

**VIKAS GRANARIES LIMITED**

CIN : L15400HR1994PLC036433

Corporate Office : F - 88-89, Udyog Vihar

RIICO Industrial Area, Sri Ganganagar - 335002 (Raj.)

E-mail : office@vikasgranaries.in

web site : www.vikasgranaries.in

Telephone : 0154-2494319, FAX : 0154-2494361



October 09<sup>th</sup>, 2017

To,

**The General Manager,**  
Bombay Stock Exchange,  
Corporate Relation Department,  
Phiroze Jeejeebhoy Tower,  
Dalal Street, Mumbai – 400001

**Ref:** Vikas Granaries Limited

**Scrip Code:** 531518

**Sub:** Compliance of Regulation 34 of the SEBI (Listing obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulation").

**Dear Sir,**

In Compliance with Regulation 34 of the Listing Regulations, please find attached herewith Annual Report for the Financial Year 2016-17 duly approved and adopted by the shareholders at the 23<sup>rd</sup> Annual General Meeting held on Saturday, 30<sup>th</sup> September 2017 at 11:00 A.M. at Railway Road, Siwani, Haryana.

The Annual Report for the financial year 2016-17 has been uploaded on the website of the Company ([www.vikasgranaries.com](http://www.vikasgranaries.com))

You are requested to kindly take the above information on record.

**Thanking You**

**Yours Faithfully,**  
**For Vikas Granaries Limited**

*(Signature)*  
**Praveen Bishnoi** **Company Secretary**  
Membership No.: A48331

# 23<sup>rd</sup> ANNUAL REPORT 2016-2017



**VIKAS GRANARIES LIMITED**

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



The World of Water Soluble Polymers  
No Question about quality....

**VIKAS GRANARIES LIMITED**





**BOARD OF DIRECTORS**

**Mrs. Bimla Devi Jindal**  
Chairman & Managing Director  
**Mr. Bajrang Dass Aggarwal**  
Director  
**Mrs. Kamini Jindal**  
Director  
**Mr. Ravi Sharma**  
Independent Director  
**Mr. Neeraj Chhabra**  
Independent Director  
**Mrs. Deepika Aggarwal**  
Independent Director

**COMPANY SECRETARY AND COMPLIANCE OFFICER**

Mr. Praveen Bishnoi

**AUDIT COMMITTEE**

**Mr. Ravi sharma**  
Chairman  
**Mr. Neeraj Chhabra**  
Member  
**Mr. Bimla devi Jindal**  
Member

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

**Mrs. Bimla Devi Jindal**  
Chairman  
**Mr. Bajrang Dass Aggarwal**  
Member  
**Mr. Ravi Sharma**  
Member

**STAKEHOLDER RELATIONSHIP COMMITTEE**

**Mrs. Deepika Aggarwal**  
Chairman  
**Mr. Ravi Sharma**  
Member  
**Mr. Neeraj Chhabra**  
Member  
**Mrs. Kamini Jindal**  
Member

**RISK MANAGEMENT COMMITTEE**

**Mrs. Bimla Devi Jindal**  
Chairman  
**Mr. Bajrang Dass Aggarwal**  
Member  
**Mrs. Kamini Jindal**  
Member

**NOMINATION AND REMUNERATION COMMITTEE**

**Mr. Neeraj chhabra**  
Chairman  
**Mr. Ravi sharma**  
Member  
**Mrs. Kamini Jindal**  
Member

**STATUTORY AUDITOR**  
**S. Prakash Aggarwal & Co.**

Chartered Accountants  
Sri Ganganagar

**INTERNAL AUDITOR**  
**Sanjay Goyal & Associates**

Chartered Accountants  
Sri Ganganagar

**SECRETARIAL AUDITOR**  
**Ravindra Gupta & Associates**

Company Secretaries  
Sri Ganganagar

**CONTENTS**

Notice of Annual General Meeting .....	01
Director's Report .....	06
Auditor's Report.....	35
Balance Sheet .....	39
Profit & Loss Account .....	40
Cash Flow Statement .....	41
Notes to Accounts .....	42

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of Vikas Granaries Limited will be held on the Saturday 30th day of September 2017 at 11:00 A.M. at Railway Road, Siwani, Haryana-127046 to transact the following business:

### ORDINARY BUSINESS

1. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** the audited Financial Statements of the Company for the financial year ended 31st March 2017, including the Balance Sheet as at 31st March 2017, the respective Statements of Profit & Loss and Cash Flow for the year ended as on that date, and the accompanying Notes thereto, along with the Auditors’ and Directors’ Report thereon, be and are hereby approved and adopted.”

2. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Mrs. Bimla Devi Jindal (DIN:00034997), who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a director of the Company, liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013.”

3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and rules made there-under, as amended or re-stated from time to time, M/s. Yogesh Mahipal & Associates, Chartered Accountants (Firm Registration No.: 030845N), be and are hereby appointed as Statutory Auditor of the Company to hold office for financial year 2017-18 to 2021-22 at such remuneration as may be fixed by the Board of Directors of the Company.”

### SPECIAL BUSINESS

#### 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 Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015 (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. M/s Vegan Colloids Limited (a related party)
3. M/s 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** Sh. Bajrang Dass Aggarwal Director and Smt Bimla Devi Jindal, Managing Director 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.”

**Registered Office:**  
Siwani

**Corporate Office**  
Sri Ganganganagar

**By the order of Board**  
SD/-

Bimla Devi Jindal  
Managing Director  
DIN: 00034997

**Address:** 123, Vinoba Basti,  
Sri Ganganganagar - 335001

Place: Sri Ganganganagar  
Date: 04/09/2017

### NOTES:

1. 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.
2. Information regarding particulars of the Director to be appointed and the Director seeking appointment/re-appointment as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard-2 on General Meetings are also annexed as Annexure-A and the explanatory statement pursuant to Section 102 of the Companies Act, 2013, are annexed hereto. The directorships held by the Directors considered for the purpose of disclosure does not include the directorships held in foreign companies. The Committee chairmanships/memberships considered for the purposes of disclosure are those prescribed under Regulation 18 & 20 of SEBI (Listing



Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit and Risk Management Committee and Stakeholders' Relationship Committee respectively of Indian public limited companies.

