj Chhabra is a person with excellent academic background and possesses good educational qualifications. He is post graduate in Pharmacy. Considering and seeking the managerial capabilities, your Directors recommend appointment of Mr. Neeraj Chhabra as Director of the Company.

3. **Brief profile of Mr. Ravi Sharma:-** Mr. Ravi Sharma, Independent Director of the company who retires by rotation and being eligible, offers himself for reappointment.

Mr. Ravi Sharma, Independent Director of the company has been appointed by the board in 2006. Mr. Sharma is a person with excellent academic background and possesses good educational qualifications. He is Master in Commerce and Master in Business Administration. He is having vast knowledge of accountancy and taxation. His expertise is leading company to gain new heights.

4. **Brief profile of Mrs. Kamini Jindal:-** Mrs. Kamini Jindal, Director of the company who retires by rotation and being eligible, offers herself for reappointment.

Mrs. Kamini Jindal has been appointed by the Board as an Additional Director w.e.f. 11.08.2012. Mrs. Kamini Jindal is a person with excellent academic background and possesses good educational qualifications. She is Master of Art and Master of Philosophy. She is the youth diva in the board of the company. Considering and seeking attention and interest of youth, your Directors recommend appointment of Mrs. Kamini Jindal as Director of the Company.

By Order of the Board of Director
For VIKAS GRANARIES LIMITED

Sd/-

(Bimla Devi Jindal)
Managing Director

Date : 12.08.2013

Place : Sri Ganganagar

DIRECTORS' REPORT

Dear Shareholders,

The Directors take immense pleasure in presenting the 19th Annual Report of the Company with audited accounts for the financial year ended March 31, 2013.

FINANCIAL RESULTS:

	(Rs. In Lakhs)	
	YEAR ENDED 31.03.2013	YEAR ENDED 31.03.2012
1. Revenue from operations	21858.49	11487.60
2. Other Income	45.41	1.02
3. Total Expenditure	18811.92	9770.98
4. Finance cost	235.83	196.44
5. Profit after finance cost but before depreciation	2856.15	1521.20
6. Depreciation and amortization expenses	1350.83	875.93
7. Profit before tax	1505.32	645.27
8. Tax expenses	591.93	132.48
9. Profit for the year	913.39	512.79

HIGHLIGHTS OF PERFORMANCE

- Revenue from financial operations has increased in 2013 from Rs. 11487.60 lakhs to Rs. 21858.49 lakhs.
- Net profit has increased in 2013 from 512.79 lakhs to 913.39 lakhs.

DIVIDEND:

The profit of the year is being used for expansion and modernization so your Board does not recommend any dividend for the year ended on 31st March, 2013.

DEPOSITS:

The company has not accepted any deposits. Therefore, the provisions of section 58A of the Companies Act, 1956 are not applicable.

DIRECTORS' RE-APPOINTMENT

Mr. Ravi Sharma, retires by rotation and being eligible offer himself for re-appointment at this Annual General Meeting. The Board Governance Committee has recommended his re-appointment for consideration of the shareholders. A brief profile of Mr. Ravi Sharma is given in the notice of Annual General Meeting.

Mrs. Kamini Jindal retires by rotation and being eligible offer herself for re-appointment at this Annual General Meeting. The Board Governance Committee has recommended her re-appointment for consideration of the shareholders. A brief profile of Mrs. Kamini Jindal is given in the notice of Annual General Meeting.

Mrs. Deepika Aggarwal being eligible offers herself for appointment at this Annual General Meeting as a regular director. The Board Governance Committee has recommended her appointment for consideration of the shareholders. A brief profile of Mrs. Deepika Aggarwal is given in the notice of Annual General Meeting.

Mr. Neeraj Chhabra being eligible offers himself for appointment at this Annual General Meeting as a regular director. The Board Governance Committee has recommended his appointment for consideration of the shareholders. A brief profile of Mr. Neeraj Chhabra is given in the notice of Annual General Meeting.

STATUTORY AUDITORS' APPOINTMENT

The Company's Auditors M/s. S. Prakash Aggarwal & Co., Sri Ganganagar, who retires at the ensuing Annual General Meeting of the company, are eligible for re-appointment. They have confirmed their eligibility under Section 224 of The Companies Act, 1956, for re-appointment as Auditors of the Company.

COST AUDITORS' APPOINTMENT

As per the requirement of the Central Government, and in pursuance of Section 233B of The Companies Act, 1956, your company carries out an audit of cost records. Subject to the approval of the Central Government, your Directors have appointed M/s Baghuguna & Company, to audit the cost accounts of the company for the financial year 2013.

FIXED DEPOSITS

During the year under review, your Company has neither invited nor accepted any fixed deposits from the public or its employees within the meaning of section 58A of the Companies Act, 1956 and Rules made there under.

PARTICULARS OF EMPLOYEES

There are no employees in the Company whose particulars are required to be given under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time.

CONSERVATION OF ENERGY

The information on Conservation of Energy required under Section 217(I)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is provided in page number 4 of the annual report under Annexure A to Director's report.

FOREIGN EXCHANGE EARNING AND OUTGOINGS

There are no foreign exchange earnings and outgoings during the year.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Your directors state that the audited accounts containing financial statement for 2012-13 are in full conformity with the requirements of the Companies Act and are audited by its statutory auditors. Your directors further state that: -

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- The appropriate accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the company as at March 31, 2013.
- The 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
- The annual accounts have been prepared on a going concern basis.

INDUSTRIAL RELATIONS

The relations with employees at all levels have been cordial throughout the year. The Company has no employee drawing remuneration above the limit mentioned 217(2A) of the Companies Act, 1956 and accordingly no statement is annexed.

CORPORATE GOVERNANCE:

We believe Corporate Governance is at the heart of Shareholder Value Creation. As per clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance together with a certificate from the Company's Auditors confirming compliance thereto is set out on page no. 8 forming part of this Annual Report.

Your management has taken appropriate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the amended listing Agreement with the Stock Exchanges are complied with.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control system of the company is commensurate with the size, scale and complexity of its operations. It is being constantly

assessed and strengthened with new/ revised standard operating procedures and robust internal and information technology controls.

The formalized systems of control facilitate effective compliances as per Clause 49 of the Listing agreement with the stock exchange.

