

**VIKAS GRANARIES LIMITED**

(Formerly known as Adarsh Derivatives Limited)

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


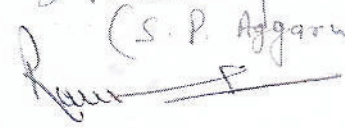
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CIN No. L15400HR1994PLC036433

**FORM A**

Sr. NO	PARTICULARS	DISCRIPTION
1.	NAME OF THE COMPANY	VIKAS GRANARIES LIMITED
2.	ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED	31 <sup>ST</sup> MARCH, 2015
3.	TYPE OF AUDIT OBSERVATION	UNQUALIFIED
4.	FREQUENCY OF OBSERVATIONS	NOT APPLICABLE
5.	TO BE SIGNED BY	
	CEO/ MANAGING DIRECTOR	Bhimle Dew
	DIRECTOR	
	AUDITOR OF THE COMPANY	 (S. P. Aggarwal)
	AUDIT COMMITTEE CHAIRMAN	



# 21<sup>th</sup> ANNUAL REPORT 2014-15



No Question about quality....

## 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 Archita Sehgal

**Corporate Social Committee (csr)**

Smt. Bimla Devi Jindal  
Sh. B.d.Agarwal  
Sh. Ravi Sharma

**Stakeholder Relationship Committee**

Smt. Deepika Aggarwal  
Chairman  
Sh. Ravi sharma  
Member  
Sh. Neeraj Chhabra  
Member  
Smt. Kamini Jindal  
Member

**Risk management committee**

Smt. Bimla Devi Jindal  
Sh. B.d.Agarwal  
Smt. Kamini Jindal

**Nomination and Remuneration Committee**

Sh. Ravi Sharma  
Sh. Neeraj Chhabra  
Smt. Kamini Jindal  
Member

**Audit Committee**

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

**Auditors**

S. Prakash Aggarwal & Co.  
Sri Ganganagar

**Internal auditor**

Sanjay Goyal & Associates

**Secretarial auditor**

NKS & Company

**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 21st Annual General Meeting of the Members of Vikas Granaries Limited will be held on the Wednesday 30th day of September, 2015 at 12 PM at Hisar Road Siwani, Haryana-127046 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2015, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint Kamini Jindal a Director in place of who retires by rotation and being eligible offers himself for reappointment.
3. To ratify the appointment of statutory auditor S. Prakash Aggarwal & Co. for the year 2015-16, that have been appointed as an auditor of the company on 30th September, 2014 for a period of 3 consecutive years i.e. till the Annual General Meeting to be held in 2017.

### SPECIAL BUSINESS :

#### Item No. 4: APPROVAL FOR RELATED PARTY TRANSACTION.

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Listing Agreement executed with the Stock Exchanges (including any amendment, modification or re-enactment thereof), consent of the members of the Company be and is hereby accorded to the proposed transaction between Company and

1. M/s Vikas WSP Limited (a related party)
2. Vegan Colloids Limited (a related party)
3. Vikas Chemi Gums India Limited (a related party)

for Sale and Purchase of goods in its absolute discretion on the terms as agreed / may be agreed between Board of Directors and above mentioned related parties and as briefly mentioned in the explanatory statement to this resolution.

**RESOLVED FURTHER THAT** Bimla Devi Jindal Managing Director and Bajrang Das Jindal Directors of the Company be and are hereby individually authorised to sign any document or agreement for above proposed transaction on behalf of the Company and take necessary steps and to do all acts, deeds and things as may be necessary and incidental to give effect to this resolution.”

#### Item No. 5: ADOPTION OF NEW ARTICLES OF ASSOCIATION APPROVAL FOR RELATED PARTY TRANSACTION

“RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 and other applicable provisions or Rules if any, the new set of Articles of Association as placed before the meeting and initiated by the Chairman for the purpose of identification be and is hereby approved and adopted as new Articles of Association (as prescribed under the Table-F of the Companies Act, 2013) of the Company in the place of and exclusion of the existing Articles

of Association.

**RESOLVED FURTHER THAT** Bimla Devi Jindal Managing Director and Bajrang Das Jindal Director of the Company be and is hereby authorised to do all such acts, deeds and things as may be required in order to give effect to above adoption of new Articles of Association on behalf of the Company.

#### Item No. 6: TO ADOPT NEW SET OF MEMORANDUM OF ASSOCIATION

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the amended set of Memorandum of Association submitted to this meeting be and are hereby approved.

**RESOLVED FURTHER THAT** Sh. Bajrang Dass Jindal Director and Smt. Bimla Devi Managing Director of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to these resolutions.”

#### Item No. 7 APPOINTMENT OF MANAGING DIRECTOR

To consider and, if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company, the consent of the shareholders of the Company be and is hereby accorded to re-appoint Mr. Bimla Devi Jindal DIN 00034997 as Managing Director of the Company for a period of five years with effect from September 30, 2015.

**FURTHER RESOLVED THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.

By Order of the Board of Director

Sd/-

Date : 14.08.2015  
Place : Sri Ganganagar

(Bimla Devi Jindal)  
Managing Director

#### NOTES:

1. The relevant Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
2. A statement giving the relevant details of the Directors seeking re-appointment under Item Nos. 2 of the accompanying



Notice, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed herewith.

3. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
  4. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
  5. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
  6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
  7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
  8. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
  9. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
- The members are requested to get their shares dematerialized. The company's ISIN Code INE767B01014
10. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following:

a) [ravindergupta@vikaswsp ltd.in](mailto:ravindergupta@vikaswsp ltd.in)

The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/

Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

11. (a) In accordance with the provision of section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the shareholders may exercise their option to participate through electronic voting system and the company is providing the facility for voting by electronic means (e-voting) to all its members. The company has engaged the services of Central Depository Services Limited (CDSL) to provide e-voting facilities and enabling the members to cast their vote in a secured manner. It may be noted that this e-voting facility is optional. This facility will be available at the link [www.evoting.nsdl.com](http://www.evoting.nsdl.com) during the following voting period:

Commencement of e-voting	:	From 10 AM on 27.09.2015
End of e-voting	:	Up to 5 PM on 29.09.2015

E-voting shall not be allowed beyond 5PM, on 29.09.2015. During the E-voting period, the shareholders of the company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cutoff date, may cast their vote electronically. The cut-off date for eligibility for e-voting is 23.09.2015.

- (b) The company has engaged the services of CDSL as the Authorized Agency to provide e-voting facilities.
- (c) The company has appointed N K S & ASSOCIATES practicing Company Secretary, as 'scrutinizer' for conducting and scrutinizing the e-voting process in a fair and transparent manner.
- (d) The login ID and password for e-voting are being sent to the members, who have not registered their e-mail IDs with the company, along with physical copy of the notice. Those members who have registered their e-mail IDs with the company / their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail.
- (e) "Voting by electronic means" or "electronic voting system" means a 'secured system' based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercise by way of electronic means gets registered and counted in an electronic registry in the centralized server with adequate 'cyber security'.

It also helps the shareholders to cast their vote from anywhere and at any time during E-voting period.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 27.9.2015 at 10:00AM and ends on 29.9.2015 at 5:00PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23.9.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost

care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number

(PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.

#### **Explanatory Statement For Item 4, 5, 6 & 7 Under Section 102 Of Company Act, 2013**

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item Nos. 4, 5, 6 and 7 of the accompanying Notice

#### **ITEM NO. 4**

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and in case of the transaction value exceeds the limit specifies in the act, prior approval of the shareholders by way of a Special Resolution must be obtained:

1. Sale, purchase or supply of any goods or materials;
2. Selling or otherwise disposing of, or buying, property of any kind;
3. Leasing of property of any kind;
4. Availing or rendering of any services;
5. Appointment of any agent for purchases or sale of goods, materials, services or property;
6. Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company and
7. Underwriting the subscription of any securities or derivatives thereof, of the Company.

In the light of provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the related parties (as defined under section 2(76) of the Companies Act, 2013)

#### **ITEM NO.5,6 ADOPTION OF NEW ARTICLE OF ASSOCIATION & MEMORANDUM OF ASSOCIATION.**

The existing AoA/MoA are based on the Companies Act, 1956 and several regulations in the existing AoA/ MoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA/MoA are no longer in conformity with the New Companies Act, 2013. Hence, it is considered expedient to wholly replace the existing AoA by a new set of Articles and amend MoA to some extent which shall be in conformity with the new companies Act, 2013. The proposed new draft AoA/MoA are being uploaded on the Company's website for perusal by the shareholders. The draft AOA/ MOA shall be available for inspection during the meeting and can be inspected by members during the business hours at the registered office of the company. None of the Directors / Key Managerial Personnel of the Company / their relatives is, in

any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5 & 6 of the Notice. The Board recommends the Special Resolution set out at Item No.5 & 6 of the Notice for approval by the shareholders.

