

VIKAS GRANARIES LIMITED

(Formerly known as Adarsh Derivatives Limited)

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

Chandisar - 385 510 (B.K.) Gujarat

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CIN No. L15400HR1994PLC036433

**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, 2014
3.	TYPE OF AUDIT OBSERVATION	UNQUALIFIED
4.	FREQUENCY OF OBSERVATIONS	NOT APPLICABLE
5.	TO BE SIGNED BY	
	CEO/ MANAGING DIRECTOR	Bhimle Devi
	DIRECTOR	
	AUDITOR OF THE COMPANY	
	AUDIT COMMITTEE CHAIRMAN	(S P Aggarwal)



20th Annual Report 2013-14



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

CORPORATE SOCIAL COMMITTEE (CSR)

Smt. Bimla Devi Jindal

Sh. B.D. Agarwal

Sh. Ravi Sharma

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)

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NOTICE

Notice is hereby given that the 20th Annual General Meeting of the members of the Company will be held on Tuesday the 30th day of September, 2014 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 2014, and the Balance Sheet as on the date and the reports of the Directors and Auditors thereon.
2. To appoint Director in place of Mr. B.D. Agarwal who retires by rotation and being eligible offers herself for re-appointment.
3. To reappoint S. Prakash Aggarwal & Co. as the Auditor of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of 23rd Annual General Meeting of the company to be held on 2017 and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. Ravi Sharma (DIN: 00035919), Independent Director of the Company whose period of office is liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for Five (5) consecutive years for a term upto 31st March, 2019.”

5. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mrs. Neeraj Chhabra (DIN: 6467189), Independent Director of the Company whose period of office is liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for Five

(5) consecutive years for a term upto 31st March, 2019.”

By Order of the Board of Director

Sd/-

(Bimla Devi Jindal)
Managing Director

Date : 04.09.2014
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 2014 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 of the Company i.e. M/s Link Intime India Private Limited, 44 Community Centre, 2nd Floor, Naraina Industrial Area, Phase I, Near PVR, Nariaana, 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 2014 (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.

Explanatory Statement For Item 4 & 5 Under Section 102 Of Company Act, 2013

Mr. Ravi Sharma (DIN: 00035919), Neeraj Chhabra (DIN : 6467189), are Independent Directors of the Company and hold this position as per the provisions of the Company Act 1956 and Listing Agreement. As per the new provisions of company act 2013, it is proposed to appoint Mr. Ravi Sharma and Neeraj Chhabra as an Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to 31st March, 2019. Mr. Ravi Sharma and Neeraj Chhabra are not disqualified from being appointed as Directors in terms of Section 164 of Company Act 2013 and have given their consent to act as Directors.. The Company has also received declarations from Mr. Ravi Sharma and Neeraj Chhabra that they meet with the criteria of independence as prescribed both under

sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Mr. Ravi Sharma and Neeraj Chhabra fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Ravi Sharma and Neeraj Chhabra are independent of the management. Brief resume of Mr. Ravi Sharma and Neeraj Chhabra, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships /chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided. Copy of the letters for respective appointments of Mr. Ravi Sharma and Neeraj Chhabra as an Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. The directors recommend the Resolutions as stated at Item Nos. 4, 5 of the Notice for approval of the Members by way of Ordinary Resolutions.

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: -

(In pursuance of Clause 49 of The Listing Agreement)

1. Brief profile of Mr. Neeraj Chhabra: - Mr. Neeraj Chhabra Independent Director of the company who retires by rotation and being eligible, offers himself for reappointment.

Mr. Neeraj Chhabra Independent Director of the company has been appointed by the Board in 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. His expertise is leading company to gain new heights.

2. Brief profile of Mr. B.D. Agarwal: - Mr. B.D. Agarwal, Director of the company who retires by rotation and being eligible, offers herself for reappointment.

Mr. B.D. Agarwal 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.

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. Ravi 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.

By Order of the Board of Director
For VIKAS GRANARIES LIMITED

Sd/-
(Bimla Devi Jindal)
Managing Director

Date : 04.09.2014
Place : Sri Ganganagar

DIRECTORS' REPORT

Dear Shareholders,

The Directors take immense pleasure in presenting the 20th Annual Report of the Company with audited accounts for the financial year ended March 31, 2014.