The Company's internal audit department objectively and independently tests the design and operating effectiveness of the internal control system to provide a credible assurance to the Board and Audit Committee regarding the adequacy and effectiveness of the internal control system. The internal audit function monitors the effectiveness of controls, and also provides an independent and objective assessment of the overall governance processes in the Company, including the application of a systematic risk management framework.

Internal audit plays a key role by providing an assurance to the Board of Directors, and value adding consultancy service to the business operations.

OCCUPATIONAL HEALTH & SAFETY

Your Company engages different programmes targeting critical areas across all the units to address risk associated with operations. Effectiveness of these programmes is being constantly assessed by the top management.

Our line managers are provided with different types of risk assessment tools to help them identify risk and decide on appropriate control measures. Hazard identification and Risk Assessment workshops are being continued at sites to refine anticipation capability amongst the employees by enhancing their hazard observation skills.

ENHANCING SHAREHOLDERS VALUE

Your company believes that its Members are among its most important stakeholders. Accordingly your company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive assets and resource base and nurturing overall corporate reputation. The company is also committed in creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions for the society for sustainable growth and development.

ACKNOWLEDGMENTS

Your Directors take this opportunity to thank all stake holders - customers, vendors, banks, regulatory and government authorities, and Stock Exchanges for their continued support. Your Directors also acknowledge with thanks, the support extended by Financial Institutions. The Board also places on record their appreciation to all employees for their commitment and wholehearted co-operation towards company.

By Order of the Board,

Sd/-

Date : 12.08.2013

Place : Sri Ganganagar

(Bimla Devi Jindal)
Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

TECHNOLOGY ABSORPTION AND RESEARCH AND DEVELOPMENT

Company's own in house development and analytical lab continuously works on upgradation and modification of the present products to meet the requirements of the international market. Apart from this, no new technology was absorbed or adopted by the company during the year.

A. Conservation of Energy:-

As a part of ongoing energy saving programme your company has engaged an efficient team to examine the possibility of energy conservation at all operation levels, especially on higher load machines. Sincere efforts are being made to improve the power factor and reduce the overall energy consumption.

The company has taken the following steps towards energy conservation:-

- (1) Frequent checking of the capacitors.
- (2) Replacement of high power factor electric motors.
- (3) Timely greasing of the bearings of all the heavy machines.
- (4) Installation of servo stabilizer to boost the voltage.

Year 2012-13		
Electricity		
Purchased Units	KWH	1273177
Total Amount	Rs. (in Lakhs)	92.56
Rate/Unit	Rs.	7.27
Cost per MT	Rs	2569.68
HSD Oil		
Quantity of HSD	KL	519.72
Total Cost	Rs. (In Lakhs)	240.32
Average Rate/Liter	Rs.	46.24
Cost per MT	Rs.	6671.84

By Order of the Board of Director

Sd/-

(**Bimla Devi Jindal**)
Managing Director

Date : 12.08.2013

Place : Sri Ganganagar

CORPORATE GOVERNANCE

The Directors of the company are pleased to present the report on corporate governance for the year ended March 31, 2013.

Company's philosophy on code of Corporate Governance

The Company is part of the 25 year old VIKAS Group which has established a reputation for honesty, integrity and sound governance.

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all of its interactions with its stakeholders. The company is committed to achieve and maintain the highest standards of corporate governance. The company believes that all its actions must serve the underlying goal of enhancing overall stakeholder's value over a sustained period of time.

The Company's Philosophy on Code of Corporate Governance as adopted by the company is as under:

- Ensure that the quantity, quality and frequency of financial and managerial information, which management shares with the Board, fully places the board members in control of the company affairs;

- ensure that the Board exercise its fiduciary responsibilities towards shareholders and creditors, thereby ensuring high accountability;
- ensure that decision-making is transparent and documentary evidence is traceable through the minutes of the meetings of the Board/Committee thereof;
- the board, the employees and all concerned are fully committed towards maximizing long-term value to the shareholders and the company;
- ensure that the core values of the company are protected, and;
- ensure that the company upgrades itself from time to time to be at par with any other world class company in Guar Gum Polymers (GGP) Sector.

BOARD OF DIRECTORS:-

The Board is the highest governing authority with the management of the company and the company operates under their directions and guidance. The board is responsible for providing guidance and supervision regarding the strategy, operations and management of the company. The board possesses requisite skills, experience and expertise required to discharge their responsibilities of managing the affairs which are in the best interest of the company.

a. Composition

As on the year ended 31st March 2013, the company consists of 6 directors including 3 independent directors.

b. Attendance of each director up to 31st March, 2013 at the Board meetings and at last Annual General Meeting:

S.No.	Name of the Director	No. of board meetings attended	Attendance at the AGM held on September 29, 2012
1.	Bimla Devi Jindal	11	Yes
2.	B. D. Aggarwal	10	Yes
3.	Kamini Jindal	7	Yes
4.	Ravi Sharma	10	Yes
5.	Mahesh Batra*	5	No
6.	Rakesh Jindal*	5	Yes
7.	Deepika Aggarwal**	2	-
8.	Neeraj Chhabra**	2	-

*Mahesh Batra and Rakesh Jindal resigned from Directorship on 04.01.2013

**Deepika Aggarwal and Neeraj Chhabra were appointed as director on 04.01.2013

- c. None of the directors of the company holds membership of more than 10 board committees or hold chairmanship of more than 5 board committees.
- d. The company has held 11 Board Meetings during the year. The meetings were held on 29.05.2012, 28.06.2012, 07.07.2012, 16.07.2012, 12.08.2012, 14.08.2012, 12.09.2012, 10.11.2012, 4.1.2013, 12.02.2013 and 30.03.2013
- e. No payments were made during the year to Non Executive Directors towards sitting fees.
- f. The necessary quorum was present for all the meetings.

Brief Profile Of Directors

The Board of Directors comprises of highly renowned professionals drawn from diverse fields. They bring with them wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process.

Brief profile of the Company's Board of directors is as under:

• Mrs. Bimla Devi Jindal (Executive Director)

Mrs. Bimla Devi Jindal, wife of Mr. B.D. Aggarwal belonging to the promoter group is the current Chairman and Managing

Director in the company. She has been appointed by the Board in 2007. She holds a Bachelor's Degree in Commerce from the University of Haryana. She belongs to a leading Guar Gum Industrialist family. Her long term experience and association with Guar Gum industry is helping and enlightening the glory paths of the company.