3. 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.
4. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
5. 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.
6. 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.
7. 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.
8. 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.

9. 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: [cs.vikasgranaries@gmail.com](mailto:cs.vikasgranaries@gmail.com)

The Notice of the AGM along with the Annual Report 2016-17 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.

10. (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 10:00 A.M. on Wednesday, 27th September 2017

End of e-voting: Up to 5:00 P.M. on Friday, 29th September 2017

e-voting shall not be allowed beyond 5:00 P.M., Friday, 29th September 2017. 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 Friday, 23rd September 2017.

- (b) The company has engaged the services of CDSL as the Authorized Agency to provide e-voting facilities.
- (c) The company has appointed Ravindra Gupta & 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 from 10:00 A.M. on Wednesday, 27th September 2017 and ends on 5:00 P.M. on Friday, 29th September 2017. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, 23rd September 2017, 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:

	For Members holding shares in Demat Form and Physical Form
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 "EVS" 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)

11. 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 PURSUANT TO SECTION 102 (1) OF THE COMPANIES 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 No. 4 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,

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

the Company must obtain prior approval of the Board of Directors and in case of the transaction value exceeds the limit specified 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)

**Registered Office:**  
Siwani

**Corporate Office**  
Sri Ganganagar

**By the order of Board**  
SD/-

Bimla Devi Jindal  
Managing Director  
DIN: 00034997

**Address:** 123, Vinoba Basti,  
Sri Ganganagar - 335001

Place: Sri Ganganagar  
Date: 04/09/2017

# Annexure-A

Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company (Pursuant to Regulation 36 of the Listing Regulations and Secretarial Standards-2 on General Meetings)

Name of the Director	Bimla Devi Jindal
Date of birth	16/12/1957
Date of Appointment	21/08/2007
Qualification	Bachelor's Degree in Commerce.
Experience in Specific functional areas	She has long experience in Guar Gum Industry.
No. of Equity Shares held in the Company as on March 31, 2017	NIL
Terms & Conditions of reappointment	As per Company's Appointment and Remuneration Policy
*Remuneration last drawn during the year FY 2016-17 (Rs. in lakhs)	NIL
No. of meetings of Board attended during the year	15
Directorship held in other Companies as on March 31, 2017	3 (Vikas WSP Limited, Vegan Colloids Limited and Vikas Chemi Gums (India) Limited)
Relationship with any other director inter-se and KMPs of the Company	Wife of Mr. Bjarang Dass Aggarwal (Director) and Mother of Mrs. Kamini Jindal (Director)
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Director of Vikas WSP Limited Member of Risk Management Committee and Corporate Social Responsibility Committee in Vikas WSP Limited



## DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in submitting their 23rd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2017.

### FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous year figures are given hereunder:

(Amount in Rs.)

	Year ended 31.03.2017	Year ended 31.03.2016
Turnover	31,150,516	1,162,282,700
Other Income	-	252,334
Total Revenue	31,150,516	1,162,535,234
<b>Profit/Loss Before Tax</b>	(127,220,310)	(76,597,197)
Less:		
(a) Current Income Tax	-	-
(b) Deferred Tax	11,232,056	13,493,203
<b>Net Loss After Tax</b>	<b>(138,452,365)</b>	<b>(90,090,401)</b>

### STATE OF AFFAIRS AND REVIEW OF PERFORMANCE OF THE COMPANY

The highlights of the Company's performance are as under:

1. Revenue for the year decreased from previous year of Rs. 1,162,282,700/- to current year of Rs. 31,150,516/-
2. Net Loss for the year increased from previous year of Rs. 90,090,401/- to current year of Rs. 138,452,365/-.

### DIVIDEND

As our Company incurred heavy losses during the year under review and due to the accumulated losses, our directors regret for their inability to declare dividend to the members.

### TRANSFER TO RESERVES

During the year no amount was transfer to the reserves.

### CHANGE IN NATURE OF BUSINESS

There is no change in the nature of business during the period under review.

### CHANGE IN CAPITAL STRUCTURE OF THE COMPANY

There is no change in the capital structure of the Company during the period under review.

### DETAILS OF SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES:

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

### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

### MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Except the information given in this report, no material changes have taken place after completion of the financial year up to the date of this report which may have substantial effect on business and finances of the Company.

### STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has in place a Risk Management Policy which was reviewed by the Audit Committee and approved by the Board of Directors of the Company. The Policy provides for a robust risk management framework to identify and assess risks such as operational, strategic, financial, security, property, regulatory, reputational and other risks and put in place an adequate risk management infrastructure capable of addressing these risks.

Given below are significant potential risks of the Company and measures in place to mitigate them:

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.

### DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has formed a Corporate Social Responsibility Committee under section 135 of Companies Act, 2013. The CSR Committee comprises of Mrs. Bimla Devi Jindal (Chairman), Mr. Bajrang Dass Aggarwal and Mr. Ravi Sharma as Members. Meetings of CSR Committee during the year under review were held as follow:

Sr. No	Date of Meeting
1.	09/06/2016
2.	13/08/2016
3.	14/11/2016
4.	14/02/2017

The Company's vision is to be a global benchmark in value creation and corporate citizenship. The objective of our Corporate Social Responsibility (CSR) initiatives is to improve the quality of life of communities through long-term value creation for all stakeholders.

We continue to remain focused on improving the quality of life and engaging communities through health, education, sports and infrastructure development. The Company believes in following this provision not in law but in spirit too.

The report on CSR activities, in terms of Section 135 of the Companies Act, 2013, is annexed to this report as Annexure VI.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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. The said policy is available on the Company's website viz. [www.vikasgranaries.in](http://www.vikasgranaries.in).