FINANCIAL RESULTS:

	(Rs. In Lakhs)	
	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
Revenue from operations	14,039.60	21858.49
Other Income	197.73	45.41
Total Expenditure	12663.27	18811.92
Finance cost	90.80	235.83
Profit after finance cost but before depreciation	1483.26	2856.15
Depreciation and amortization expenses	1400.97	1350.83
Profit before tax	82.29	1505.32
Tax expenses	17.88	591.93
Profit for the year	64.41	913.39

HIGHLIGHTS OF PERFORMANCE

- Revenue from financial operations is 14039.60 in the year ended on 31st March 2014.
- Net profit is 64.41 in the year ended on 31st March 2014.

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, 2014.

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. B.D. Agarwal 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 Mr. B.D. Agarwal 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.

Mr. Ravi Sharma 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. Ravi Sharma 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 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 2014.

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 2013-14 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, 2014.
- 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 a Practicing Company Secretary confirming compliance thereto is set out on page no. 9 in this 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/-

(Bimla Devi Jindal)

Managing Director

Date : 04.09.2014

Place : Sri Ganganagar

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 2013-14

Electricity

Purchased Units	KWH	872377
Total Amount	Rs. (in Lakhs)	76.07
Rate/Unit	Rs.	8.72
Rate per MT	Rs	4276.98

HSD Oil

Quantity of HSD	KL	177.98
Total Cost	Rs. (In Lakhs)	100.27
Average Rate/Liter	Rs.	56.34
Rate per MT	Rs.	5637.7

By Order of the Board of Director

Sd/-

(Bimla Devi Jindal)

Managing Director

Date : 04.09.2014

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, 2014.

Company's philosophy on code of Corporate Governance

The Company is part of the 26 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 2014, the company consists of 6 directors including 3 independent directors.

- b. Attendance of each director up to 31st March, 2014 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 30, 2013
1.	Bimla Devi Jindal	05	Yes
2.	B.D. Aggarwal	04	Yes
3.	Kamini Jindal	03	-

4.	Ravi Sharma	05	Yes
5.	Deepika Aggarwal	04	-
6.	Neeraj Chhabra	05	Yes

- 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 Five Board Meetings during the year. The meetings were held on 28.05.2013, 29.05.2013, 14.08.2013, 15.11.2013, and 14.02.2014.
- 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 in 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 in 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.

Corporate Social Responsibility Committee:-

- **Formation of Committee**

Pursuant to Section 135 of the Companies Act, 2013 the Company has constituted the Corporate Social Responsibility (CSR) Committee of the Board of Directors on 28.05.2014. The terms of reference of the CSR Committee are as per the provisions of the Companies Act, 2013.

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 four times. The meetings were held on 28.05.2013, 14.08.2013, 15.11.2013 and 14.02.2014. All the committee members were present at all the meetings.

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

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. 2013-14 is as under:

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

General Body Meetings

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

Year	Location	Date	Time
2010-2011	Hisar Road, Siwani	30th Sept., 2011	01.00 p.m.
2011-2012	Hisar Road, Siwani	29th Sept., 2012	11.30 a.m.
2012-2013	Hisar Road, Siwani	30th Sept., 2013	11.00 a.m.

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.

No banker or Financial Institutions have direct or indirect role in appointment of the Directors of the Company.

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

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.

General Share holders' Information

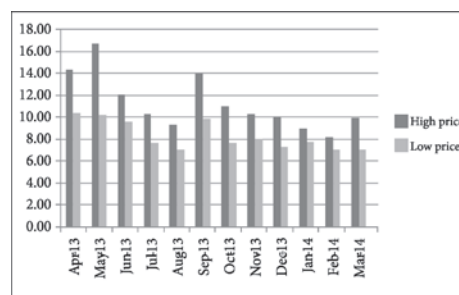
- Annual General Meeting
Date and Time : 30th September, 2014 at 11.00 a.m.
Venue : Hisar Road, Siwani (Harayana)
- Book closure date : 17th Sept., 2014 to 25th Sept., 2014
- Dividend payment date : N.A.
- Registered Office : Hisar Road, Siwani (Harayana)
- a. Equity shares Listed on: 1. The Stock Exchange, Mumbai, (Code No. 531518)