- **Mr. B.D. Aggarwal (Executive Director)**

Mr. B.D. Aggarwal is a well known and trusted name for Guar Gum Industry. He is one of the most respected business personalities in India. Not only for guar crop harvesting farmers he is a helping hand but also to others, may it be on farming end or educational end. He has introduced new standards in management, efficiency and corporate social responsibility to an industry he has helped transform.

Under his leadership, the company has achieved significant improvements in the areas of guar gum manufacturing may be it at organic end or quality end.

- **Mrs. Kamini Jindal (Executive Director)**

Mrs. Kamini Jindal, belonging to promoter group is an Executive Director in the company. She has been appointed by the Board in 2012. Ms. Kamini Jindal is a person with excellent academic background and possesses good educational qualifications. She is Master of Art and Master of Philosophy. She is the youth diva in the board of the company. She is the daughter of Mr. B.D. Aggarwal and Bimla Devi Jindal, from her childhood she has taken keen interest in the working of the company. Her long term association with Guar Gum Industry has brought immense value to the board.

- **Mr. Neeraj Chhabra (Independent Director)**

Mr. Neeraj Chhabra, Independent Director of the company has been appointed by the Board as an Additional Director w.e.f. 04.01.2013. Mr. Neeraj Chhabra is a person with excellent academic background and possesses good educational qualifications. He is post graduate in Pharmacy. Having vast knowledge about chemical aspects, his expertise is leading company on high quality manufacturing guar gum powder.

- **Mrs. Deepika Aggarwal (Independent Director)**

Mrs. Deepika Aggarwal, Independent Director of the company has been appointed by the Board as an Additional Director w.e.f. 04.01.2013. Mrs. Deepika Aggarwal is a person with excellent academic background and possesses good educational qualifications. She is Master of Art. Board has gained highest level of managerial efficiencies as the management capabilities of efficient personnel are utilized by the board.

- **Mr. Ravi Sharma (Independent Director)**

Mr. Ravi Sharma, Independent Director of the company has been appointed by the board in 2006. Mr. Sharma is a person with excellent academic background and possesses good educational qualifications. He is Master in Commerce and Master in Business Administration. He is having vast knowledge of accountancy and taxation. His expertise is leading company to gain new heights.

COMMITTEES OF THE BOARD

To deal with urgent or special issues/matters and to manage the work of the board, the board has constituted various committees. The committees have adequate delegation of powers to discharge respective functions as well as to meet the requirements of the business of the company. The execution of the responsibilities by the committees is supervised by the board who is also responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review. At present, the board has following committees:

- **Share transfer and Investors Grievance Committee: -**

Investor Grievance committee is entrusted with the

responsibility of redressal of all the shareholder's/investors complaints related to transfer of shares, non-receipt of annual reports etc. The Committee also oversees the performance of the Registrar & Transfer Agents of the company and suggests measures for betterment in the quality of investor services. The share transfer and Investors grievance committee of the company comprises of Smt. Deepika Aggarwal, Smt. Bimla Devi Jindal & Sh. Ravi Sharma.

(a) Name of the Non-Executive Director heading the Committee: Smt. Deepika Aggarwal.

(b) Name and Designation of Compliance officer: Ms. Jyoti Kocher (Company Secretary)

The company's shares are traded in dematerialised form at all Stock Exchanges where it is listed. To expedite the transfer in physical mode, share transfer committee has been delegated with necessary powers.

4. Audit Committee:-

The Audit Committee is entrusted with the responsibility to oversee the quality and integrity of auditing and accounting policies, legal and statutory compliances and the overall financial health of the company. The Audit committee comprises of three directors viz. Sh. Ravi Sharma, Smt. Deepika Aggarwal and Smt. Bimla Devi Jindal. The committee is headed by Sh. Ravi Sharma, Independent Director of the company.

The constitution of Audit committee also meets with the requirements under Section 292 A of The Companies Act, 1956.

The terms of reference stipulated by the Board to the Audit committee are, as contained under Clause 49 of the listing Agreement, as follows:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor and fixation of audit fee.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - Any change in accounting policies and practices.
 - Major accounting entries based on exercise of prudence judgment by management.
- Reviewing with the management, the quarterly financial statements before submission to the board for approval.
- Carrying out any other function as assigned by the Board of Directors.

During the year, the Committee has met five times. The meetings were held on 29.05.2012, 14.08.2012, 10.11.2012, 04.01.2013 and 12.02.2013. All the committee members were present at all the meetings.

The Company Secretary of the company acts as a Secretary to the Committee.

5. Compensation Committee

The Remuneration of the directors is decided by the board of directors subject to the shareholders' approval, therefore the company has not constituted remuneration committee.

The remuneration given to Managing Director and Executive director in the F.Y. 2012-13 is as under:

Name	Designation	Total Remuneration
Mrs. Bimla Devi Jindal	Managing Director	NIL

6. General Body Meetings

The last three Annual General Meetings of the company were held as under:

Year	Location	Date	Time
2009-2010	Hisar Road, Siwani	28th Sept., 2010	01.00 p.m.
2010-2011	Hisar Road, Siwani	30th Sept., 2011	01.00 p.m.
2011-2012	Hisar Road, Siwani	29th Sept., 2012	11.30 a.m.

7. Means of Communication

The company recognizes the prompt, continuous and effective communication of information is the core of good corporate governance practice. Therefore, the company shares information and data through below mentioned multiple channels of communication:-

- Half-Yearly results: As the results of the company are published in the Newspapers.
 - Quarterly results: Quarterly results are published in Western Times, English and Gujarati edition and Financial Express.
 - Website: www.vikasgranaries.in
 - Shareholder's information section forms part of the Annual Report.
 - There is no separate annexure in addition to Directors' report on Management's discussion and Analysis except incorporated in the Directors report itself.
8. No banker or Financial Institutions have direct or indirect role in appointment of the Directors of the Company.

9. Disclosures

- Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large. - None
 - Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, on any matter related to capital markets, during the last three years: - None
10. A separated section on Corporate Governance forms part of the Annual Report and a Certificate from Statutory Auditors confirming the compliance of the conditions, forms the part of this report.