#### **Item No. 7 APPOINTMENT OF MANAGING DIRECTOR**

Smt Bimla Devi Jindal is the promoter Director of the Company. He has been serving as a Managing Director from last several years. Now pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company, company wants to appoint Smt. Bimla Devi Jindal as Managing Director of the Company for 5 years i.e. for 2020.

As a Promoter and Managing Director, Smt. Bimla Devi Jindal has a vast knowledge and experience in the field of Guar Gum industry. The teams and remuneration of the managing Director will be as per the policy laid down by Nomination and Remuneration Committee i.e. Nomination and Remuneration Policy.

The remuneration will be in terms of provisions of company act, 2013 and other applicable provisions in this regards.

#### **ADDITIONAL INFORMATION**

(In Pursuant of clause 49 of the Listing Agreement)

1. **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.

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

Smt. Bimla Devi Jindal has been appointed by the Board as an additional Director w.e.f. 21.08.2007. Smt. Bimla Devi holds a Bachelor's Degree in Commerce from the University of Haryana. She belongs to a leading Guar Gum Industrialist family. Keeping in view her long experience in the Guar Gum Industry, your

Directors recommend re-appointing of Smt. Bimla Devi Jindal as Director of the Company.

By Order of the Board of Director  
For VIKAS GRANARIES LIMITED

Date : 14.08.2015  
Place : Sri Ganganagar

Sd/-  
(Bimla Devi Jindal)  
Managing Director

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 21st Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

### FINANCIAL RESULTS:

	(Rs. In Lakhs)	
	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
Revenue from operations	29271.35	14039.60
Other Income	3.57	197.73
Total Expenditure	27800.03	12663.27
Finance cost	10.82	90.80
Profit after finance cost but before depreciation	1464.08	1483.26
Depreciation and amortization expenses	1400.74	1400.97
Profit before tax	63.34	82.29
Tax expenses	23.88	17.88
Profit for the year	39.45	64.41

### DIVIDEND:

The profit of the Company is being used in further expansion of the Company, so the Board of Directors has not recommended any dividend for the year 2014-15.

### TRANSFER TO RESERVES

No amount was transferred to reserves during the year 2014-15.

### BOARD MEETINGS

The Board of Directors of the Company came under the same roof for ten times in the year 2014-15 respectively on 29.05.2014, 20.06.2014, 04.07.2014, 1.08.2014, 14.08.2014, 04.09.2014, 18.09.2014, 15.11.2014, 01.01.2015, 14.02.2015, 29.03.2015.

### DIRECTOR RESPONSIBILITY STATEMENT

Your directors state that the audited accounts containing financial statement for 2014-15 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 had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and

- the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTOR U/S 149 (6)

The Board of Company consists of three independent Directors namely

- Sh. Neeraj Chhabra
- Sh. Ravi Sharam
- Smt. Deepika Aggarwal

The above three Directors of the company gave statement pursuant to section 149 (7) u/s 149 (6) of Company Act, 2013 at the Board Meeting held on 29.05.2014 for the year 2014-15. The same was considered and approved by the Board. Statements has been attached as Page 7 Annexure I in the report.

### POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATION, POSITIVE ATTRIBUTES, INDEPENDENCE

The Company is a Listed Company so, it comes under the requirement of formation of Nomination and Remuneration Committee under Company Act, 1956 and Company (Meeting of Board and its Power) Rules, 2014. The Company formed the committee on 01.01.2015. The Nomination and Remuneration policy of the Company is attached in Page no. 9 Annexure - II to the Report.

### LONE AN INVESTMENT UNDER SECTION 186

The Company has not made any lone and investment under section 186 of Company Act, 2013 and Rules made thereunder in this regard.

### MATERIAL EVENTS AFTER 31ST MARCH, 2015

No material event has occurred after 31st March, 2015.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo is given in Page 11 Annexure III to this report.

### EXTRACT OF ANNUAL RETURN

The extract of Annual return is attached as Page 12 Annexure IV in the Report.

### DEPOSITS

The Company has not accepted any deposits under chapter V of Company Act, 2015 during the year 2014-15.

### CHANGE IN THE NATURE OF BUSINESS

No change occurred during the previous year 2014-15 in the nature of the business of the company.

### DETAILS OF APPOINTMENT AND RESIGNATION DURING THE YEAR 2014-15

M. Bajrang Dass Jindal who retires by rotation and presented herself for reappointment was reappointed as director in the Annual General Meeting held on 30.09.2014.

Mr. Ravi Sharma was appointed as a independent director of the company for 5 consecutive years in the Annual General Meeting



held on 30.09.2.014.

Mr. Neeraj Chhabra was appointed as an independent director of the company for 5 consecutive years in the Annual General Meeting held on 30.09.2.014.

**INTERNAL FINANCIAL Control mentioned following:-**

M/S Sanjay Goyal & Associates has been appointed as an internal auditor of the company to review and strengthen the Internal Financial Control System of the Company. The Board of Directors timely review the internal control systems and plans company's further strategies accordingly. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

**PARTICULARS OF EMPLOYEES**

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is provided as Annexure V on Page 18.

**CORPORATE SOCIAL RESPONSIBILITY**

The Company under section 135 of company act, 2013 has formed a Corporate Social Responsibility Committee. The Company believes in following this provision not in law but in spirit too. The details of the policy are available in Page-19 Annexure VI to the Report.

**PERFORMANCE EVALUATION OF BOARD, COMMITTEES & INDIVIDUAL DIRECTORS**

A formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was carried out for the year 2014-15. Led by the Nomination & Remuneration Committee, the evaluation was done using individual questionnaires covering amongst others vision, strategy & role clarity of the Board, Board dynamics & processes, contribution towards development of the strategy, risk management, budgetary controls, receipt of regular inputs and information, functioning, performance & structure of Board Committees, ethics & values, skill set, knowledge & expertise of Directors, leadership etc.

As part of the evaluation process, the performance of non-independent Directors, the Chairman and the Board was done by the independent Directors. The performance evaluation of the respective Committees and that of independent and non-independent Directors was done by the Board excluding the Director being evaluated. The Directors expressed satisfaction with the evaluation process.

**INDEPENDENT DIRECTOR FAMILIARISATION PROGRAMME**

The Company has arranged a familiarization program for Independent Directors of the Company and details has been provided on company website [www.vikasgranaries.in](http://www.vikasgranaries.in) on the following link:-

[http://vikasgranaries.in/?page\\_id=416](http://vikasgranaries.in/?page_id=416)

**VIGIL MECHANISM**

The Vigil mechanism under section 177 of Company Act, 2013 and clause 49 of listed agreement has been laid down by the company. The same is provided on the website of the company [www.vikasgranaries.in](http://www.vikasgranaries.in).

The mechanism deals with the reporting of any unfair and malaise practice in the company. The policy is also providing safe guard to the persons who are taking initiatives against the practice of unfair mean of business.

**RELATED PARTY TRANSACTIONS**

During the year under review, the Board has adopted a policy to regulate the transactions of the Company with its related parties. As per policy, all related party transactions require prior approval of the Audit Committee and Board of Directors of the Company. Prior approval of the shareholders of the Company is also required for certain related party transactions as prescribed under Companies Act, 2013 and listing agreement. The said policy is available on the Company's website viz. [www.vikasgranaries.in](http://www.vikasgranaries.in).

The details of all related party transaction are provided in the annexure VII attached to the report.

**MATERIAL CHANGES & COMMITMENTS**

No material changes and commitments, affecting the financial position of the Company have occurred after the end of the financial year 2014-15 and till the date of this report.

**MATERIAL AND SIGNIFICANT ORDERS PASSED BY REGULATORS & COURTS**

No significant and material orders have been passed by any regulators or courts or tribunals against the Company impacting the going concern status and Company's operations in future.

**MANAGEMENT DISCUSSION AND ANALYSIS**

The management discussion and analysis report on the operations of the Company as required under the listing agreement with stock exchanges has been given separately of this report on page 27 and forms part of this report.

**RISK MANAGEMENT**

The Company has laid down a procedure named Risk Management Policy for identification of risk involved in the business activities. The risks are involved in our industry are Guar is a xerophytes plant and the rain pattern of the monsoons in the Indian arid zone – mainly Western desert of Rajasthan provides ideal growing conditions. The need for just the right amount of rain at the right time leaves the guar crop heavily dependent on the annual rainfall pattern and causes occasional wide swings in guar supply and prices. With the emergence of irrigated guar seeds, dependency of guar crop on monsoon has been minimized. Now its crop is irrigated with canal water at the right time that increased its per hectare yield greatly.