: 2. The Jaipur Stock Exchange, Jaipur, (code No. 767)

b. Demat ISIN Numbers : ISIN 767B01014 in NSDL & CDSL

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

Month	Apr. 13	May 13	Jun. 13	Jul. 13	Aug. 13	Sept. 13	Oct. 13	Nov. 13	Dec. 13	Jan. 14	Feb. 14	Mar. 14
High price	14.30	16.70	12.00	10.30	9.34	13.94	10.99	10.30	9.99	8.99	8.17	9.95
Low price	10.35	10.20	9.54	7.60	7.00	9.80	7.60	8.00	7.27	7.77	7.04	7.03



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 2014

SHARE HOLD- ING OF Nominal Value	Shares/debenture Hold- ers		Shares and debenture amount	
	SHARE- HOLDER	PERCENT- AGE OF TOTAL	TOTAL- SHARES	PERCENT- AGE OF TOTAL
Rs.	Number	% of total	Amount in Rs.	% to total
(i)	(ii)	(iii)	(iv)	(v)
1-500	4453	76.34%	847891	4.7%
501-1000	590	10.12%	494570	2.7%
1001-2000	338	5.80%	534681	3.0%
2001-3000	140	2.42%	356123	2.0%
3001-4000	59	0.92%	212322	1.2%
4001-5000	53	0.92%	255667	1.4%
5001-10000	87	1.51%	664494	3.7%
10001 and above	115	1.97%	14751752	81.4%
TOTAL	5835	100.00%	18117500	100.0%

Shareholding pattern as on 31st March 2014

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	244085	1.34
Bodies Corporate	664066	3.67
Resident Individuals	16139349	89.08
TOTAL	18117500	100

9. Dematerialisation of Share: Approximately 95.79% of the equity shares have been dematerialized upto 31st March 2014.
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)

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, 2014.

For VIKAS GRANARIES LIMITED

Sd/-

Date : 04.09.2014
Place : Sri Ganganagar

(Bimla Devi Jindal)
Managing Director

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 2013-2014 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 : 04.09.2014
Place : Sri Ganganagar

Ravi Sharma
Chairman, Audit Committee

CERTIFICATION BY CEO/CFO UNDER CLAUSE 49 V OF THE LISTING AGREEMENT

The Board of Directors,

Vikas Granaries Ltd.

We have reviewed the financial statements and the cash flow statement of Vikas Granaries Ltd. for the year ended March 31, 2014 and to the best of our knowledge and belief:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

Date : 04.09.2014
Place : Sri Ganganagar

Bimla Devi Jindal
(Managing Director & CFO)

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

VIKAS GRANARIES LIMITED,

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, 2014 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 four meetings of the Audit Committee during the financial year 2013-14 on 28.05.13, 14.08.13, 15.11.13 and 14.02.14.
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 31.03.2014.

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 Aviral & Associate
Company Secretaries

Sd/-

Aviral Goyal
Proprietor
C P No. 13292

Place : Sri Ganganagar
Date : 04.09.2014

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, 2014, 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") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of 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, 2014;
- (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 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, 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

Membership No. 74813

Date : May 29, 2014

Place : Sri Ganganagar

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, 2014

Place : Sri Ganganagar

VIKAS GRANARIES LIMITED

Balance Sheet as at 31 March 2014

	Notes	As at 31 March 2014	(Amt. in Rs.) As at 31 March 2013
Equity and liabilities			
Shareholders' fund			
Share capital	2	181,175,000	181,175,000
Reserves and surplus	3	773,471,720	767,030,374
		<u>954,646,720</u>	<u>948,205,374</u>
Non-current liabilities			
Long-term borrowing	4	1,055,000,000	1,055,000,000
Deferred tax liability (net)	5	90,330,310	88,542,493
		<u>1,145,330,310</u>	<u>1,143,542,493</u>
Current liabilities			
Short-term borrowings	6	-	223,360,264
Trade payables	7	616,052,588	242,297,382
Other current liabilities	7	1,062,226	2,094,039
Short-term provisions	8	187,851	17,266,652
		<u>617,302,665</u>	<u>485,018,337</u>
Total		<u>2,717,279,695</u>	<u>2,576,766,204</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	1,344,110,393	1,484,150,159
Capital work in progress		495,462,760	449,775,663
Non-current investments	10	33,384	33,384
		<u>1,839,606,537</u>	<u>1,933,959,205</u>
Current assets			
Inventories	11	203,128,686	337,363,400
Trade receivables	12	647,887,754	280,594,385
Short term loans and advances	13	26,121,075	24,037,758
Cash and cash equivalents	14	535,643	811,455
		<u>877,673,158</u>	<u>642,806,999</u>
Total		<u>2,717,279,695</u>	<u>2,576,766,204</u>
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.	2-27		
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 2014
Place : Sri Ganganagar

VIKAS GRANARIES LIMITED

Statement of profit and loss for the year ended 31 March 2014

(Amt. in Rs.)