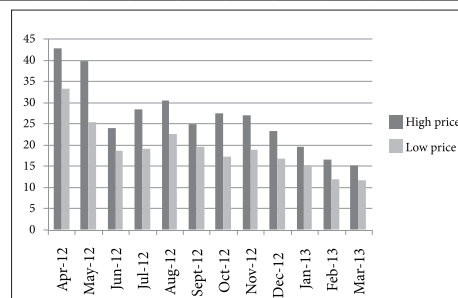
11. General Share holders' Information

- Annual General Meeting

Date and Time	: 30th September, 2013 at 11.00 a.m
Venue	: Hisar Road, Siwani (Harayana)
- Book closure date : 17th Sept., 2013 to 25th Sept., 2013
- Dividend payment date : N.A.
- Registered Office : Hisar Road, Siwani (Harayana)
- Equity shares Listed on: 1. The Stock Exchange, Mumbai, (Code No. 531518)
 - stock Exchanges at : 2. The Jaipur Stock Exchange, Jaipur, (code No. 767)
 - Demat ISIN Numbers : ISIN 767B01014 in NSDL & CDSL

6. Stock Market Date on BSE (in Rs. / per Share):

Month	Apr. 12	May 12	Jun. 12	Jul. 12	Aug. 12	Sept. 12	Oct. 12	Nov. 12	Dec. 12	Jan. 13	Feb. 13	Mar. 13
High price	42.85	39.80	24	28.50	30.50	24.95	27.45	27.05	23.40	19.65	16.55	15.14
Low price	33.30	25.50	18.70	19.15	22.70	19.55	17.30	19.00	16.80	15.10	12.00	11.65



7. Registrar and Transfer Agents

Link Intime India Pvt. Limited.

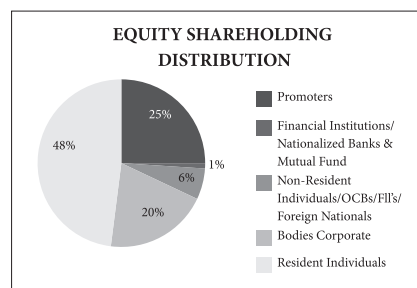
44-Community Centre, 2nd Floor,
Naraina Industrial Area,
Phase - I, Near PVR, Naraina, New Delhi - 110028

8. Distribution of shareholding Pattern as on 31st March 2013

S.No.	No. of Equity Shares held	Share holders Nos.	No. of Shares	% of Share holding
1	Upto-5000	4485	854686	4.72
2	5001-10000	581	494377	2.73
3	10001-20000	344	547019	3.02
4	20001-30000	142	361912	1.99
5	30001-40000	59	211477	1.17
6	40001-50000	58	2789510	1.54
7	50001-100000	87	655284	3.62
8	100001 & above	107	14713794	81.21
	TOTAL	5863	18117500	100

Shareholding pattern as on 31st March 2013

Category	Nos. of shares held	% to Total
Promoters	1070000	5.91
Financial Institutions / Nationalized Banks & Mutual Fund	0.00	0.00
Non-Resident Individuals/OCBs/FII's	244322	1.35
Bodies Corporate	1012292	5.58
Resident Individuals	15790886	87.16
TOTAL	18117500	100



9. Dematerialisation of Share: Approximately 95.79% of the equity shares have been dematerialized upto 30th March 2013.
10. Outstanding GDRs/ ADRs/ Warrants or any convertible: The company has not issued any GDRs/ADRs/Warrants instruments, conversion date and likely impact on equity of any convertible instrument.
11. Buy Back of shares : The Company has no plan to buy-back its equity shares.
12. Plant location: 229, G.I.D.C., Chandisar (B.K.) 385510. Gujarat
13. Address for Correspondence : Hisar Road, Siwani (Harayana)
14. **Certification under Clause 49 (I) (D) of the Listing Agreement**

All the Board Members and Senior Management personnel have affirmed compliance with the Codes of Conduct for Vikas Granaries Limited for the financial year ended 31st March, 2013.

For VIKAS GRANARIES LIMITED

Sd/-

Date : 12.08.2013 (Bimla Devi Jindal)
Place : Sri Ganganagar Managing Director

15. Statement of Disclosure by Audit Committee to the Shareholders

To,
The Shareholders of
Vikas Granaries Limited

In terms of Clause 49 of the Listing Agreement regarding Corporate Governance, we the members of the Audit Committee disclose in respect of the Financial Year 2012-2013 that:

- 1) the Audit Committee has reviewed the Audited Financial Statement of the Company and held discussion on the quality of the accounting principles as applied and significant judgments affecting Company's financial statements;
- 2) the Audit Committee has discussed the quality of those principles as applied and judgments referred on (1) above under the circumstances;
- 3) the Chairman of the Audit Committee and its members after initial discussion amongst themselves, invited the Chairman and Executive Directors of the Company along with the Internal Auditor to discuss the various issues related to Audited Financial Statements of the Company. The Members of the Audit Committee discussed with the Management on the various issues pertaining to the Audited Financial Statements;
- 4) the Audit Committee, in reliance on the review and discussion conducted with Management in (1), (2) and (3) above, believed that the Company's financial statements are fairly presented in conformity with the generally accepted accounting principles in all material respects.

For and on Behalf of Audit Committee of
For VIKAS GRANARIES LIMITED

Sd/-

Date : 12.08.2013 Ravi Sharma
Place : Sri Ganganagar Chairman, Audit Committee

CERTIFICATE ON CORPORATE GOVERNANCE

TO

THE MEMBERS
VIKAS GRANARIES LTD.

We have examined the report of Corporate Governance presented by the Board of Directors of **VIKAS GRANARIES LIMITED** for the year ended on 31st March, 2013 as stipulated in clause 49 of the listing agreement of the company with the Stock Exchanges.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the Financial Statements of the company.

In our opinion and according to the information and explanations given to us, the Company has complied with the conditions of corporate governance, to the extent applicable and as stipulated in the aforesaid listing agreement:-

1. The company has held five meetings of the Audit Committee during the financial year 2012-13 on 29.05.12, 14.08.12, 10.11.12, 04.01.13 and 12.02.13.
2. The Shareholder's Grievances Committee was functioning according to the Listing Agreement.