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 for the Financial Year 2016-17 in the prescribed format, Form AOC 2 has been furnished in Annexure VII and is attached to this report.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review, the Company has not made any loan, given any guarantee or provided security in connection with the loan to any other body corporate or person under Section 186 of the Companies Act, 2013.

## ANNUAL RETURN

The extracts of Annual Return in Form MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure IV and is attached to this Report.

## DEPOSITS

The Company has not accepted any deposits under chapter V of Company Act, 2013 during the year 2016-17.

## COST RECORDS AND AUDIT

The Company is not required to maintain Cost record for any of its product under Section 148 of the Companies Act, 2013. The provisions relating to Companies (Cost Records and Audit) Rules, 2014 does not apply to the Company.

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

In terms of requirement of clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013 read with the Companies Account(s) Rules, 2014, the particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in Annexure III to this report.

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

The Company's Policy relating to appointment, resignation or removal of Key Managerial Person, payment of managerial remuneration of Directors, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is

furnished in Annexure-II and is attached to this report.

## COMPOSITION OF BOARD AND NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company maintains the optimum combination of Executive and Independent Directors having rich experience in related sectors. The Board of Directors always endeavor to create an environment of fairness, equity and transparency in transactions with the underlying objective of securing long term stakeholder value, while, at the same time, respecting the right of all Stakeholders.

As at 31st March 2017, there were six directors in the composition of Board of Director of the Company. The Board of Directors comprises three executive directors including an executive chairman and three non-executive independent directors.

There is no nominee director, appointed by any Financial Institution/Bank on the Board of Directors of the Company. Independent Director did not have any material pecuniary relationship or transactions with the Company during the year 2016-17, which may affect their judgments in any manner.

During the year under review fifteen meeting of Board of Directors were held as on following Dates:

Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1.	05/04/2016	9.	08/09/2016
2.	07/04/2016	10.	26/09/2016
3.	30/05/2016	11.	14/11/2016
4.	09/06/2016	12.	03/12/2016
5.	12/07/2016	13.	14/02/2017
6.	14/08/2016	14.	09/03/2017
7.	26/08/2016	15.	31/03/2017
8.	30/08/2016		

## PERFORMANCE EVALUATION REPORT

In terms of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there is requirement of formal evaluation by the Board of its Own Performance and that of its committee and individual directors.

The evaluation of individual directors and the Board as a whole was conducted based on criteria and framework adopted by the Board. The Evaluation criteria has been explained in the Nomination and Remuneration Policy adopted by the Board and forms part of this Annual Report.

## MANNER & CRITERIA OF FORMAL ANNUAL EVALUATION OF BOARD'S PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

In compliance with requirements of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the formal annual performance evaluation of the Board, its Committees and Individual Directors has been conducted as under:

- Manner of evaluation as recommended to the Board by the Nomination, Remuneration and Compensation Committee

(NRCC)

1. The Chairman of the Board consulted each Director separately about the performance of Board, Committees and other Directors and sought inputs in relation to the above. The Chairman then collated all the inputs and shared the same with the Board.
2. In respect of the evaluation of Chairman of the Board, the Chairman of the NRCC collated the inputs from Directors about Chairman's performance as a Director of the Board and/ or Chairman or the Member of the Board Committees and shared the same with the Board.

The Board as a whole discussed the inputs on performance of Board/Committees/Individual Directors and performed the evaluation, excluding the Director being evaluated.

- B. Criteria of evaluation as approved by the NRCC. The aforesaid evaluation was conducted as per the criteria laid down by the NRCC as follows:

Performance of	Evaluation Criteria
(i) Board as a whole	<ul style="list-style-type: none"> <li>• Fulfillment of functions of the Board (for instance guiding corporate strategy, risk policy, business plans, corporate performance, monitoring Company's governance practices etc., as per the Act and SEBI (Listing Obligations &amp; Disclosure Requirements) Regulations, 2015.</li> <li>• Number of Board Meetings held during the year.</li> </ul>
(ii) Board Committees	<ul style="list-style-type: none"> <li>• Fulfillment of functions of the Committee with reference to its terms of reference, the Act and SEBI (Listing Obligations &amp; Disclosure Requirements) Regulations, 2015</li> <li>• Number of Committee Meetings held during the year.</li> </ul>
iii) Individual Directors	<ul style="list-style-type: none"> <li>• Fulfillment of responsibilities as a Director as per the Act, the SEBI (Listing Obligations &amp; Disclosure Requirements) Regulations, 2015, and applicable Company policies and practices.</li> <li>• In case of the concerned Director being Independent Director, Executive Director, Chairperson of the Board or Chairperson or Member of the Committees, with reference to such status and role.</li> <li>• Board and/or Committee meetings attended.</li> <li>• General Meetings attended.</li> </ul>

## CHANGE IN DIRECTORS

Mr. Bajrang Dass Aggarwal who was liable to be retires by rotation and presented himself for reappointment, was reappointed as director in the Annual General Meeting held on 30th September 2016.

## RELATIONSHIP AMONG THE DIRECTORS

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

## INDEPENDENT DIRECTORS

The Board of Company consists of three independent Directors namely

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

The Company has received declaration from all the Independent Directors of the Company under Section 149(7) of the Act, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Above declaration given by Independent Directors is enclosed as Annexure – I to this report.

## FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS

Independent Directors are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on the business and performance updates of the Company, business strategy and risks involved. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. Site visits to various locations where the Company's operations / activities are carried out are organized for the Independent Directors to enable them to understand the operations of the Company.

The details of familiarization programme for Independent Directors are available on Company's website [www.vikasgranaries.in](http://vikasgranaries.in) at the following web link:

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

## AUDITORS

### STATUTORY AUDITORS:

M/s S. Prakash Aggarwal & Co., who was appointed as Statutory Auditors of the company in Annual General meeting held on 30th September 2014. There term of appointment has been expired and

they are not eligible for reappointment under section 139(2) of the Companies Act, 2013.