	Notes	For the year ended 31 March 2014	For the year ended 31 March 2013
INCOME			
Revenue from operation	15	1,403,959,907	2,185,849,817
Other income	16	19,773,261	4,541,641
Total (I)		1,423,733,168	2,190,391,458
EXPENDITURE			
Cost of materials consumed	17	1,154,009,654	1,881,044,789
Employee benefits expenses	18	6,050,600	5,359,860
(Increase)/ decrease in stock of finished goods	19	69,875,931	(82,574,299)
Finance cost	20	9,080,007	23,583,153
Depreciation and amortization expenses		140,097,116	135,083,867
Other expenses	21	36,390,697	77,362,606
Total (II)		1,415,504,005	2,039,859,975
Profit/(loss) before tax		8,229,163	150,531,483
Tax expenses			
- current tax		2,004,508	30,117,963
- MAT credit entitlement		(2,004,508)	(7,922,435)
- deferred tax		1,787,817	36,997,762
Total Tax expense		1,787,817	59,193,290
Profit/(loss) for the year		6,441,345	91,338,193
Earnings per share (basic and diluted) - Rs.	23	0.36	5.04
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.	2-27		
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 2014
Place : Sri Ganganagar

VIKAS GRANARIES LIMITED

Cash flow statement for the year ended 31 March 2014

(Amt. in Rs.)

Particulars	As at 31 March 2014	As at 31 March 2013
Cash Flow From operating activities		
Profit before tax from operations	8,229,163	150,531,483
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	140,097,116	135,083,867
Misc. expenditure written off	-	-
Interest expenses	9,080,007	23,019,834
Interest income	(244,735)	(417,724)
Operating profit before working capital changes	157,161,550	308,217,460
Movements in working capital		
Increase/(decrease) in trade payables	373,755,206	(139,619,167)
Increase/(decrease) in short term provisions	(20,294)	(428,956)
Increase/(decrease) in other current liabilities	(1,031,813)	1,327,221
Decrease/(increase) in trade receivables	(367,293,369)	(7,705,676)
Decrease/(increase) in inventories	134,234,714	(951,276)
Decrease/(increase) in short term loans and advances	(60,644)	3,232,592
Cash generated from / (used in) operations	296,745,351	164,072,198
Direct taxes paid (net of refunds)	(19,081,180)	(13,632,440)
Net cash flow from / (used in) operating activities (A)	277,664,171	150,439,758
Cash flows from investing activities		
Purchase of fixed assets, CWIP and capital advance	(45,744,447)	(301,835,378)
Proceed from sale of fixed assets	-	1,998,820
Payment for non current investment	-	(20,000)
Interest received	244,735	417,724
Net cash flow from / (used in) investing activities (B)	(45,499,712)	(299,438,834)
Cash flows from financing activities		
Proceeds from long term borrowings	-	-
Repayment of long term borrowing	-	(50,000,000)
Proceeds from short term borrowings	-	-
Repayment of short term borrowing	(223,360,264)	(122,182,171)
Interest paid	(9,080,007)	(23,019,834)
Net cash flow from / (used in) in financing activities (C)	(232,440,271)	(195,202,005)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(275,812)	(344,201,081)
Cash and cash equivalents at the beginning of the year	811,455	345,012,536
Cash and cash equivalents at the end of the year	535,643	811,455
Components of cash and cash equivalents		
Cash on hand	313,719	184,900
With banks on current account		
-on deposit account	221,924	626,555
Total cash and cash equivalents	535,643	811,455

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 2014

Place : Sri Ganganagar

VIKAS GRANARIES LIMITED

Notes to financial statements for the year ended on 31 March 2014

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 (to the extent applicable), provisions of Companies Act, 2013 (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

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.