**AUDIT COMMITTEE**

The Company has an adequately qualified Audit Committee constituted in accordance with the provisions of Companies Act, 2013 and clause 49 of the listing agreement. As on 31 March, 2015, the Committee comprised

All members of the Committee are financially literate and have accounting or related financial management expertise.

**SECRETARIAL AUDIT**

In terms of Section 204 of the Act and Rules made there under, M/s. NKS & Company Practicing Company Secretary have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Page Annexure VIII to this report.

The Report contain qualification regarding non Compliance

of section 203 of Company Act, 2013 i.e. appointment of Chief Financial Officer.

The Board of Directors is looking for the person appropriate and suitable for the abovesaid post. As soon as the company finds a person with required expertise, who can hold this position, the position of Chief Financial officer will be filled.

#### 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 as Annexure on Page 22 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 is complied with.

#### CORPORATE GOVERNANCE CERTIFICATE

The Compliance certificate from the auditors or practicing company secretaries regarding compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing agreement shall be annexed with the report on page 26.

#### RELATION BETWEEN DIRECTORS

Pursuant to clause 49E(2) the Directors of the company are in relation with each other as follows:-

Sr. No	Name of Direction	Related Director	Relation
1	Bajrang Dass Jindal	Bimla Devi Jindal	Wife
2	Bajrang Dass Jindal	Kamini Jindal	Daughter
3	Bimla Devi Jindal	Bajrang Dass Jindal	Husband
4	Bimla Devi Jindal	Kamini Jindal	Daughter
5	Kamini Jindal	Bimla Devi Jindal	Mother
6	Kamini Jindal	Bajrang Dass Jindal	Father

#### LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to BSE where the Company's Shares are listed.

#### ACKNOWLEDGMENTS

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

By Order of the Board,

Sd/-

Date : 14.8.2015  
Place : Sri Ganganagar

(Bimla Devi Jindal)  
Managing Director

#### Annexure -I

### DECLARATION OF INDEPENDENCE

29 May, 2014

To  
The Board of Directors  
Vikas Granaries Limited  
Siwani.

**Sub: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.**

I, Ravi Sharma, hereby certify that I am a Non-executive Independent Director of Vikas Granaries Limited, Place and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

I certify that:

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
- holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
- is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
- a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
- holds together with my relatives 2% or more of the total votingpower of the company; or
- is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- I am not less than 21 years of age.

#### Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said

information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

Sd/-

Ravi Sharma

29 May, 2014

To

The Board of Directors

Vikas Granaries Limited

Siwani.

**Sub: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.**

I, Neeraj Chhabra, hereby certify that I am a Non-executive Independent Director of Vikas Granaries Limited, Place and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

I certify that:

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
- holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
- is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
- a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate

company; or

- any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
- holds together with my relatives 2% or more of the total votingpower of the company; or
- is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- I am not less than 21 years of age.

**Declaration**

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

Sd/-

Neeraj Chhabra

29 May, 2014

To

The Board of Directors

Vikas Granaries Limited

Siwani.

**Sub: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.**

I, Deepika Agarwal, hereby certify that I am a Non-executive Independent Director of Vikas Granaries Limited, Place and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

I certify that:

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration, I

have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;

- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
- holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
- is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
- a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
- holds together with my relatives 2% or more of the total voting power of the company; or
- is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- I am not less than 21 years of age.

#### Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

Sd/-

Deepika Aggarwal

#### Annexure-II

## NOMINATION AND REMUNERATION POLICY

#### PURPOSE

The Company has formed Nomination and Remuneration Policy u/s 178 (1) of Company Act, 2013 and under clause 49 (IV) of Listing Agreement. This policy has been formulated for determining the qualification, Positive attributes of Executive Directors, Non Executive Directors, Independent Director and Key Managerial Persons of the company.

#### DEFINATIONS

“ACT” the act shall mean Company Act, 2013.

“COMMITTEE” the committee shall mean Nomination and Remuneration Committee under section 178 (1) of Company Act, 2013 and clause 49 (IV) of Listing agreement.

“BOARD” the Board shall mean Board Of Directors of Vikas Granaries Limited.

“COMPANY” means the Company Vikas Granaries Limited

“KEY MANAGERIAL PERSONNEL” means

Chief Executive Officer or the Managing Director or the Manager;

Whole-time director;

Chief Financial Officer;

Company Secretary; and

Such other officer as may be prescribed

“SENIOR MANAGEMENT” means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

#### NOMINATION AND REMUNERATION COMMITTEE

The Company has formed a committee under section 178 (1) of Company Act, 2013 and clause 49 of Listing agreement. The Committee consists of three members namely:

Neeraj Chhabra Chairman

Ravi Sharma Member

Deepika Aggarwal Member

All the Directors are independent Directors within the meaning of Company Act, 2013 and listing agreement thereto.

#### ROLE OF THE COMMITTEE

The Committee has been formulated to perform the following works: -

1. The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in Company Act, 2013 and rules made thereunder and all other provisions applicable, if any, recommend to the Board their appointment and removal. It shall carry out evaluation of every director's performance.
2. The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.



3. To carry out evaluation of every Director's performance.
4. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
5. To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### **CRITERIA FOR APPOINTMENT OF DIRECTOR**

Any person who wishes to appoint as a Director of the Company needs to fulfill the following criteria:-

1. His appointment must not be in Contravention of any provision of Company Act, 2013 and rules made thereunder and all the applicable laws, if any.
2. The appointment shall be subject to applicable clause of Listing Agreement.
3. The person who wishes to be appointed as a Director must have relevant experience in the industry similar to the business of the Company or hold relevant qualification in this regard. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
4. The Director will be eligible for appointment only if he has attained the age of twenty one years.

#### **INDEPENDENT DIRECTOR**

The Independent Director must fulfill the following criteria:-

1. His appointment must not be in Contravention of section 149 of Company Act, 2013 and rules made thereunder and all the applicable laws, if any.
2. The appointment shall be subject to applicable clause of Listing Agreement.
3. He shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, or other disciplines related to the Company's business,

#### **TERM/TENURE**

1. Managing Director/Whole-time Director: The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term
2. Independent Director:-
  - (a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
  - (b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee

as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

- (c) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

#### **REMOVAL**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### **RETIREMENT**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

#### **Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel**

##### **General:**

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

- a) **Fixed pay:** The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's

contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- b) **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- c) **Provisions for excess remuneration:** If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

#### Remuneration to Non- Executive / Independent Director:

- a) **Remuneration / Commission:**  
The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.
- b) **Sitting Fees:**  
The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.  
Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- c) **Stock Options:**  
An Independent Director shall not be entitled to any stock option of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration if the following conditions are satisfied:
- The Services are rendered by such Director in his capacity as the professional; and
  - In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

#### IMPLEMENTATION

- (a) The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- (b) The Committee may Delegate any of its powers to one or more of its members.

Date:

Place:

#### Annexure III

#### 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 2014-15

##### Electricity

Purchased Units	KWH	634405.00
Total Amount	Rs. (in Lakhs)	58.55
Rate/Unit	Rs.	9.23
Rate per MT	Rs	4125.3

By Order of the Board of Director

Sd/-

(Bimla Devi Jindal)  
Managing Director

Date : 04.09.2014

Place : Sri Ganganagar

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the

Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

i) CIN:-	L15400HR1994PLC036433
ii) Registration Date	31.10.1994
iii) Name of the Company	VIKAS GRANARIES LIMITED
iv) Category / Sub-Category of the Company	LIMITED BY SHARES
v) Address of the Registered office and contact details	HISAR ROAD, SIWANI, HARYANA-127046
vi) Whether listed company Yes / No	YES
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	LINK INTIME (I) PVT. LIMITED ADDRESS:-44, NARAINA COMMUNITY CENTRE, PHASE-I, PVR CINEMA, NARAINA, NEW DELHI TEL. NO. 01141410592

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Guar & Polymers	13023230, 13023220	100%
2			
3			