As per the record maintain by the company, no investor grievance is pending for a period exceeding one month against the company as per records maintained by the Shareholders' Grievance Committee as on 31.03.2013.

We further state that such compliance is neither any assurance as to future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For NKS & Company
Company Secretaries

Sd/-
Per Nitesh Kumar Sinha
CP NO. 7648

Date : August 24, 2013
Place : New Delhi

INDEPENDENT AUDITORS' REPORT

To, The Members of
Vikas Granaries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of VIKAS GRANARIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and 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 Financial Statements

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"). 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 misstatements, whether due to fraud or error.

Auditors' Responsibility

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 the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

- (c) in the case of the Cash Flow Statement, of the 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, 2003("the Order") as amended, 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.
2. As required by Section 227(3) of the Act, 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 purposes of our audit;
 - (b) 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;
 - (c) 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;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For S. Prakash Aggarwal & Co
Chartered Accountants
Firm Registration No.06105C

S.P. Aggarwal
Proprietor

Date : May 29, 2013
Place : Sri Ganganagar

Membership No. 74813

Annexure to Independent Auditors' Report to the Members of Vikas Granaries Limited

Referred to Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- (i)
 - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) A significant portion of the fixed assets has been physically verified & certified by the management during the year. In our opinion, the frequency of verification of the fixed assets is reasonable having regards to the size of the Company and nature of its assets. The material discrepancies noticed have been properly dealt with in the books of account.
 - c) In our opinion, a substantial part of fixed assets have not been disposed off during the year.
- (ii)
 - a) The inventory has been physically verified and certified during the year by the management. In our opinion, the frequency of verification is reasonable.

- b) The procedures of physical verification of inventory 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 and no material discrepancies were noticed on physical verification.
- (iii) a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to (d) of the Order are not applicable.
- b) The Company has taken loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. The Company is not providing any services.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) The Company has an internal audit system, commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. We have not observed any continuing failure to correct major weakness in internal control during the course of audit.
- (viii) We have broadly reviewed the books of account maintained by the company in pursuant to the rules prescribed by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have been regularly deposited with the appropriate authorities. No undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.
- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) In our opinion, the Company has not defaulted in repayment of dues to a bank or financial institution. There are no debenture holders.
- (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. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) The Company did not have any terms loans outstanding during the year. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed for reported during the year.

For S. Prakash Aggarwal & Co
Chartered Accountants
Firm Registration No.06105C

S.P. Aggarwal

Proprietor

Membership No. 74813

Date : May 29, 2013

Place : Sri Ganganagar

VIKAS GRANARIES LIMITED

Balance Sheet as at 31 March 2013

(Amt. in Rs.)

	Notes	As at 31 March 2013	As at 31 March 2012
Equity and liabilities			
Shareholders' fund			
Share capital	2	181,175,000	181,175,000
Reserves and surplus	3	767,030,374	675,692,181
		<u>948,205,374</u>	<u>856,867,181</u>
Non-current liabilities			
Long-term borrowing	4	1,055,000,000	1,105,000,000
Deferred tax liability (net)	5	88,542,493	51,544,731
		<u>1,143,542,493</u>	<u>1,156,544,731</u>
Current liabilities			
Short-term borrowings	6	223,800,729	345,982,900
Trade payables	7	242,297,382	381,916,549
Other current liabilities	7	1,653,574	326,353
Short-term provisions	8	17,266,652	1,210,085
		<u>485,018,337</u>	<u>729,435,887</u>
Total		<u>2,576,766,204</u>	<u>2,742,847,798</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	1,484,150,159	1,614,865,471
Capital work in progress		449,775,663	154,307,661
Non-current investments	10	33,384	13,384
		<u>1,933,959,205</u>	<u>1,769,186,516</u>
Current assets			
Inventories	11	337,363,400	336,412,124
Trade receivables	12	280,594,385	272,888,709
Short term loans and advances	13	24,037,758	19,347,914
Cash and cash equivalents	14	811,455	345,012,536
		<u>642,806,999</u>	<u>973,661,282</u>
Total		<u>2,576,766,204</u>	<u>2,742,847,798</u>
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.	2-29		
As per our report of even date			

For S. Prakash Aggarwal & Co
Chartered Accountants
Firm Registration No.06105C

For and on behalf of the Board of Directors

S.P. Aggarwal
Proprietor
M.No. : 74813

Bimla Devi Jindal
Managing Director

B D Agarwal
Director

Jyoti Kochar
Company Secretary

Date : 29th May 2013
Place : Sri Ganganagar

VIKAS GRANARIES LIMITED

Statement of profit and loss for the year ended 31 March 2013

(Amt. in Rs.)

	Notes	For the year ended 31 March 2013	For the year ended 31 March 2012
INCOME			
Revenue from operation	15	2,185,849,817	1,148,760,460
Other income	16	4,541,641	102,946
Total (I)		2,190,391,458	1,148,863,406
EXPENDITURE			
Cost of materials consumed	17	1,881,044,789	926,419,580
Employee benefits expenses	18	5,359,860	4,097,944
(Increase)/ decrease in stock of finished goods	19	(82,574,299)	(16,250,442)
Finance cost	20	23,583,153	19,644,069
Depreciation and amortization expenses		135,083,867	87,593,651
Other expenses	21	77,362,606	62,591,397
Exceptional items	22	-	240,000
Total (II)		2,039,859,975	1,084,336,199
Profit/(loss) before tax		150,531,483	64,527,207
Tax expenses			
- current tax		30,117,963	14,083,673
- MAT credit entitlement		(7,922,435)	(12,958,461)
- deferred tax		36,997,762	12,123,096
Total Tax expense		59,193,290	13,248,308
Profit/(loss) for the year		91,338,193	51,278,899
Earnings per share (basic and diluted) - Rs.	23	5.04	2.83
Significant accounting policies	1		
The accompanying notes are an intergral part of the financial statements.	2-29		
As per our report of even date			

For S. Prakash Aggarwal & Co
Chartered Accountants
Firm Registration No.06105C

For and on behalf of the Board of Directors

S.P. Aggarwal
Proprietor
M.No. : 74813

Bimla Devi Jindal
Managing Director

B D Agarwal
Director

Jyoti Kochar
Company Secretary

Date : 29th May 2013
Place : Sri Ganganagar

VIKAS GRANARIES LIMITED

Cash flow statement for the year ended 31 March 2013

(Amt. in Rs.)