VIKAS GRANARIES LIMITED

Notes to financial statements for the year ended on 31 March 2014

(Amt. in Rs.)

	As at 31-Mar-14	As at 31-Mar-13
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-14		31-Mar-13	
	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-14		31-Mar-13	
	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%	1,065,598	5.88%
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-14	31-Mar-13
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 2014

	(Amt. in Rs.)
As at 31-Mar-14	As at 31-Mar-13
3. Reserves and surplus	
Securities premium reserve	133,650,000
Subsidy	179,844
Balance as at the end of the year	133,829,844
Surplus/(deficit) in the statement of profit and loss	
Balance as per last financial statements	633,200,530
Profit for the year	6,441,345
Balance as at the end of the year	639,641,876
Total reserves and surplus	773,471,720
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	98,142,866
Deferred tax assets arising on account of loss as per income tax	(7,812,555)
	88,542,493
	-
	88,542,493
6. Short-term borrowings	
From Bank	
Loan from bank	-
	223,360,264
	-
	223,360,264
The above amount includes	
Secured borrowings	-
	223,360,264
7. Other current liabilities	
Trade payables	616,052,588
Other liabilities	
TDS payable	351,909
CST/WCT payable	371,654
Salary payable	338,663
Bank overdraft	-
	440,465
	1,062,226
	2,094,039
8. Provisions	
Other provisions	
Provision for expenses	187,851
Provision for income tax	-
	17,058,507
	187,851
	17,266,652

VIKAS GRANARIES LIMITED **Notes to financial statements for the year ended on 31 March 2014**

9. Fixed assets

(Amt. in Rs.)

Particulars	Gross Block			Depreciation				Net Block	
	As at 1 April 2013	Additions during the year	Deletions / adjustments	As at 31 March 2014	As at 1 April 2013	For the year	Deletions / adjustments	As at 31 March 2014	As at 31 March 2013
i) Tangible assets									
Land	51,264,451	-	-	51,264,451	-	-	-	-	51,264,451
Buildings	21,317,843	-	-	21,317,843	7,619,963	712,016	-	8,331,979	13,697,880
Plant and equipment	1,809,585,702	-	-	1,809,585,702	390,997,714	139,157,140	-	530,154,854	1,418,587,988
Furniture and fixtures	577,668	44,550	-	622,218	577,668	2,148	-	579,816	(0)
Vehicles	2,253,805	-	-	2,253,805	2,071,799	182,006	-	2,253,805	182,006
Office equipments	910,948	12,800	-	923,748	493,114	43,806	-	536,920	417,834
Total	1,885,910,417	57,350	-	1,885,967,767	401,760,259	140,097,116	-	541,857,374	1,484,150,159
									1,344,110,393

VIKAS GRANARIES LIMITED

Notes to financial statements for the year ended on 31 March 2014

	(Amt. in Rs.)
As at 31-Mar-14	As at 31-Mar-13
10. Non-current investments	
National saving certificates	33,384
	<u>33,384</u>
11. Inventories	
Finished goods	55,832,568
Raw material	147,166,464
Packing materials	-
Consumables	129,654
	<u>203,128,686</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	647,887,754
Total	<u>647,887,754</u>
13. Loans and advances	
Security deposit	
Unsecured, considered good	2,902,762
Other loans and advances	
TDS receivable	18,165
MAT credit	22,885,404
Other current assets	314,744
	<u>26,121,075</u>
14. Cash and bank balances	
Balances with banks:	
On current accounts	221,924
Cash in hand	313,719
	<u>535,643</u>
	<u>For the year ended 31 March 2014</u>
15. Revenue from operation	<u>For the year ended 31 March 2013</u>
Sale of goods (gross)	
- Guar gum	1,393,523,819
Other operating income	2,149,164,275
- Profit on sale of import licenses	10,436,088
	<u>1,403,959,907</u>
16. Other income	
Interest income	244,735
Foreign exchange gain	18,056,587
Other income	1,471,939
	<u>19,773,261</u>
17. Cost of material consumed	
Inventory at the beginning of the year	211,401,227
Add: Purchases	1,089,774,891
	<u>1,301,176,118</u>
Less: Inventory at the end of the year	(147,166,464)
	<u>1,154,009,654</u>