Therefore, The Board has now proposed to appoint M/s Yogesh Mahipal & Associates, as Statutory Auditor for a period of 5 year as per requirements of section 139 (1) of the Companies Act 2013 read with Companies (Audit and Auditors) Rules 2014. The Board has received their letter of consent as well as a certificate from there that they are eligible to appoint as statutory auditor of the company in accordance with the provisions of Section 141 of the Companies Act, 2013. Necessary resolution for their appointment as the Statutory Auditors is proposed to be passed at the Annual General Meeting.

#### SECRETARIAL AUDITOR

In terms of Section 204 of the Companies Act, The Company had appointed M/s. Ravinder Gupta & Associates, Company Secretaries, to conduct its Secretarial Audit for the Financial Year ended. The Secretarial Auditors have submitted their report for compliance of the provisions of applicable Corporate Laws and other applicable Laws on the Company. The Report on Secretarial Audit is self-explanatory on compliances and attached as Annexure-X to this report. The report of the Secretarial Auditors is enclosed as Annexure-VIII to this report.

#### INTERNAL FINANCIAL CONTROL

M/s Sanjay Goyal & Associates has been appointed as internal auditor of the company to review and strengthen the Internal Financial Control System of the Company. The Board of Director timely review the internal control system and plan 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.

#### INTERNAL CONTROLS

The Company has robust internal control systems and procedures commensurate with its nature of business which meets the following objectives:

- Providing assurance regarding the effectiveness and efficiency of operations;
- Efficient use and safeguarding of resources;
- Compliance with policies, procedures and applicable laws and regulations; and
- Transactions being accurately recorded and promptly reported.

The Company continues to have periodical audits conducted of all its functions and activities to ensure that systems and procedures are followed across all areas.

The Audit Committee of Directors of the Company regularly reviews the adequacy of internal control systems through such audits.

The Internal Auditor reports directly to the Audit Committee.

The Company also has a budgetary control system to monitor expenditure against approved budgets on an ongoing basis.

#### AUDIT COMMITTEE AND VIGIL MECHANISM

##### AUDIT COMMITTEE

The Company has an adequately qualified Audit Committee constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31st March 2017, there were three directors in the composition of Audit Committee of the Company. The Audit Committee comprises two non-executive independent directors including a non-executive independent chairman and one executive director. The members of audit committee are as follow:

<b>Mr. Ravi sharma</b> (Non-Executive Independent Director, Chairman)	<b>Mr. Neeraj Chhabra</b> (Non-Executive Independent Director, Member)	<b>Mrs. BimlaDevi Jindal</b> (Executive Director, Member)
--	---	--

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

##### VIGIL MECHANISM

Our Vigil Mechanism provides a formal mechanism for all directors, employees and vendors to approach the Ethics Counsellor/ Chairman of the Audit Committee

The Vigil mechanism under section 177 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

The Company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co-employees and the Company.

##### MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis as required by the Listing Regulations is incorporated herein by reference and forms an integral part of this report. A report is annexed to this report as Annexure X.

##### CORPORATE GOVERNANCE:

Corporate Governance reporting is a real opportunity to build confidence of stakeholder's. It is the application of best management practices, compliance of law and adherence to ethical standard to achieve the Company's objective of enhancing shareholders' value and discharge of social responsibility. The Corporate Governance



structure in the Company assigns responsibilities and entrusts authority among different participants in the Organization viz., the Board of Directors, the Senior Management, Employees etc. The Company adopts and adheres to the best recognized Corporate Governance practices and continuously strives to better them.

#### **Company's Philosophy on Code of Governance**

Vikas Granaries Limited defines Corporate Governance as a process directing the affairs of the Company with integrity, transparency and fairness, so as to optimize its performance and maximize the long-term shareholder value in legal and ethical manner, ensuring justice, courtesy, and dignity in all transactions of the Company. The Company is committed to good Corporate Governance in all its activities and processes.

The Company consider stakeholders as partners in the success and remain committed to maximizing stakeholder value. Good Corporate Governance leads to long term stakeholder value.

The Company is committed to the adoption of and adherence to the best Corporate Governance practices at all times and continuously benchmarks itself with the best standards of Corporate Governance, not only in form but also in spirit. Good Governance practices stem from the dynamic culture and positive mindset of the organization.

We ensure that we evolve and follow the corporate governance guidelines and best practices sincerely to not just boost long-term shareholder value, but to also respect minority rights. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations), the Corporate Governance Report and the Auditors' Certificate regarding compliance of conditions of Corporate Governance are annexed to this report Annexure IX.

#### **PARTICULARS OF EMPLOYEES**

The details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of Employees of the Company, are given in Annexure - V of this Board's Report.

#### **INDUSTRIAL RELATIONS AND HUMAN RESOURCE DEVELOPMENT**

The Company continued to maintain harmonious and cordial relations with its workers in all its Divisions, which enabled it to achieve this performance level on all fronts.

The Company has a team of able and experienced professionals. The Company believes that the quality of its employees is the key to its success in the long run. The Company continues to have cordial relations with its employees. The Company provides personal development opportunities and all-round exposure to them.

#### **EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE STATUTORY AUDITORS IN THEIR REPORTS**

There was no qualifications, reservations or adverse remarks made by the statutory auditor in their report.

#### **EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY SECRETARIAL AUDITOR IN THEIR REPORTS**

There was no qualifications, reservations or adverse remarks made by the secretarial auditor in their report.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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;
- c) 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;
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) 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.