Particulars	As at 31 March 2013	As at 31 March 2012
Cash Flow From Operating Activities		
Profit before tax from operations	150,531,483	64,527,207
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	135,083,867	87,593,651
Misc. Expenditure written off	-	240,000
Interest expenses	23,019,834	18,018,654
Interest income	(417,724)	(102,946)
Operating profit before working capital changes	308,217,460	170,276,566
Movements in working capital		
Increase/(decrease) in trade payables	(139,619,167)	378,275,219
Increase/(decrease) in short term provisions	(428,956)	1,104,893
Increase/(decrease) in other current liabilities	1,327,221	(42,979)
Decrease/(increase) in trade receivables	(7,705,676)	(97,639,238)
Decrease/(increase) in inventories	(951,276)	(147,990,639)
Decrease/(increase) in short term loans and advances	3,232,592	(5,110,475)
Cash generated from / (used in) operations	164,072,198	298,873,347
Direct taxes paid (net of refunds)	(13,632,440)	(14,230,423)
Net cash flow from / (used in) operating activities (A)	150,439,758	284,642,924
Cash flows from investing activities		
Purchase of fixed assets, CWIP and capital advance	(301,835,376)	(158,192,099)
Proceed from sale of fixed assets	1,998,820	-
Payment for non current investment	(20,000)	-
Interest received	417,724	102,946
Net cash flow from / (used in) investing activities (B)	(299,438,832)	(158,089,153)
Cash flows from financing activities		
Proceeds from issuance of share capital	-	5,000,000
Proceeds from long term borrowings	(50,000,000)	-
Proceeds from short term borrowings	-	311,582,673
Repayment of short term borrowing	(122,182,171)	(109,105,581)
Interest paid	(23,019,834)	(18,018,654)
Net cash flow from / (used in) in financing activities (C)	(195,202,005)	189,458,438
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(344,201,079)	316,012,209
Cash and cash equivalents at the beginning of the year	345,012,536	29,000,327
Cash and cash equivalents at the end of the year	811,457	345,012,536
Components of cash and cash equivalents		
Cash on hand	184,900	87,977
With banks on current account		
-on deposit account	626,557	344,924,559
Total cash and cash equivalents	811,457	345,012,536

As per our report of even date

For S. Prakash Aggarwal & Co

Chartered Accountants

Firm Registration No.06105C

For and on behalf of the Board of Directors

S.P. Aggarwal

Proprietor

M.No. : 74813

Bimla Devi Jindal

Managing Director

B D Agarwal

Director

Jyoti Kochar

Company Secretary

Date : 29th May 2013

Place : Sri Ganganagar

VIKAS GRANARIES LIMITED

Notes to financial statements for the year ended on 31 March 2013

1. Corporate information

Vikas Granaries Limited was incorporated in the year 1994. The shares of the Company were listed on Bombay Stock Exchange Limited ("the stock exchange") and other stock exchanges in India in 1996. The Company is an agro based industry manufacturer of Guar Gum Powder and its derivatives.

2. Basis of preparation

The financial statements are prepared under historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) in India, applying the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Revised Schedule VI to the companies Act, 1956. Company has determined its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

a. Use of estimates

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period; actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

b. Fixed Assets

- i. Fixed Assets are stated at cost less accumulated depreciation and impairment losses if any.
- ii. Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use.
- iii. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Profit and Loss account.
- iv. Self fabricated fixed assets include material cost and appropriate share of attributable expenses.

c. Depreciation

Depreciation on all assets of the company has been provided on straight line basis at the rates specified in Schedule XIV to the Companies Act, 1956.

d. Inventories

Inventories are valued as follows:	
Raw materials, stores and spares and packaging materials	Lower of cost and net realizable value. Cost is determined on a weighted average basis.
Work in progress and finished goods	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.	

e. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer. In case of export sales, revenue is recognized after shipment.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

f. Employee benefits**Provident fund**

The Company makes contribution to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

Others short term benefits

Expenses in respect of other short term benefits including performance bonus is recognized on the basis of amount paid or payable for the period during which services are rendered by the employee.

g. Taxation

Tax expense comprises current taxes and deferred taxes.

Provision for current taxation is ascertained on the basis of the assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets relating to timing differences are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In accordance with the provisions of Section 115JAA of the Income-tax Act, 1961, the Company is allowed to avail credit equal to the excess of Minimum Alternate Tax (MAT) over normal income tax for the assessment year for which MAT is paid. MAT credit so determined can be carried forward for set-off for ten succeeding assessment years from the year in which such credit becomes allowable. MAT credit can be set-off only in the year in which the Company is liable to pay tax as per the normal provisions of the Income-tax Act, 1961 and such tax is in excess of MAT for that year. Accordingly, MAT credit entitlement is recognised only to the extent there is convincing evidence that the Company will pay normal tax during the specified period.

h. Contingencies liabilities and provisions

Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Company not acknowledged as debts are treated as contingent liabilities. The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, has been made as a contingent liability in the financial statements.

i. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

j. Earnings per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split.

k. Miscellaneous expenditure

Fee paid to Registrar of companies for the increase in authorized capital will be amortized over a period of five years.

VIKAS GRANARIES LIMITED

Notes to financial statements for the year ended on 31 March 2013

(Amt. in Rs.)