VIKAS GRANARIES LIMITED

Notes to financial statements for the year ended on 31 March 2014

		(Amt. in Rs.)
	For the year ended 31 March 2014	For the year ended 31 March 2013
18. Employee benefits expenses		
Salaries, wages and allowances	5,959,952	5,297,980
Contribution to provident and other funds	90,648	61,880
	<u>6,050,600</u>	<u>5,359,860</u>
19. (Increase)/decrease in stock of finished goods		
Inventory at the end of the year	55,832,568	125,708,499
Less : Inventory at the beginning of the year	(125,708,499)	(43,134,200)
	<u>(69,875,931)</u>	<u>82,574,299</u>
20. Finance cost		
Bank charges	1,846,407	563,319
Interest expenses	7,233,600	23,019,834
	<u>9,080,007</u>	<u>23,583,153</u>
21. Other expenses		
Manufacturing expenses		
Chemicals	12,486	1,012,164
Freight Inward & Outward	6,939,135	16,858,069
Grading & Sorting expenses	1,283,811	6,359,042
Packing Material	1,596,875	5,183,310
Power, fuel and water	17,689,064	33,445,914
Repair & Maintenance	1,384,410	3,194,113
Stores & Spares Consumed	713,251	1,006,261
Administrative expenses	-	-
Advertisement expenses	256,936	333,335
Insurance expenses	867,821	1,048,550
Legal & Professional Charges	1,022,747	849,951
ECGC expenses	942,317	2,608,407
Foreign exchange loss	-	666,946
Lease rent	-	601,884
Handling Charges	692,379	2,082,401
Laboratory expenses	56,033	44,882
Office expenses	673,105	756,271
Rates & Taxes	795,958	589,921
Remuneration to Auditors	90,000	70,000
Telephone, Postage & Stationary	134,520	160,461
Travelling expenses	189,659	79,134
Vehicle running expenses	368,581	186,870
Misc. expenses	681,610	224,720
	<u>36,390,697</u>	<u>77,362,606</u>
22. Earning per share (EPS)		
Profit attributable to equity shareholders's (for basic and diluted earning)	6,441,345	91,338,193
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.)	0.36	5.04
23. 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.

VIKAS GRANARIES LIMITED

Notes to financial statements for the year ended on 31 March 2014

24. 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.

25. Commitments and contingent liabilities

a) Firm capital commitments

Estimated amount of contracts remaining to be executed on capital account is Rs.105.82 lacs (previous year Rs. 114.26 lacs)

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

Particulars	For the year ended 31-Mar-14		For the year ended 31-Mar-13	
	%	Amount	%	Amount
1) Raw material				
Indigenous	100%	11,540.10	100%	18,810.45
ii) Stores and spare parts				
Indigenous	100%	7.26	100%	20.18
Imported	-	-	-	-

27 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 Agarwal

Director

Jyoti Kochar

Company Secretary

Date : 29th May 2014

Place : Sri Ganganagar

NOTES

[illegible]

[illegible]

VIKAS GRANARIES LIMITED

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

Attendance Slip

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 20th Annual General Meeting of the Company at Hisar Road Siwani, on Tuesday 30.09.2014.

Full name of the Member (in block letters)

Signature

Folio No.: DP ID No.* Client ID No.*

*Applicable for member holding shares in electronic form

Full name of the proxy (in block letters)

Signature



PROXY FORM - MGT-11

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN : L15400HR1994PLC036433

Name of the Company : VIKAS GRANARIES LIMITED

Registered Office : HISAR ROAD, Siwani

Name of the Member (s) :

Registered address :

E-mail Id: DP ID No.* Client ID No.*

I / We, being the member(s) of Equity Shares of Vikas Granaries Limited, hereby appoint

- Name : Address : E-mail Id : Signature : , or failing him / her
- Name : Address : E-mail Id : Signature : , or failing him / her
- Name : Address : E-mail Id : Signature :

Signed this ___ day of ___, 2014

Signature of Shareholder

Signature of Proxy Holder (s)

affix
Re. 1/-
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.



VIKAS GRANARIES LIMITED

Regd. Office : Hisar Road, Siwani (Haryana)
Plant : 229, G.I.D.C., Industrial Estate,
Chandisar - 385510 (B.K.) Gujarat