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1					
2					

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	No. of Shares	% change
<b>A. Promoter s</b>										
<b>(1) Indian</b>										
g) Individual/ HUF	1070000	0.00	1070000	5.91	1070000	0.00	1070000	5.91	0.00	0.00
h) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i) State Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
j) Bodies Corp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
k) Banks / FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
l) Any Other....	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Sub-total (A) (1):-	1070000	0	1070000	5.91	1070000	0	1070000	5.91	0.00	0.00
<b>(2) Foreign</b>										
a) NRIs - Individuals b) Other – Individuals c) Bodies Corp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Banks / FI e) Any Other....	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub-total (A) (2):-</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholdin g of Promoter (A) = (A)(1)+(A)(2)</b>	<b>1070000</b>	<b>0</b>	<b>1070000</b>	<b>5.91</b>	<b>1070000</b>	<b>0</b>	<b>1070000</b>	<b>5.91</b>	<b>0.00</b>	<b>0.00</b>
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a) Mutual Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Banks / FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) State Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Insurance Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g) FIIs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
h) Foreign Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i) Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub-total (B)(1):-</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>2. Non- Institutions</b>										
a) Bodies Corps										
i) Indian	561950	14400	576350	3.18	649666	14400	664066	3.67	87716	0.49
ii) Overseas	0	0	0	0	1950	0	1950	0.01	1950	0.01
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2459114	609515	3068629	16.94	2482715	617615	3100330	17.11	31701	0.17
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	13099773	19300	13119073	72.41	12916298	19300	12935598	71.4	183475	1.01
c) Others (specify)	178948	104500	283448	1.56	239056	106500	345556	1.9	62108	0.34
<b>Sub-total (B)(2):-</b>	<b>16299785</b>	<b>747715</b>	<b>17047500</b>	<b>94.09</b>	<b>16289685</b>	<b>757815</b>	<b>17047500</b>	<b>94.09</b>	<b>366950</b>	<b>2.02</b>
<b>Total Public Shareholding (B)=(B) (1)+ (B)(2)</b>	<b>16299785</b>	<b>747715</b>	<b>17047500</b>	<b>94.09</b>	<b>16289685</b>	<b>757815</b>	<b>17047500</b>	<b>94.09</b>	<b>366950</b>	<b>2.02</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>17369785</b>	<b>747715</b>	<b>18117500</b>	<b>100</b>	<b>17359685</b>	<b>757815</b>	<b>18117500</b>	<b>100</b>	<b>366950</b>	<b>2.02</b>

**(ii) Shareholding of Promoters**

Sl N o.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the compa ny	%of Shares Pledged / encumbe red to total shares	No. of Shares	% of total Shares of the compa ny	%of Shares Pledged / encumbe red to total shares	
1	Bajrang Dass Agarwal	1070000	5.91	0	1070000	0	0	0
2								
3								



	Total						
--	-------	--	--	--	--	--	--

(iii) Change in Promoters' Shareholding ( please specify, if thereis no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	1070000	5.91	1070000	5.91
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
3	At the End of the year	1070000	5.91	1070000	5.91

(iv) Shareholding Pattern of top tenShareholders (other thanDirectors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	DATE	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	01/04/2014	10632382	58.6858	10632382	58.6858
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	04/04/2014	-141	-0.0007	-141	-0.0007
		11/04/2014	-2562	-0.0142	-2562	-0.0142
		18/04/2014	0	0	0	0
		25/04/2014	50	0.0002	50	0.0002
		02/05/2014	-1700	-0.0093	-1700	-0.0093
		09/05/2014	-1165	-0.0064	-1165	-0.0064
		16/05/2014	-9800	-0.0541	-9800	-0.0541
		23/05/2014	713	0.0039	713	0.0039
		30/05/2014	-99	-0.0006	-99	-0.0006
		06/06/2014	1500	0.0083	1500	0.0083
		13/06/2014	90	0.0006	90	0.0006
		20/06/2014	-3000	-0.0166	-3000	-0.0166
		30/06/2014	-7605	-0.042	-7605	-0.042
		04/07/2014	3000	0.0166	3000	0.0166
		11/07/2014	-506	-0.0028	-506	-0.0028
		18/07/2014	5875	0.0324	5875	0.0324
		25/07/2014	-9972	-0.0551	-9972	-0.0551
		01/08/2014	-2475	-0.0136	-2475	-0.0136
		08/08/2014	-2099	-0.0116	-2099	-0.0116
		15/08/2014	300	0.0017	300	0.0017
		22/08/2014	-475	-0.0027	-475	-0.0027
		29/08/2014	2990	0.0166	2990	0.0166
		05/09/2014	-39080	-0.2159	-39080	-0.2159
		12/09/2014	3015	0.1747	3015	0.1747
		19/09/2014	31634	0.1747	31634	0.1747
		30/09/2014	6399	0.0352	6399	0.0352
		03/10/2014	0	0	0	0

		10/10/2014	0	0	0	0
		17/10/2014	500	0.0028	500	0.0028
		24/10/2014	-500	-0.0028	-500	-0.0028
		31/10/2014	0	0	0	0
		07/11/2014	1100	0.0062	1100	0.0062
		14/11/2014	5650	0.0311	5650	0.0311
		21/11/2014	23012	0.127	23012	0.127
		28/11/2014	-30350	-0.1675	-30350	-0.1675
		05/12/2014	-2994	-0.0165	-2994	-0.0165
		12/12/2014	450	0.0024	450	0.0024
		19/12/2014	700	0.0039	700	0.0039
		31/12/2014	-5170	-0.0285	-5170	-0.0285
		02/01/2015	-17178	-0.0948	-17178	-0.0948
		09/01/2015	28000	0.1545	28000	0.1545
		16/01/2015	-900	-0.0049	-900	-0.0049
		23/01/2015	225	0.0012	225	0.0012
		30/01/2015	0	0	0	0
		06/02/2015	140463	-0.0238	140463	-0.0238
		13/02/2015	629	0.0035	629	0.0035
		20/02/2015	-100	-0.0006	-100	-0.0006
		27/02/2015	100	0.0005	100	0.0005
		06/03/2015	100	0.0006	100	0.0006
		13/03/2015	-30424	-0.1679	-30424	-0.1679
		20/03/2015	-3931	-0.0217	-3931	-0.0217
		27/03/2015	17000	0.0939	17000	0.0939
3	At the End of the year ( or on the date of separation, if separated during the year)	31/03/2015	10588874	58.4457	10588874	58.4457

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	1070000	5.91	1070000	5.91
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	
3	At the End of the year	1070000	5.91	1070000	5.91

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0	1055000000	0	1055000000
ii) Interest due but not paid	0	0	0	0

iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>1055000000</b>	<b>0</b>	<b>1055000000</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	0	0	0	0
• Reduction	0	0	0	0
Net Change	0	0	0	0
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	1055000000	0	1055000000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>1055000000</b>	<b>0</b>	<b>1055000000</b>

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
1	Gross salary	Bimla Devi Jindal	Bajarag Dass Jindal	Kamini Jindal	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act				

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
3.	Independent Directors	RAVI SHARMA	DEEPIKA AGGARWAL	NEERAJ CHHABRA	
	• Fee for attending board committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)				
4.	Other Non-Executive Directors				
	• Fee for attending board committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-

Total Managerial Remuneration	-	-	-	-
Overall Ceiling as per the Act				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1,44,000	-	1,44,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>1,44,000</b>	-	<b>1,44,000</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

TYPE	SECTION OF COMPANY ACT	BRIEF DISCRIPTION	DETAILS OF PENALTIES/ PUNISHMENT/ COMPOUNDING FEES IMPOSED	AUTHORITY [ RD/ NCLT/ COURT]	APPEAL MADE (IF ANY) GIVE DETAILS
<b>A. COMPANY</b>					
Penalty	NA	NA	NA	NA	NA
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	NA	NA	NA	NA	NA
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NA	NA	NA	NA	NA
Punishment					
Compounding					



ANNEXURE- V

**Remuneration under section 197(12) of Company Act, 2013**

Sr. No.	Particulars	Detail
1	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	No remuneration is paid to any Director.
2	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	No increment has taken place during the year 2014-15.
3	the percentage increase in the median remuneration of employees in the financial year;	No increment has taken place during the year 2014-15.
4	the number of permanent employees on the rolls of company;	39
5	the explanation on the relationship between average increase in remuneration and company performance	The company has not increased any remuneration during the year 2014-15.
6	comparison of the remuneration of the Key Managerial Personnel against the performance of the company	The company has not increased the any remuneration of KMP's during the year 2014-15, but company profit has decreased from 6,441,345 to 3,945,583 in the year 2014-15
7	variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies.	The PE Ratio of the company was increased from 22.63 to 38.09. The Market price of the share was 8.38 on 31.03.2015, which was 83.8 % of Public issue price.
8	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There is no increase either in managerial remuneration or in salaries of the employees.
9	comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;	Not Applicable
10	the key parameters for any variable component of remuneration availed by the directors	NIL
11	the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable
12	affirmation that the remuneration is as per the remuneration policy of the company.	Yes, The remuneration is as per the remuneration policy of the company.

## Annexure - VI

### Corporate Society Responsibility

#### 1. A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY.

The Company has been actively participating in Social activities. The Company believes in giving to the society in which it operates. We believe that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, consumers and societies. We are of the opinion that CSR underlines the objective of bringing about a difference and adding value in our stakeholders' lives.

#### OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN

CSR activities of the Company will have the following thrust areas:

- To promote the education of the children, the Company is actively participating and holding programmes for motivating the students about their education. The Company is currently distributing the scholarship for their basic as well as higher education and these will also be continued in the upcoming years. To promote medical education, the company is also undertaking a project of establishing Medical College.
- To reduce the poverty and to encourage the cultivation basic resources like seeds are provided to the farmers for giving them economical support.
- To promote healthcare by increasing medical facilities by the mean of establishing Medical College.
- To promote gender equality, empowering women, and facilitate the old age.
- To take initiatives for the protection of environment and to maintain the ecological balance.
- To protect the national heritage and take steps for its development.
- To practice all the works that will help in eradicating hunger, poverty, and malnutrition.

#### REFERENCE TO THE WEB-LINK TO THE CSR POLICY

The Company's policy on CSR is available on company website [www.vikasgranaries.in](http://vikasgranaries.in). The web link is as follows:-

[http://vikasgranaries.in/?page\\_id=386](http://vikasgranaries.in/?page_id=386)

#### 2. THE COMPOSITION OF THE CSR COMMITTEE

The Company has formulated a CSR Committee under section 135 (1) and Rules made thereunder a committee on 29.05.2015. Its composition is as follows:-

1. B.D. Agarwal Member
2. Ravi Sharma Member
3. Bimla Devi Jindal Member
3. Average net profit of the company for last three financial years 74429284.33
4. Prescribed CSR Expenditure (two per cent. of 1488585.68 the amount as in item 3 above)
5. Details of CSR spent during the financial year.

- |     |  |  |
|-----|--|--|
| (a) | Total amount to be spent for the financial year;                             | 1488585.68   |
| (b) | Amount unspent   | 1488585.68   |
| (c) | Manner in which the amount spent during the Financial year is detailed below | NA   |
| (d) | Reason for not spending the amount:-   | The Company did not spend the amount during the previous year i.e. 2014-15 on CSR activity, because the company wanted to spend the amount on Health and Education under the activity mentioned under schedule VI to promote the education of the children in local area, but the matter is under management discussion. |

## Annexue-VII

### RELATED PARTY TRANSACTION

#### FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

SL. NO.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts / arrangements / transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions'	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
1	NA	NA	NA	NA	NA	NA	NA	NA

#### 2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. NO	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	NA	NA	NA	NA	NA	NA

## Annexure VIII

### Form No. MR-3

### SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March,2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

#### SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March,2015

To,  
The Members,  
Vikas Granaries Limited  
Hisar Road, Siwani,  
Haryana-127046

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vikas Granaries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March,2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- We have examined the books, papers, minute books, forms and returns filed and other records maintained by Vikas Granaries Limited for the financial year ended on 31st March,2015 according to the provisions of:
  - The Companies Act, 2013 (the Act) and the rules made there under;
  - The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Not Applicable as the Company.

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable as the Company has not issued any debt securities.
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable as the Company has not bought back/propose to buyback any of its securities during the financial year under review;
- (3) We have also examined Compliance with the other applicable Acts.
- (a) Payment Of Wages Act, 1936, and rules made there under,
  - (b) The Minimum Wages Act, 1948, and rules made there under,
  - (c) Employees' State Insurance Act, 1948, and rules made there under,
  - (d) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
  - (e) The Payment of Bonus Act, 1965, and rules made there under,
  - (f) Payment of Gratuity Act, 1972, and rules made there under,
  - (g) Factory Act, 1948
4. We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the Provisions of Companies Act, 1956(Not Notified hence not applicable to the Company during the audit period).
  - (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange, where the equity shares of the Company are Listed.

During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc. mentioned below:

1. CFO Appointment is Compulsory according to Section 203 of the Companies Act, 2013.
5. We have relied on the information and representation made by the Company and its Officers for Systems and mechanism formed by the Company for Compliances under applicable Acts, Laws, and regulations to the Company.
6. We further report that
- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda

were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

- (c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

7. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For NKS & Company  
(Nitesh Kumar Sinha)  
Practicing Company Secretary  
FCS No.-7536  
C P No.:7648

Place : Vaishali  
Date : 10-08-2015

Note: This report is to be read with our letter of even date by the Secretarial Auditor, which is annexed as 'ANNEXURE A' and forms an integral part of this report, which is available on the website of the Company.

'ANNEXURE A'

To,  
The Members,  
Vikas Granaries Limited  
Hisar Road, Siwani,  
Haryana- 127046

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For NKS & Company  
(Nitesh Kumar Sinha)  
Practicing Company Secretary  
FCS No.-7536  
C P No.:7648

Place : Vaishali  
Date : 10-08-2015



## CORPORATE GOVERNANCE

The Directors of the company are pleased to present the report on corporate governance for the year ended March 31, 2015.

### Company's philosophy on code of Corporate Governance

The Company is part of the 28 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 2015, the company consists of 6 directors including 3 independent directors. The brief profile of directors is given below.

- b. Attendance of each director up to 31st March, 2015 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, 2014
1.	Bimla Devi Jindal	10	Yes
2.	B.D. Aggarwal	8	Yes
3.	Kamini Jindal	9	-
4.	Ravi Sharma	8	Yes
5.	Deepika Aggarwal	8	-

6.	Neeraj Chhabra	8	Yes
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c.

S. No.	Name of the Director	Category	Total number of director-ship	Total number of membership of the Board Committees		Total number of chairmanship of the Board Committees	
				Membership in Audit/ Stakeholders Relationship Committees	Membership in other Committees	Chairmanship in Audit/ Investor Grievance Committees	Chairmanship in other Committees
1.	Sh. B.D. Agarwal	Chairman cum Managing Director	6	-	3	-	-
2.	Smt. Bimla Devi	Executive Director	6	1	3	-	1
3.	Smt. Kamini Jindal	Executive Director	4	1	2	-	-
4.	Sh. Neeraj Chhabra	Independent Director	2	2	-	-	-
5.	Sh. Ravi Sharma	Independent Director	1	2	2	1	-
6.	Sh. Deepika Aggarwal	Independent Director	1	1	-	1	-

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 ten Board Meetings during the year. The meetings were held on 29.05.2014, 20.06.2014, 04.07.2014, 1.08.2014, 14.08.2014, 04.09.2014, 18.09.2014, 15.11.2014, 01.01.2015, 14.02.2015, 29.03.2015.
- 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:

- **Stakeholders Relationship Committee: -**

The Company had existing Investor Grievance Committee as per company act 1956 and listing agreement. The name of the Committee was changed to Stakeholder Relationship Committee as per new Company Act, 2013 and listing agreement on 01.01.2015.

Stakeholders Relationship 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. Kamini Jindal & Neeraj Chhabra 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.

Sr. No.	Name of Director	Designation	Attended			
			5.06.2014	08.09.2014	24.12.2014	20.03.2015
1.	Deepika Aggarwal	Chairman	Yes	Yes	Yes	Yes
2.	Neeraj Chhabra	Member	Yes	Yes	Yes	Yes
3.	Kamini Jindal	Member	Yes	Yes	Yes	Yes
4	Ravi Sharma	Member	Yes	Yes	Yes	Yes

## 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 29.05.2014. The terms of reference of the CSR Committee are as per the provisions of the Companies Act, 2013. Details of meetings held during the year was as follows

Sr. No.	Name of Director	Designation	Attended			
			29.05.2014	10.09.2014	15.12.2014	12.03.2015
1.	Sh. Bimla Devi Jindal	Chairman	Yes	Yes	Yes	Yes
2.	Sh. B D Aggarwal	Member	Yes	Yes	Yes	Yes
3.	Sh. Ravi Sharma	Member	Yes	Yes	Yes	Yes

## 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. Neeraj Chhabra 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 177 of The Companies Act, 2013. The terms of reference stipulated by the Board to the Audit committee are, as contained under Clause 49 of the listing Agreement, as follows:

## Financial Reporting and Related Processes

Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.

- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review

Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.

- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

During the year, the Committee has met four times. The meetings were held on 29.05.2014, 14.08.2014, 15.11.2014, 14.02.2015. All the committee members were present at all the meetings.