#### **ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

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

SD/-  
Place: Sri Ganganagar  
Date: 04/09/2017

**Bimla Devi Jindal**  
Managing Director  
DIN: 00034997  
Address: 123, Vinoba Basti,  
Sri Ganganagar - 335001



## Annexure -I

# DECLARATION OF INDEPENDENCE

11 April 2017

To,

**The Board of Directors  
Vikas Granaries Limited  
Siwani**

**Sub:** Declaration of independence under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations") 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 Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations") 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 year;
- 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:
  - i. 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;

- ii. 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) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - b) 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;
  - iii. holds together with my relatives 2% or more of the total voting power of the company; or
  - iv. is a Chief Executive or director, by whatever name called, of any non-profit 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,**

**Deepika Aggarwal  
R/o 93, Vinoba Basti  
Ward No. 27,  
Distt. Shriganganagar -335001**

11 April 2017

To,

**The Board of Directors  
Vikas Granaries Limited  
Hisar Road, Siwani -127046**

**Sub:** Declaration of independence under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations") 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 Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations") 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 year;
- 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:
  - i. 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;
  - ii. 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) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - b) 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;

iii. holds together with my relatives 2% or more of the total voting power of the company; or

iv. is a Chief Executive or director, by whatever name called, of any non-profit 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,**

**Ravi Sharma  
00035919  
129 New Anaj Mandi**

11 April 2017

To,

**The Board of Directors  
Vikas Granaries Limited  
Hisar Road, Siwani -127046**

**Sub:** Declaration of independence under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations") and sub-section (6) of section 149 of the Companies Act, 2013.

I, Mr. 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 Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations") 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 year;
- 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:
  - i. 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;
  - ii. 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) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - b) 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;

- iii. holds together with my relatives 2% or more of the total voting power of the company; or
- iv. is a Chief Executive or director, by whatever name called, of any non-profit 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,**

**Neeraj Chhabra  
DIN: 06467189  
RCP Tal Colony Q. No.- 34  
Suratgarh, Sri Ganaganagar-335804**

## Annexure-II

# NOMINATION AND REMUNERATION POLICY (VIKAS GRANARIES LIMITED)

## PURPOSE

The Company has formed Nomination and Remuneration Policy u/s 178 (1) of Company Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.

## DEFINITIONS

“**ACT**” the act shall mean The Companies Act, 2013.

“**COMMITTEE**” the committee shall mean Nomination and Remuneration Committee under Section 178 (1) of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**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(s) as may be prescribed

“**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 Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee consists of three members namely:

- Mr. Neeraj Chhabra (Non-Executive Independent Director, Chairman)
- Mr. Ravi Sharma (Non-Executive Independent Director, Member)
- Mrs. Kamini Jindal (Executive Director Member)

## 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 Companies 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 Companies Act, 2013 and rules made thereunder and all the applicable laws, if any.
2. The appointment shall be subject to applicability of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
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 Companies Act, 2013 and rules made thereunder and all the applicable laws, if any.
2. The appointment shall be subject to applicability of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
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.

## Annexure III

### 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

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

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

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 the 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:

- Frequent checking of the capacitors.
- Replacement of high power factor electric motors.
- Timely greasing of the bearings of all the heavy machines.
- Installation of servo stabilizer to boost the voltage.
- The details of total energy consumption are as under:

#### Electricity

Purchased Units	KWH	126782
Total Amount	Rs.	9,06,495
Rate/Unit	Rs.	7.15
Rate per MT	Rs	3,180

#### B. Technology Absorption

##### a) Efforts made towards technology absorption

The Company's Research and Development (R&D) center continues to expand and concentrate on the development of new products and processes to significantly moderate its environmental footprint. The Company is devoted to sustainable development and explores new ways of environment preservation and the responsible use of non-renewable resources.

The Company continues to develop new technologies and processes directed at enhancing productivity.

##### b) Benefits derived like product improvement, cost reduction, product development

- Improved product quality and customer satisfaction.
- Increased skill development of R&D personnel to face future challenges

#### C. Foreign exchange earning & outgoing:

Activities relating to exports, initiative taken to increase exports, development of new markets of its manufactured goods and export plans:

The Company is the country's leading manufacturer exporter of guar water-soluble polymers. The company has always given utmost priority to earn valuable foreign exchange in the larger interest of the nation.

Total foreign exchange earnings during the year	Rs. 1,94,98,249
Total foreign exchange used during the year	NIL
Net foreign exchange earned during the year	Rs. 1,94,98,249

## Form MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2017

[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 India Private 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%

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

S. N.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	NA	NA	NA	NA	NA

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

#### i) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2016				Shareholding at the end of the year - 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	1151228	0	1151228	6.3542	1151228	0	1151228	6.3542	0.0000
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Sub Total (A)(1)	1151228	0	1151228	6.3542	1151228	0	1151228	6.3542	0.0000

[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	1151228	0	1151228	6.3542	1151228	0	1151228	6.3542	0.0000
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	2209457	608015	2817472	15.5511	2318187	606415	2924602	16.1424	0.5913
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	12988172	19300	13007472	71.7951	13014812	19300	13034112	71.9421	0.1470
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Foreign Nationals	0	103000	103000	0.5685	0	103000	103000	0.5685	0.0000
	Hindu Undivided Family	399550	0	399550	2.2053	375435	0	375435	2.0722	-0.1331

	Non Resident Indians (Non Repat)	26907	0	26907	0.1485	26835	0	26835	0.1481	-0.0004
	Non Resident Indians (Repat)	108842	0	108842	0.6008	112164	0	112164	0.6191	0.0183
	Clearing Member	23442	0	23442	0.1294	17249	0	17249	0.0952	-0.0342
	Bodies Corporate	465187	14400	479587	2.6471	358475	14400	372875	2.0581	-0.5890
	Sub Total (B)(3)	16221557	744715	16966272	93.6458	16223157	743115	16966272	93.6458	0.0000
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	16221557	744715	16966272	93.6458	16223157	743115	16966272	93.6458	0.0000
	Total (A)+(B)	17372785	744715	18117500	100.0000	17374385	743115	18117500	100.0000	0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	17372785	744715	18117500	100.0000	17374385	743115	18117500	100.0000	