	As at 31-Mar-13	As at 31-Mar-12
3. Share capital		
Share capital		
Authorised capital		
60,000,000 (previous year 60,000,000) equity shares of Rs. 10 each	600,000,000	600,000,000
	600,000,000	600,000,000
Issued, subscribed and paid up capital		
18,117,500 (previous year 18,117,500) equity shares of Rs.10 each fully paid up	181,175,000	181,175,000
	181,175,000	181,175,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

	31-Mar-13		31-Mar-12	
	Numbers	Amount	Numbers	Amount
At the beginning of the year	18,117,500	181,175,000	18,117,500	181,175,000
Issued during the year	-	-	-	-
Balance at the end of the year	18,117,500	181,175,000	18,117,500	181,175,000

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the company

	31-Mar-13		31-Mar-12	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity shares of Rs. 10 each fully paid				
Bajrang Dass Agarwal	1,070,000	5.91%	1,070,000	5.91%
Dhanna Ram Saharan	2,500,000	13.80%	2,500,000	13.80%
Amit Babbar	1,065,598	5.88%	1,150,000	6.35%
Girish Kansal	2,200,000	12.14%	2,200,000	12.14%
Sarbati Devi	2,100,000	11.59%	2,100,000	11.59%
Nir Singh Sandhu	1,900,000	10.49%	1,900,000	10.49%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

d. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back

	31-Mar-13	31-Mar-12
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	-	-
Equity shares allotted as fully paid up pursuant to contracts for consideration other than cash	-	-
Equity shares bought back by the company	-	-

VIKAS GRANARIES LIMITED

Notes to financial statements for the year ended on 31 March 2013

	(Amt. in Rs.)
As at 31-Mar-13	As at 31-Mar-12
3. Reserves and surplus	
Securities premium account	
Balance as per the last financial statements	133,650,000
Add: Premium on issue of shares	-
Closing Balance	133,650,000
Subsidy	
Balance as per the last financial statements	179,844
Add: Received during this year	-
Closing Balance	179,844
Surplus/(deficit) in the statement of profit and loss	
Balance as per last financial statements	541,862,337
Profit for the year	91,338,193
Net surplus in the statement of profit and loss	633,200,530
Total reserves and surplus	767,030,374
4. Long-term borrowings	
Unsecured loans	
Loan from director	1,055,000,000
	1,055,000,000
5. Deferred tax liabilities (net)	
Deferred tax liability arising on account of depreciation	88,542,493
	88,542,493
6. Short-term borrowings	
From Bank	
Loan from bank	223,800,729
	223,800,729
The above amount includes	345,982,900
Secured borrowings	223,800,729
	345,982,900
7. Other current liabilities	
Trade payables	242,297,382
Other liabilities	381,916,549
TDS payable	586,112
CST/WCT payable	721,510
Salary payable	345,952
	1,653,574
8. Provisions	
Other provisions	
Provision for expenses	208,145
Provision for income tax	17,058,507
	17,266,652
	1,210,085

VIKAS GRANARIES LIMITED

Notes to financial statements for the year ended on 31 March 2013

9. Fixed assets

(Amt. in Rs.)

Particulars	Gross Block			Depreciation			Net Block	
	As at 1 April 2012	Additions during the year	Deletions / adjustments	As at 31 March 2013	For the year	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013
i) Tangible assets								
Land	53,263,271	-	1,998,820	51,264,451	-	-	53,263,271	51,264,451
Buildings	16,693,991	4,623,852	-	21,317,843	570,449	7,619,963	9,644,477	13,697,880
Plant and equipment	1,808,295,202	1,290,500	-	1,809,585,702	134,247,320	390,997,714	1,551,544,809	1,418,587,988
Furniture and fixtures	577,668	-	-	577,668	19,593	577,668	19,593	(0)
Vehicles	1,925,983	327,822	-	2,253,805	203,730	2,071,799	57,914	182,006
Office equipments	785,748	125,200	-	910,948	42,774	493,114	335,408	417,834
Total	1,881,541,863	6,367,374	1,998,820	1,885,910,417	135,083,867	401,760,259	1,614,865,472	1,484,150,159

Particulars	Gross Block			Depreciation			Net Block	
	As at 1 April 2011	Additions during the year	Deletions / adjustments	As at 31 March 2012	For the year	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012
i) Tangible assets								
Land	50,161,823	3,101,448	-	53,263,271	-	-	50,161,823	53,263,271
Buildings	16,693,991	-	-	16,693,991	557,579	7,049,514	10,202,056	9,644,476
Plant and equipment	956,768,866	851,526,336	-	1,808,295,202	86,778,888	256,750,393	786,797,361	1,551,544,809
Furniture and fixtures	577,668	-	-	577,668	36,566	558,075	56,159	19,593
Vehicles	1,884,911	41,072	-	1,925,983	183,294	1,868,069	200,136	57,914
Office equipments	785,748	-	-	785,748	37,323	450,340	372,731	335,408
Total	1,026,873,007	854,668,856	-	1,881,541,863	87,593,651	266,676,392	847,790,266	1,614,865,471

VIKAS GRANARIES LIMITED

Notes to financial statements for the year ended on 31 March 2013

	(Amt. in Rs.)
As at 31-Mar-13	As at 31-Mar-12
10. Non-current investments	
National saving certificates	13,384
	<u>13,384</u>
11. Inventories	
Finished goods	43,134,200
Raw material	292,281,084
Packing materials	996,840
Consumables	-
	<u>253,673</u>
	<u>337,363,400</u>
12. Trade receivables	
Unsecured, considered goods unless otherwise stated	
Outstanding for a period exceeding 6 months from the date they are due for payment	-
Others	272,888,709
Total	<u>272,888,709</u>
13. Loans and advances	
Security deposit	
Unsecured, considered good	2,902,762
Other loans and advances	
MAT Credit	12,958,461
Import licence receivable	2,263,750
Other current assets	1,222,942
	<u>254,100</u>
	<u>24,037,758</u>
14. Cash and bank balances	
Balances with banks:	
On current accounts	344,924,559
Cash in hand	87,977
	<u>811,455</u>
	<u>345,012,536</u>
	<u>For the year ended 31 March 2013</u>
	<u>For the year ended 31 March 2012</u>
15. Revenue from operation	
Sale of goods (gross)	
- Guar gum	1,143,360,308
Other operating income	
- Profit on sale of import licenses	5,400,152
	<u>36,685,542</u>
	<u>2,185,849,817</u>
16. Other income	
Interest income	102,946
Misc Income	-
	<u>4,541,641</u>
17. Cost of material consumed	
Inventory at the beginning of the year	160,304,305
Add: Purchases	1,058,396,358
	<u>2,092,446,016</u>
Less: Inventory at the end of the year	(292,281,084)
	<u>(211,401,227)</u>
	<u>1,881,044,789</u>