Sr. No.	Name of Director	Designation	Attended			
			29.05.2014	14.08.2014	15.11.2014	14.02.2015
1.	Ravi Sharma	Member	Yes	Yes	Yes	Yes
2.	Smt. Bimla Devi Jindal	Member	Yes	Yes	Yes	Yes
3.	Sh. Neeraj Chhabra	Member	Yes	Yes	Yes	Yes

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

#### • **Nomination and Remuneration Committee**

The company changed the name of existing compensation committee to nomination and remuneration committee on 1.1.2015 to comply with the provision of Section 178 of Company Act, 2013. The committee consist Neeraj Chhabra as Chairperson and Ravi Sharma and Kamini Jindal as other members. The company secretary will act as secretary of 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. 2014-15 is as under:

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

#### • **Risk Management Committee**

The Company has formed a risk management committee under clause 49 of listing agreement. The Committee is required to identify the risks involved in the company and to ensure a proper reporting of the risks to the Board of Directors, so that they can form their business strategies as per that. The Committee consist of three members namely:-

B D Agarwal	Member
Bimla Devi Jindal	Member
Kamini Jindal	Member

The Committee has laid down a policy known as Risk Management policy for identification of risk involved.

#### • **Independent Directors' Meeting**

During the year under review, the Independent Directors met on March 28, 2015, inter alia, to discuss:

1. Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
2. Evaluation of the performance of the chairman of the Company, taking into account the views of the Executive and Non-executive directors.
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

#### • **General Body Meetings**

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

Year	Location	Date	Time
2011-2012	Hisar Road, Siwani	30th Sept., 2011	01.00 p.m.
2012-2013	Hisar Road, Siwani	29th Sept., 2012	11.30 a.m.
2013-2014	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:-

- (a) Half-Yearly results: As the results of the company are published in the Newspapers.
- (b) Quarterly results: Quarterly results are published in Western Times, English and Gujarati edition and Financial Express.
- (c) Website: [www.vikasgranaries.in](http://www.vikasgranaries.in)
- (d) Shareholder's information section forms part of the Annual Report.
- (e) 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**

- (a) 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
- (b) 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

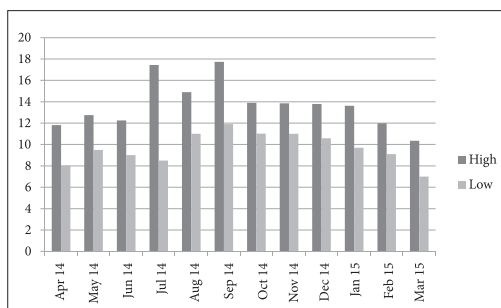
A separated section on Corporate Governance forms part of the Annual Report and a Certificate from Statutory Auditors confirming the compliance of the conditions, forms the part of this report.

#### **General Share holders' Information**

1. Annual General Meeting

- Date and Time : 30th September, 2015 at 12:00 p.m.
- Venue : Hisar Road, Siwani (Harayana)
2. Book closure date : 17th Sept., 2015 to 25th Sept., 2015
3. Dividend payment date : N.A.
4. Registered Office : Hisar Road, Siwani (Harayana)
5. a. Equity shares Listed on: 1. The Stock Exchange, stock Exchanges at Mumbai, (Code No. 531518)
- b. Demat ISIN Numbers : ISIN 767B01014 in NSDL & CDSL
6. Stock Market Date on BSE (in Rs. / per Share):

Month	Apr. 14	May 14	Jun. 14	Jul. 14	Aug. 14	Sept. 14	Oct. 14	Nov. 14	Dec. 14	Jan. 15	Feb. 15	Mar. 15
High price	11.81	12.75	12.25	17.43	14.9	17.74	13.9	13.85	13.79	13.62	11.99	10.35
Low price	8.01	9.5	9.01	8.5	11	11.9	11.02	11	10.58	9.7	9.1	7.00



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 2015

Share or Debenture holding of nominal value Rs.	Share / Debenture Holders Number	% to total	Share / Debenture Amount in Rs.	% to total
Upto 500	4,332	75.854	817,668	4.513
501 - 1,000	568	9.946	481,338	2.657
1,001 - 2,000	359	6.286	572,821	3.162
2,001 - 3,000	137	2.399	348,989	1.926
3,001 - 4,000	56	0.981	199,190	1.099
4,001 - 5,000	56	0.981	270,084	1.491
5,001 - 10,000	88	1.541	660,129	3.644
10,001 - & Above	115	2.014	14,767,281	81.508
Total	5,711	100	18,117,500	100

Shareholding pattern as on 31st March 2015

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	260350	1.44

Bodies Corporate	576350	3.18
Resident Individuals	16139349	89.47
TOTAL	18117500	100

9. Dematerialisation of Share : Approximately 95.79% of the equity shares have been dematerialized upto 31st March 2015.
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, 2015.

For VIKAS GRANARIES LIMITED

Sd/-

(Bimla Devi Jindal)

Managing Director

Date : 14.08.2015

Place : Sri Ganganagar

#### 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 2014-2015 that:

- 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;
- the Audit Committee has discussed the quality of those principles as applied and judgments referred on (1) above under the circumstances;
- 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;
- 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 : 14.08.2015

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, 2015 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 : 14.08.2015

Place : Sri Ganganagar

**Bimla Devi Jindal**

(Managing Director & CFO)

## **CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members

VIKAS GRANARIES LIMITED,

1. We have examined the compliance of conditions of Corporate Governance by VIKAS GRANARIES LIMITED, for the year ended on March 31, 2015, as stipulated in clause - 49 of the listing agreement of the said Company with the stock exchanges.
2. 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 corporate governance as stipulated in above mentioned Clause of the listing agreement. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of corporate governance as stipulated in Clause -49 of the listing agreement.
4. However, as per Clause 49 of the listing agreement Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings.
5. The company has held four meetings of the Audit Committee during the financial year 2014-2015 on 29.05.2014, 14.08.2014, 15.11.2014 and 14.02.2015.
6. The Stakeholders Relationship Committee was functioning according to the Listing Agreement.
7. As per the records maintained by the company, no Investor's Grievances were pending for a period exceeding one month as on 31.03.2015.
8. We further state that such compliance is neither an assurance as to the 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/-

Nitesh Kumar Sinha  
Company Secretary

FCS No. 7536

C P No. 7648

Place : Vaishali

Date : 10-08-2015



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENT

Vikas Granaries Limited (formerly known as Adarsh Derivatives Limited), a Company with Public interest, was incorporated in 1995 and established an integrated Guar Gum Powder Manufacturing plant with 4050 MT capacity at Chandisar in Gujarat (India). The Company produces two types of Guar Gum powder i.e. Food Grade and Industrial Grade. The Company is committed to provide its customers overall services and values that is the best. It has contributed significantly to our national output, employment and exports.

### COMPANY OUTLOOK OPPORTUNITIES AND THREAT

#### OPPORTUNITIES

##### Competitive Advantages

The guar bean is principally grown in India, Pakistan, US, Australia and Africa. India produces 2.5 - 3.5 million tons of guar annually, making it the largest producer with about 80% of world production.

##### Geographical, Economical and Industrial Advantages

In India, Rajasthan, Gujarat and Haryana are the main producing regions, and Jodhpur, Sri Ganganagar and Hanumangarh in Rajasthan are the major Guar trading markets. The Company is situated in the area where it has geographical, economical and industrial advantages.

#### THREATS

##### Price stabilization

Price stabilization is one of the major challenges for the industry. Price fluctuation has created uncertainty among guar gum users. Such uncertainty may compel users to look for alternatives.

##### Continuous supply

Production of guar depends heavily upon monsoon as the crop is grown mainly in rain-fed areas of Rajasthan.

Not only sufficient, but also timely rainfall is required for better production. Such dependence on monsoon makes it difficult to forecast its production. During recent years, the industry has built

a huge inventory of guar seed. Dependency upon inventory of seeds may inflate the price of end product but at the same time ensure continuous supply. The industry has to ensure a price which is profitable to them as well as affordable to end users.

##### Technology Disadvantages

The normal guar gum powder doesn't qualify to serve the purpose of shale gas industry effectively. Specific derivatives of guar gum powder are required. Currently, such derivatives are produced only in a few countries such as the US and China. Indian processors are yet to start supply of specific guar gum derivatives.

#### PERFORMANCE EVALUATION

During the current year under review your company has achieved a total turnover of Rs. 2,927,135,360 as compared to Rs. 1,403,959,907 in the previous year. During the year under review the company has earned a net profit of Rs. 3,945,583 as compared to net profit of Rs. 6,441,345 during previous year.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company is having adequate internal control systems and procedures which commensurate with the size of the Company. All the departments of the Company are following the established rules and regulations for internal control systems. Company established an Internal Control Audit Department which ensures that the internal control systems are properly followed by all the concerned departments of the Company.

#### HUMAN RESOURCES/INDUSTRIAL RELATIONS

Beyond Balance Sheet, Company's singly biggest asset is its Human Resource. The Company is of firm belief that the human resources are the driving force towards progress and success. The Company continued its policy of attracting and recruiting best available talents so that it can face business challenges ahead. The Company also offers attractive compensation packages to retain and motivate its professionals so that they can infuse their best efforts. The industrial relation continues to be cordial during the year.