(ii) **Shareholding of Promoters**

Sl No.	Shareholders Name	Shareholding at the beginning of the year - 2016			Shareholding at the end of the year - 2017			% change in shareholding during the year
		NO.OF SHARES HELD	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1	BAJRANG DASS AGGARWAL	1151228	6.3542	0.0000	1151228	6.3542	0.0000	0.0000
	<b>Total</b>	<b>1151228</b>	<b>6.3542</b>	<b>0.0000</b>	<b>1151228</b>	<b>6.3542</b>	<b>0.0000</b>	<b>0.0000</b>

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

Sl. No.		Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	BAJRANG DASS AGGARWAL	1151228	6.3542			1151228	6.3542
	AT THE END OF THE YEAR					1151228	6.3542

Note:

1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 18117500 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	DHANNA RAM SAHARAN	2500000	13.7988			2500000	13.7988
	AT THE END OF THE YEAR					2500000	13.7988
2	GIRISH KANSAL	2200000	12.1430			2200000	12.1430

	AT THE END OF THE YEAR					2200000	12.1430
3	SARABATI DEVI	2100000	11.5910			2100000	11.5910
	AT THE END OF THE YEAR					2100000	11.5910
4	NIR SINGH SINDHU	1900000	10.4871			1900000	10.4871
	AT THE END OF THE YEAR					1900000	10.4871
5	AMIT BABBAR	1065598	5.8816			1065598	5.8816
	AT THE END OF THE YEAR					1065598	5.8816
6	ANUP KUMAR	219788	1.2131			219788	1.2131
	Transfer			27 Jan 2017	71223	291011	1.6062
	AT THE END OF THE YEAR					291011	1.6062
7	SARIKA GARG	191643	1.0578			191643	1.0578
	AT THE END OF THE YEAR					191643	1.0578
8	R. S. SHARES & SECURITIES LTD	175702	0.9698			175702	0.9698
	AT THE END OF THE YEAR					175702	0.9698
9	PRADIPKUMAR PATEL	127630	0.7045			127630	0.7045
	AT THE END OF THE YEAR					127630	0.7045
10	SONIA JINDAL	123738	0.6830			123738	0.6830
	AT THE END OF THE YEAR					123738	0.6830

- Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 18117500 Shares.  
2. The details of holding has been clubbed based on PAN.  
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

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

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	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	1151228	6.35	1151228	6.35
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
3	At the End of the year			1151228	6.35

**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	-	1,06,30,00,000	-	1,06,30,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	1,06,30,00,000	-	1,06,30,00,000
<b>Change in Indebtedness during the financial year</b>				



* Addition	-	-	-	-
* Reduction	-	50,000	-	50,000
<b>Net Change</b>	-	(50,000)	-	(50,000)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	1,06,29,50,000	-	1,06,29,50,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	1,06,29,50,000	-	1,06,29,50,000

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

S. No.	Particulars of Remuneration	Bimla Devi Jindal	Bajarag Dass Aggarwal	Kamini Jindal	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(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	-	-	-	-
	Total (A)	-	-	-	-

### B. REMUNERATION TO OTHER DIRECTORS

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Ravi Sharma	Deepika Aggarwal	Neeraj Chhabra	
1	Independent Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	0	0	0	0.00
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0	0	0	0.00
	<b>Total Managerial Remuneration</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	C.S.	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Not applicable	30,000	0	30,000
	(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	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>Not applicable</b>	<b>30,000</b>	<b>NIL</b>	<b>30,000</b>

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

TYPE	Section of the Companies Act	Brief description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

## 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 2016-17.
3.	The percentage increase in the median remuneration of employees in the financial year.	No increment has taken place during the year 2016-17.
4.	The number of permanent employees on the pay roll of company.	10
5.	The explanation on the relationship between average increase in remuneration and company performance.	The Company has not increased any remuneration during the year 2016-17.
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 2016-17, but Company's Net Loss for the year increased from previous year of Rs. 90,090,401/- to current year of Rs. 138,452,365/-.
7.	Average percentile increases 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.
8.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company.	Company has not paid any managerial remuneration to directors of the Company except salary to Company Secretary.
9.	The key parameters for any variable component of remuneration availed by the directors.	Not Applicable
10.	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
11.	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.

## CORPORATE SOCIAL RESPONSIBILITY POLICY

### 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 stakeholder's 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. Aggarwal Chairman
2. Ravi Sharma Member
3. Bimla Devi Jindal Member

3. **Average net profit of the company for last three financial years:** The Company was in heavy loss in last year so Companies average of Last three-year profit and loss is in negative figure.

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** Not Applicable Because average of last three years Profit and Loss is in negative figure.

### 5. Details of CSR spent during the financial year.

- (a) **Total amount to be spent for the financial year;**  
Not Applicable

- (b) **Amount unspent**  
Not Applicable

- (c) **Manner in which the amount spent during the Financial year is detailed below**  
Not Applicable

- (d) **Reason for not spending the amount:-**  
Not Applicable

## 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	Vikas WSP Limited	Sales of Raw Material	Continuing arrangement	The goods supplied to Vikas WSP Limited are on Prevailing Market Price	31/03/2017	NIL

Form No. MR-3

## SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31 March,2017

[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, 2017

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, 2017 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:

1. 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,2017 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.

2. 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 on 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 thereunder,
    - (g) Factory Act, 1948
    - (h) Air Pollution, Act 1981
    - (i) Water Pollution Act, 1974 and any other Acts, which is applicable for the Company
  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 on Meetings of the Board of Directors and General Meeting.
    - (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange

We have not examined compliance by the Company with applicable Financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory Financial audit and other designated professionals.