VIKAS GRANARIES LIMITED

Notes to financial statements for the year ended on 31 March 2013

	(Amt. in Rs.)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
18. Employee benefits expenses		
Salaries, wages and allowances	5,297,980	4,092,359
Contribution to provident and other funds	61,880	5,585
	<u>5,359,860</u>	<u>4,097,944</u>
19. (Increase)/decrease in stock of finished goods		
Inventory at the end of the year	125,708,499	43,134,200
Less : Inventory at the beginning of the year	<u>(43,134,200)</u>	<u>(26,883,758)</u>
	<u>82,574,299</u>	<u>16,250,442</u>
20. Finance cost		
Bank charges	563,319	1,625,415
Interest expenses	23,019,834	18,018,654
	<u>23,583,153</u>	<u>19,644,069</u>
21. Other expenses		
Manufacturing expenses		
Chemicals	1,012,164	401,706
Freight Inward & Outward	16,858,069	18,398,991
Grading & Sorting expenses	6,359,042	4,846,871
Packing Material	5,183,310	4,349,219
Power, fuel and water	33,445,914	26,615,709
Repair & Maintenance	3,194,113	2,140,687
Stores & Spares Consumed	1,006,261	892,054
Administrative expenses		
Advertisement expenses	333,335	167,362
Corporate expenses	224,720	665,891
Insurance expenses	1,048,550	741,968
Legal & Professional Charges	849,951	135,610
Motor Car expenses	2,608,407	326,327
Foreign exchange loss	666,946	-
Lease rent	601,884	-
Handling Charges	2,082,401	973,180
Laboratory expenses	44,882	717,416
Office expenses	756,271	335,730
Rates & Taxes	589,921	310,100
Remuneration to Auditors	70,000	50,000
Telephone, Postage & Stationary	160,461	276,780
Travelling expenses	79,134	33,656
Vehicle running expenses	186,870	212,141
	<u>77,362,606</u>	<u>62,591,397</u>
22. Exceptional items		
Miscellaneous expenses written off*	-	240,000
	-	240,000
23. Earning per share (EPS)		
Profit attributable to equity shareholders's (for basic and diluted earning)	91,338,193	51,278,899
Weighted average number of equity shares for basic and diluted earnings per share (face value of Re. 10 each (previous year Re 10))	18,117,500	18,117,500
Basic and diluted (Rs.)	5.04	2.83

*This includes fee paid to Registrar of companies for the increase in authorized capital and will be amortized over a period of 5 years.

VIKAS GRANARIES LIMITED

Notes to financial statements for the year ended on 31 March 2012

24. Segment information

The Company is engaged in the business of manufacturing of guar gum and its derivatives which as per Accounting Standard 17 on Segment Reporting” is considered to be the only reportable business segment.

25. Detail of dues to micro and small enterprises defined under the MSMED Act 2006

The Company has requested its vendors to confirm their status under Micro, Small and Medium Enterprises Development Act, 2006. Based on the confirmations received, there are no amounts due to any micro or small enterprise under the MSMED Act, 2006.

26. Commitments and contingent liabilities

a) Firm capital commitments

Estimated amount of contracts remaining to be executed on capital account is Rs.114.26 lacs (previous year Rs. 12.09 lacs)

27. Particulars of raw material consumed, sales and stock of finished goods

Quantitative Details

	March 31, 2013		March 31, 2012	
	Quantity in MT	Amount (Rs. In lacs)	Quantity in MT	Amount (Rs. In lacs)
Raw material consumed				
Guar Split and others	3,602	18,810	6,707	9,264
Finished Goods (Guar gum powder / refined guar gum)				
Opening stock	297	431	468	269
Production / Purchase	3,602	-	6,995	-
Sales	3,364	21,492	6,707	11,434
Closing Stock	535	1,257	297	431

28. Imported and indigenous raw materials, components and spare parts consumed

Particulars	For the year ended 31-Mar-13		For the year ended 31-Mar-12	
	%	Amount	%	Amount
1) Raw material				
Indigenous	100%	18,810	100%	9,264
ii) Stores and spare parts				
Indigenous	100%	10	100%	9
Imported	-	-	-	-

29. Previous year's figures have been re-grouped or re-arranged wherever necessary.

As per our report of even date

For S. Prakash Aggarwal & Co

Chartered Accountants

Firm Registration No.06105C

For and on behalf of the Board of Directors

S.P. Aggarwal

Proprietor

M.No. : 74813

Bimla Devi Jindal

Managing Director

B D Aggarwal

Director

Jyoti Kochar

Company Secretary

Date : 29th May 2013

Place : Sri Ganganagar

VIKAS GRANARIES LIMITED

Registered Office : HISAR ROAD, SIWANI-127046, (HARYANA)

PROXY FORM

I/We, the undersigned as Equity Shareholders (s) of the company Vikas Granaries Limited hereby appoint Mr./Mrs. of and failing him/her, Mr./Mrs. of as my/our proxy to vote for me/us at the Annual General Meeting of the Equity Shareholders to be held on Monday the 30th day of September, 2013 at 11.00 A.M. at the Registered Office of the Company at Hisar Road, Siwani-127046, Distt. Bhiwani, Haryana and any adjournment thereof.

Signature.....

Note :

1. Please affix revenue stamp for appropriate value and sign across the stamp.
2. The Proxy must be deposited at the registered office of the Company not later than 48 hours before the time fixed for convening the meeting.
3. All alterations made in the Proxy Form should be initialed.

Affix
Re. 1/-
Revenue
Stamp

VIKAS GRANARIES LIMITED

Registered Office : HISAR ROAD, SIWANI-127046, (HARYANA)

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

1. Full Name of Shareholder/Proxy
2. Registered Folio/Client ID & DP ID No.
3. If Proxy, Full Name of Shareholder

I hereby record my presence at the Annual General Meeting of the Equity Shareholders to be held on Saturday the 29th day of September, 2012 at 11.30 A.M. at the Registered Office of the Company at Hisar Road, Siwani-127046, Distt. Bhiwani, Haryana and any adjournment thereof.

.....
Signature of Shareholder/Proxy



VIKAS GRANARIES LIMITED

Regd. Office : Hisar Road, Siwani (Haryana)

Plant : 229, G.I.D.C., Industrial Estate,

Chandisar - 385510 (B.K.) Gujarat