Though the statement and views expressed in the above said report are on the basis of certain assumptions and expectations of future events, but actual results may differ from whatever is stated in the report.

## INDEPENDENT AUDITORS' REPORT

To, The Members of

**Vikas Granaries Limited**

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit/loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

S.P. Aggarwal  
Partner

Date : 29 May 2015  
Place : Sri Ganganagar

Membership No. 74813

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

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

- (i) a) The Company has maintained 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.
- (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) Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. The Company is not providing any services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the activities rendered by the Company.

- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) In our opinion, the Company has not defaulted in repayment of dues to a bank or financial institution. There are no debenture holders.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

S.P. Aggarwal  
Partner

Date : 29 May 2015  
Place : Sri Ganganagar

Membership No. 74813

## VIKAS GRANARIES LIMITED

### Balance Sheet as at 31 March 2015

(Amt. in Rs.)

	Notes	As at 31 March 2015	As at 31 March 2014
<b>Equity and liabilities</b>			
<b>Shareholders' fund</b>			
Share capital	2	181,175,000	181,175,000
Reserves and surplus	3	777,417,303	773,471,720
		<u>958,592,303</u>	<u>954,646,720</u>
<b>Non-current liabilities</b>			
Long-term borrowing	4	1,055,000,000	1,055,000,000
Deferred tax liability (net)	5	92,718,497	90,330,310
		<u>1,147,718,497</u>	<u>1,145,330,310</u>
<b>Current liabilities</b>			
Short-term borrowings	6	-	-
Trade payables	7	595,326,046	616,052,588
Other current liabilities	7	369,074	1,062,226
Short-term provisions	8	249,129	187,851
		<u>595,944,249</u>	<u>617,302,665</u>
<b>Total</b>		<u>2,702,255,049</u>	<u>2,717,279,695</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	9	1,205,147,420	1,344,110,393
Capital work in progress		528,045,311	495,462,760
Non-current investments	10	33,384	33,384
		<u>1,733,226,115</u>	<u>1,839,606,537</u>
<b>Current assets</b>			
Inventories	11	143,989,675	203,128,686
Trade receivables	12	797,168,061	647,887,754
Short term loans and advances	13	27,341,912	26,121,075
Cash and cash equivalents	14	529,286	535,643
		<u>969,028,934</u>	<u>877,673,158</u>
<b>Total</b>		<u>2,702,255,049</u>	<u>2,717,279,695</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

Company Secretary

Date : 29th May 2015

Place : Sri Ganganagar

## VIKAS GRANARIES LIMITED

### Statement of profit and loss for the year ended 31 March 2015

(Amt. in Rs.)

	Notes	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>INCOME</b>			
Revenue from operation	15	2,927,135,360	1,403,959,907
Other income	16	356,789	19,773,261
<b>Total (I)</b>		<u>2,927,492,149</u>	<u>1,423,733,168</u>
<b>EXPENDITURE</b>			
Cost of materials consumed	17	2,730,804,069	1,154,009,654
Employee benefits expenses	18	5,175,165	6,050,600
(Increase)/ decrease in stock of finished goods	19	14,825,668	69,875,931
Finance cost	20	1,081,972	9,080,007
Depreciation and amortization expenses		140,074,663	140,097,116
Other expenses	21	29,196,842	36,390,697
<b>Total (II)</b>		<u>2,921,158,379</u>	<u>1,415,504,005</u>
Profit/(loss) before tax		6,333,770	8,229,163
Tax expenses			
- current tax		1,206,900	2,004,508
- MAT credit entitlement		(1,206,900)	(2,004,508)
- deferred tax		2,388,187	1,787,817
Total Tax expense		<u>2,388,187</u>	<u>1,787,817</u>
Profit/(loss) for the year		<u>3,945,583</u>	<u>6,441,345</u>
Earnings per share (basic and diluted) - Rs.	23	0.22	0.36
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

**S.P. Aggarwal**

Proprietor

M.No. : 74813

Date : 29th May 2015

Place : Sri Ganganagar

**For and on behalf of the Board of Directors**

**Bimla Devi Jindal**

Managing Director

**B D Agarwal**

Director

Company Secretary



## VIKAS GRANARIES LIMITED

### Cash flow statement for the year ended 31 March 2015

(Amt. in Rs.)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Cash Flow From operating activities</b>		
Profit before tax from operations	6,333,770	8,229,163
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	140,074,663	140,097,116
Misc. expenditure written off	-	-
Interest expenses	1,081,972	9,080,007
Interest income	(261,249)	(244,735)
Operating profit before working capital changes	147,229,156	157,161,550
Movements in working capital		
Increase/(decrease) in trade payables	(20,726,542)	373,755,206
Increase/(decrease) in short term provisions	(119,498)	(20,294)
Increase/(decrease) in other current liabilities	(693,152)	(1,031,813)
Decrease/(increase) in trade receivables	(149,280,307)	(367,293,369)
Decrease/(increase) in inventories	59,139,011	134,234,714
Decrease/(increase) in short term loans and advances	(13,937)	(60,644)
Cash generated from / (used in) operations	35,534,732	296,745,351
Direct taxes paid (net of refunds)	(1,026,125)	(19,081,180)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>34,508,607</b>	<b>277,664,171</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, CWIP and capital advance	(33,694,241)	(45,744,447)
Proceed from sale of fixed assets	-	-
Payment for non current investment	-	-
Interest received	261,249	244,735
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(33,432,992)</b>	<b>(45,499,712)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long term borrowings	-	-
Repayment of long term borrowing	-	-
Proceeds from short term borrowings	-	-
Repayment of short term borrowing	-	(223,360,264)
Interest paid	(1,081,972)	(9,080,007)
<b>Net cash flow from / (used in) in financing activities (C)</b>	<b>(1,081,972)</b>	<b>(232,440,271)</b>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(6,357)	(275,812)
Cash and cash equivalents at the beginning of the year	535,643	811,455
<b>Cash and cash equivalents at the end of the year</b>	<b>529,286</b>	<b>535,643</b>
Components of cash and cash equivalents		
Cash on hand	239,873	313,719
With banks on current account		
-on deposit account	289,413	221,924
<b>Total cash and cash equivalents</b>	<b>529,286</b>	<b>535,643</b>

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

Company Secretary

Date : 29th May 2015

Place : Sri Ganganagar

## VIKAS GRANARIES LIMITED

### Notes to financial statements for the year ended on 31 March 2015

#### 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 and grading of Guar Gum Powder and grading of guar splits and its derivatives.

#### 2. Basis of preparation

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

##### 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.
- v. Capital work in progress includes capital advance.

##### c. Depreciation

Depreciation on all assets of the company has been provided on straight line basis as per the provision specified in the Schedule II of the Companies Act 2013. Depreciation for the assets purchased / sold during a period is proportionately charged.

##### 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 2015

(Amt. in Rs.)

	As at 31-Mar-15	As at 31-Mar-14
<b>3. Share capital</b>		
<b>Share capital</b>		
<b>Authorised capital</b>		
60,000,000 (previous year 60,000,000) equity shares of Rs. 10 each	600,000,000	600,000,000
	<b>600,000,000</b>	<b>600,000,000</b>
<b>Issued, subscribed and paid up capital</b>		
18,117,500 (previous year 18,117,500) equity shares of Rs.10 each fully paid up	181,175,000	181,175,000
	<b>181,175,000</b>	<b>181,175,000</b>

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

**Equity Shares**

	31-Mar-15	31-Mar-14
	Numbers	Amount
At the beginning of the year	18,117,500	181,175,000
Issued during the year	-	-
Balance at the end of the year	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-15	31-Mar-14
	No. of Shares	% Holding
<b>Equity shares of Rs. 10 each fully paid</b>		
Bajrang Dass Agarwal	1,070,000	5.91%
Dhanna Ram Saharan	2,500,000	13.80%
Amit Babbar	1,065,598	5.88%
Girish Kansal	2,200,000	12.14%
Sarbati Devi	2,100,000	11.59%
Nir Singh Sandhu	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-15	31-Mar-14
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 2015

	(Amt. in Rs.)
As at 31-Mar-15	As at 31-Mar-14
<b>3. Reserves and surplus</b>	
Securities premium reserve	133,650,000
Subsidy	179,844
<b>Balance as at the end of the year</b>	<b>133,829,844</b>
<b>Surplus/(deficit) in the statement of profit and loss</b>	
Balance as per last financial statements	639,641,876
Profit for the year	3,945,583
<b>Balance as at the end of the year</b>	<b>643,587,459</b>
<b>Total reserves and surplus</b>	<b>777,417,303</b>
<b>4. Long-term borrowings</b>	
<b>Unsecured loans</b>	
Loan from director	1,055,000,000
	<b>1,055,000,000</b>
<b>5. Deferred tax liabilities (net)</b>	
Deferred tax liability arising on account of depreciation	100,778,475
Deferred tax assets arising on account of loss as per income tax	(8,059,978)
	<b>92,718,497</b>
<b>6. Short-term borrowings</b>	
<b>From Bank</b>	
Loan from bank	-
	-
<b>The above amount includes</b>	
Secured borrowings	-
<b>7. Other current liabilities</b>	
Trade payables	595,326,046
<b>Other liabilities</b>	
TDS payable	33,099
CST/WCT payable	-
Salary payable	335,975
Bank overdraft	-
	<b>369,074</b>
<b>8. Provisions</b>	
<b>Other provisions</b>	
Provision for expenses	68,354
Provision for income tax	180,775
	<b>249,129</b>



**VIKAS GRANARIES LIMITED**  
**Notes to financial statements for the year ended on 31 March 2015**

**9. Fixed assets**

(Amt. in Rs.)