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

- (a) **CFO Appointment is compulsory according to Section 203 of the Companies Act, 2013, because Paid up Capital of the Company exceeds 10 Crore.**
- (b) **The Company Secretary had resigned in the end of May, 2016. However, the Company has appointed a Company**

#### **Secretary before our Reporting.**

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 have also relied on information and statutory auditor Report for the year 2016-2017 and Annexure thereon issued by the statutory auditor of the Company for the respective Area.
7. **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.
  - (d) We further report that the Company Comply the all Compliance of Companies Act, 2013, but there were few instances of delay in filing of forms with the Ministry of Corporate Affairs which were regularized by payment of late filing fee.
8. 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.
9. We further report that during the audit period following major events have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. The Company passed the resolution through postal ballot on 12.04.2017 regarding Dispose off the Company's undertaking situated at Plot No. 228/1, Plot no. 228/2-3-4-5 and Plot No. 229, GIDC Industrial Estate, Chandisar, Gujrat - 385510.

For Ravinder Gupta & Associates  
 Ravinder Kumar Gupta  
 (Company Secretary)  
 C.P.-16890  
 FCS:-6590

Date: 30.08.2017  
 Place: - Sri Ganga Nagar

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.

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, Book of Accounts, Statutory Registers, Labour and Industrial Laws mandatory Registers etc. 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.

**Ravinder Kumar Gupta**  
**(Company Secretary)**  
C.P.-16890  
FCS:-6590

Date: 30.08.2017

Place: - Sri Ganga Nagar

## Annexure - IX

# CORPORATE GOVERNANCE

The Directors of the Company are pleased to present the report on corporate governance for the year ended March 31, 2017.

## Company's philosophy on code of Corporate Governance

The Company has established a reputation for honesty, integrity and sound governance.

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensure accountability, transparency, fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations. Our corporate governance is based on principle of equity, fairness, integrity, transparency, accountability and commitment to value. The Company has adopted best practices for corporate governance, disclosure standard and enhanced shareholder value while protecting the interest of all other stakeholders including clients, suppliers and its employee. This has enabled the Company to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates. The Board of Directors has also institutionalized best management practices to bring about an atmosphere of accountability. Systems have been put into place to ensure effective strategic planning, optimum risk management, financial plans, budgets, integrity controls, reporting, communication policy with emphasis on transparency and full disclosure on the various facts of the Company's operations, its functioning, financial and total compliance with all statutory/regulatory requirements not only in the letter of the law but also in its spirit.

The Board of Directors represents the interest of the Company's stakeholders, for optimizing long-term value by way of providing necessary guidance and strategic vision to the Company. The Board also ensures that the Company's management and employees operate with the highest degree of ethical standards through compliance of Code of Conduct adopted by the Company.

The Company has also implemented several best corporate governance practices as prevalent globally, such as the Whistle Blower Policy and Code of Conduct & Ethics. The Company has complied with all the requirements relating to Corporate Governance as stipulated under Regulation 27(2) of the (LODR) Listing Regulation, 2015. The report of the Directors on corporate governance is given as a separate Certificate is annexed to the Report on Corporate Governance.

## Ethics / Governance Policies

We strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have Adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct
- Code of Conduct for Prohibition of Insider Trading
- Health, Safety and Environment (HSE) Policy
- Vigil Mechanism and Whistle Blower Policy
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions

- Corporate Social Responsibility Policy (CSR)
- Policy for Selection of Directors and determining Directors Independence
- Remuneration Policy for Directors, Key Managerial Personnel
- Policy for determining Material Subsidiaries

## BOARD OF DIRECTORS: -

The Company has a high-profile Board with varied management expertise. The Board's role, functions, responsibility and accountability are known to them due to their vast experience.

The Board being aware of its fiduciary responsibilities recognizes its responsibilities towards all stakeholders to uphold highest standards in all matters concerning the Company. It has empowered responsible persons to implement its broad policies, guidelines and has set up adequate review processes. The Board provides strategic guidance on the affairs of the Company. The Independent Directors provide independent and objective judgement on matters placed before them.

The Directors are elected based on their qualification and experience in varied fields. The Independent Directors annually provide a certificate of independence in accordance with the applicable laws which is taken on record by the Board. All Board members are encouraged to meet and interact with the management. Board members are invited at key meetings of senior management for strategic guidance and advice.

## a. Composition

As on the year ended 31st March 2017, the company consists of 6 directors including 3 independent directors.

The Company Board has an optimum combination of Executive, Non-Executive and Independent Directors with one-woman Directors, as per requirements of Regulation 17 of SEBI (Listing Obligation and disclosure Requirements) Regulation 2015 (SEBI Listing Regulation). The Composition of Board and the Independent Directors of the Company meet all the criteria mandated by SEBI Regulations and the Companies Act, 2013.

The brief profile of directors of the company has given below.

## 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 maybe 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.

b. Attendance of each director up to 31st March 2017 at the Board meetings and at last Annual General Meeting: -

Sr. No.	Name of the Director	No. of board meetings attended	Attendance at the AGM held on September 30, 2016
1.	Bimla Devi Jindal	15	Yes
2.	B.D. Aggarwal	15	Yes
3.	Kamini Jindal	15	Yes
4.	Ravi Sharma	15	Yes
5.	Deepika Aggarwal	15	Yes
6.	Neeraj Chhabra	15	Yes

c. The company has held Fifteen Board Meetings during the year as on the following dates

Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1.	05/04/2016	9.	08/09/2016
2.	07/04/2016	10.	26/09/2016
3.	30/05/2016	11.	14/11/2016
4.	09/06/2016	12.	03/12/2016
5.	12/07/2016	13.	14/02/2017
6.	14/08/2016	14.	09/03/2017
7.	26/08/2016	15.	31/03/2017
8.	30/08/2016		

d. No payments were made during the year to Non-Executive Directors towards sitting fees.

e. The necessary quorum was present for all the meetings.

**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: -**

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 Stakeholders Relationship Committee of the company comprises of Smt. Deepika Aggarwal, Sh. Neeraj Chhabra, Sh. Ravi Sharma and Smt. Kamini Jindal.