Particulars	Gross Block			Depreciation			Net Block	
	As at 1 April 2014	Additions during the year	Deletions / adjustments	As at 31 March 2015	As at 1 April 2014	For the year	Deletions / adjustments	As at 31 March 2015
<b>i) Tangible assets</b>								
Land	51,264,451	-	-	51,264,451	-	-	-	51,264,451
Buildings	21,317,843	-	-	21,317,843	8,331,979	675,776	-	12,985,864
Plant and equipment	1,809,585,702	1,111,690	-	1,810,697,392	530,154,854	139,164,264	-	1,279,430,848
Furniture and fixtures	622,218	-	-	622,218	579,816	59,111	-	42,402
Vehicles	2,253,805	-	-	2,253,805	2,253,805	-	-	0
Office equipments	923,748	-	-	923,748	536,920	175,512	-	386,828
<b>Total</b>	<b>1,885,967,767</b>	<b>1,111,690</b>	<b>-</b>	<b>1,887,079,457</b>	<b>541,857,374</b>	<b>140,074,663</b>	<b>-</b>	<b>1,344,110,393</b>
								<b>1,205,147,420</b>

## VIKAS GRANARIES LIMITED

### Notes to financial statements for the year ended on 31 March 2015

	(Amt. in Rs.)
As at 31-Mar-15	As at 31-Mar-14
<b>10. Non-current investments</b>	
National saving certificates	33,384
	<u>33,384</u>
<b>11. Inventories</b>	
Finished goods	41,006,900
Raw material	102,781,140
Packing materials	-
Consumables	201,635
	<u>143,989,675</u>
<b>12. Trade receivables</b>	
<b>Unsecured, considered goods unless otherwise stated</b>	
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>
<b>13. Loans and advances</b>	
<b>Security deposit</b>	
Unsecured, considered good	2,902,762
<b>Other loans and advances</b>	
TDS receivable	18,165
MAT credit	24,092,304
Other current assets	314,744
	<u>26,121,075</u>
<b>14. Cash and bank balances</b>	
<b>Balances with banks:</b>	
On current accounts	221,924
<b>Cash in hand</b>	313,719
	<u>535,643</u>
	<u>For the year ended 31 March 2015</u>
<b>15. Revenue from operation</b>	<u>For the year ended 31 March 2014</u>
<b>Sale of goods (gross)</b>	
- Guar gum	1,393,523,819
<b>Other operating income</b>	
- Profit on sale of import licenses	10,436,088
	<u>1,403,959,907</u>
<b>16. Other income</b>	
Interest income	244,735
Foreign exchange gain	18,056,587
Other income	1,471,939
	<u>19,773,261</u>
<b>17. Cost of material consumed</b>	
Inventory at the beginning of the year	211,401,227
Add: Purchases	1,089,774,891
	<u>2,833,585,209</u>
Less: Inventory at the end of the year	(147,166,464)
	<u>2,730,804,069</u>

## VIKAS GRANARIES LIMITED

### Notes to financial statements for the year ended on 31 March 2015

	(Amt. in Rs.)	
	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>18. Employee benefits expenses</b>		
Salaries, wages and allowances	5,081,157	5,959,952
Contribution to provident and other funds	94,008	90,648
	<u>5,175,165</u>	<u>6,050,600</u>
<b>19. (Increase)/decrease in stock of finished goods</b>		
Inventory at the end of the year	41,006,900	55,832,568
Less : Inventory at the beginning of the year	<u>(55,832,568)</u>	<u>(125,708,499)</u>
	<u>(14,825,668)</u>	<u>(69,875,931)</u>
<b>20. Finance cost</b>		
Bank charges	122,822	1,846,407
Interest expenses	959,150	7,233,600
	<u>1,081,972</u>	<u>9,080,007</u>
<b>21. Other expenses</b>		
<b>Manufacturing expenses</b>		
Chemicals	1,507,527	12,486
Freight Inward & Outward	2,448,217	6,939,135
Grading & Sorting expenses	6,000,856	1,283,811
Packing Material	666,264	1,596,875
Power, fuel and water	13,628,823	17,689,064
Repair & Maintenance	132,355	1,384,410
Stores & Spares Consumed	155,154	713,251
<b>Administrative expenses</b>		
Advertisement expenses	261,365	256,936
Insurance expenses	310,402	867,821
Legal & Professional Charges	674,752	1,022,747
ECGC expenses	10,000	942,317
Foreign exchange loss	718,986	-
Lease rent	-	692,379
Handling Charges	-	56,033
Laboratory expenses	258,708	673,105
Office expenses	282,947	795,958
Rates & Taxes	45,000	90,000
Remuneration to Auditors	173,712	134,520
Telephone, Postage & Stationary	123,892	189,659
Travelling expenses	238,180	368,581
Vehicle running expenses	1,026,953	-
Misc. expenses	532,725	681,610
	<u>29,196,818</u>	<u>36,390,697</u>
<b>22. Earning per share (EPS)</b>		
Profit attributable to equity shareholders's (for basic and diluted earning)	3,945,583	6,441,345
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.)	0.22	0.36

#### 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 2015

**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.98.56 lacs (previous year Rs. 105.82 lacs)

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

Particulars	For the year ended 31-Mar-15		For the year ended 31-Mar-14	
	%	Amount	%	Amount
<b>1) Raw material</b>				
Indigenous	100%	27,308.04	100%	11,540.10
<b>ii) Stores and spare parts</b>				
Indigenous	100%	16.63	100%	7.26
Imported	-	-	-	-

27 During the year the company has organised seed distribution programme, in which gaur seed for Rs 10.27 lacs was distributed free of cost to farmers for promotion of guar cultivation as Corporate Social responsibility prescribed under section 135 of the Companies Act, 2013.

28 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

Company Secretary

Date : 29th May 2015

Place : Sri Ganganagar

**VIKAS GRANARIES LIMITED****ATTENDANCE SLIP**

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

(To be handed over at the entrance of the meeting hall)

**21st Annual General Meeting on 30 September, 2015**

DPID-CLID /Folio No. -

Name of Shareholder (s) -

Address -

I / We certify that I am / we are Member(s) / Proxy of the Member(s) of the Company holding \_\_\_\_\_ shares.

I hereby record my presence at the Twenty First Annual General Meeting of the Company to be held on Wednesday, September 30, 2015 at 12:00 p.m. at Hisar Road, Siwani, Haryana-127046.

\_\_\_\_\_  
Signature of Member / Proxy**Electronic Voting Particulars**

Electronic Voting Sequence No. (EVSNo)	User ID	Sequence Number

**Note:** Please read the instructions printed in the Notice of the Twenty First Annual General Meeting. The voting period starts from 10:00 a.m. (IST) on Sunday, 27 September, 2015 and ends at 05:00 p.m. (IST) on Tuesday, September 29, 2015. The voting module shall be disabled by CDSL for voting thereafter.

**VIKAS GRANARIES LIMITED****PROXY FORM**

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

**Form No. MGT-11****[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

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

1. Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him / her

2. Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him / her

3. Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him / her

as my/ our proxy to attend and vote( on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the company, to be held on Wednesday 30th day of September, 2015 at 12 p.m. at Hisar Road , Siwani and at any adjournment thereof:

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature of Proxy holder \_\_\_\_\_

Signature of the shareholder \_\_\_\_\_

- Note:**
- 1) 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.
  - 2) The proxy need not be a member of the company

affix  
Re. 1/-  
Revenue  
Stamp







## **VIKAS GRANARIES LIMITED**

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