- Name of the Non-Executive Director heading the Committee: Smt. Deepika Aggarwal.
- Name and Designation of Compliance officer: Mr. Praveen Bishnoi (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			
			09.06.2016	13.08.2016	14.11.2016	14.02.2017
1.	Deepika Aggarwal	Chairman	Yes	Yes	Yes	Yes
2.	Neeraj Chhabra	Member	Yes	Yes	Yes	Yes
3.	Ravi Sharma	Member	Yes	Yes	Yes	Yes
4.	Kamini Jindal	Member	Yes	Yes	Yes	Yes
5.	Sh. Ravi Sharma	Independent Director	2	2	1	-
6.	Sh. Deepika Aggarwal	Independent Director	1	-	1	-

### 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. 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			
			09.06.2016	13.08.2016	14.11.2016	14.02.2017
1.	Bimla Devi Jindal	Chairman	Yes	Yes	Yes	Yes
2.	Bajrang Dass Aggarwal	Member	Yes	Yes	Yes	Yes
3.	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. Mr. Ravi Sharma, Mr. Neeraj Chhabra and Mrs. Bimla Devi Jindal. The committee is headed by Mr. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 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 as follow:

Sr. No.	Name of Director	Designation	Attended			
			09.06.2016	13.08.2016	14.11.2016	14.02.2017
1.	Mr. Ravi Sharma	Chairman	Yes	Yes	Yes	Yes

2.	Mrs. Bimla Devi Jindal	Member	Yes	Yes	Yes	Yes
3.	Mr. Neeraj Chhabra	Member	Yes	Yes	Yes	Yes

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Mr. Neeraj Chhabra, Mr. Ravi Sharma and Mrs. Kamini Jindal.

During the year, the Committee has met four times as follow:

Sr. No.	Name of Director	Designation	Attended			
			09.06.2016	13.08.2016	14.11.2016	14.02.2017
1.	Mr. Neeraj Chhabra	Chairman	Yes	Yes	Yes	Yes
2.	Mr. Ravi Sharma	Member	Yes	Yes	Yes	Yes
3.	Mrs. Kamini Jindal	Member	Yes	Yes	Yes	Yes

### Risk Management Committee

The Company has formed a risk management committee. 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:-

Sr. No.	Name of Director	Designation	Attended			
			09.06.2016	13.08.2016	14.11.2016	14.02.2017
1.	Mrs. Bimla Devi Jindal	Chairman	Yes	Yes	Yes	Yes
2.	Mr. Bajrang Dass Aggarwal	Member	Yes	Yes	Yes	Yes
3.	Mrs. Kamini Jindal	Member	Yes	Yes	Yes	Yes

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 June 9, 2016, 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.

### 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 two newspapers (Financial Express English edition and



Business Standard Hindi edition.)

- (b) Quarterly results: As the results of the company are published in the two newspapers (Financial Express English edition and Business Standard Hindi edition.)
- (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, 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, : 30th September, 2017 at  
Time and Venue : 11.00A.M.  
Railway Road, Siwani,  
Haryana-127046
2. Book closure date : 23<sup>rd</sup> Sept., 2017 to  
29<sup>th</sup> Sept., 2017
3. Dividend payment date : N.A
4. Registered Office : Hisar Road, Siwani (Harayana)
5. a. Equity shares Listed on stock : 1. The Stock Exchange, Mumbai,  
Exchanges at: (Code No. 531518)
- b. Demat ISIN Numbers in : ISIN 767B01014  
NSDL & CDSL
6. Stock Market Data on BSE (in Rs. / per Share):

Month	Apr. 2016	May 2016	Jun. 2016	Jul. 2016	Aug. 2016	Sep. 2016	Oct. 2016	Nov. 2016	Dec. 2016	Jan. 2017	Feb. 2017	Mar. 2017
High	7	6.65	7	8.02	6.3	5.68	5.85	6.1	6.63	6.6	5.86	7.4
Low	5.69	5.4	5.31	5.72	5.23	5	4.71	4.11	5.3	4.92	5	5.04

#### 7. Registrar and Transfer Agents :

Link Intime India Pvt. Limited.  
44-Community Centre, 2<sup>nd</sup> Floor,  
Naraina Industrial Area,  
Phase – I, Near PVR, Naraina  
New Delhi - 110028

#### 8. Distribution of shareholding Pattern as on 31st March 2017

Share or Debenture holding Nominal value Rs.	Number of shareholders	% of total shareholders	Total shares for the range	% of issued capital
Upto 500	4215	75.7004	795725	4.3920
501-1000	552	9.9138	466500	2.5749
1001-2000	340	6.1063	540791	2.9849
2001-3000	142	2.5503	364416	2.0114
3001-4000	55	0.9878	194850	1.0755
4001-5000	56	1.0057	270013	1.4903
5001-10000	93	1.6703	708013	3.9079
10001 & Above	115	2.0654	14777192	81.5631
Total	5568	100.0000	18117500	100.0000

9. Dematerialisation of Share : Approximately 95.89% of the equity shares have been dematerialized upto 31st March 2017.
10. Outstanding GDRs/ ADRs/ Warrants : 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. Address for Correspondence : Hisar Road, Siwani (Harayana)

By the order of Board

Place : Sri Ganganagar  
Date : 04/09/2017

Bimla Devi Jindal  
Managing Director  
DIN: 00034997  
Address: 123, Vinoba Basti,  
Sri Ganganagar - 335001



**Statement of Disclosure by Audit Committee to the Shareholders**

To,

The Shareholders,

**Vikas Granaries Limited**

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Corporate Governance, we the members of the Audit Committee disclose in respect of the Financial Year 2016-2017 that:

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

- 4) the Audit Committee, in reliance on the review and discussion conducted with Management in (1), (2) and (3) above, believed that the Company's financial statements are fairly presented in conformity with the generally accepted accounting principles in all material respects.

For and on Behalf of Audit Committee of  
**Vikas Granaries Limited**

Sd/-

**Ravi Sharma**

Chairman, Audit Committee

Date : 04/09/2017

Place: Sri Ganganagar

**CERTIFICATION BY CEO/  
CFO UNDER SECURITIES AND  
EXCHANGE BOARD OF INDIA  
(LISTING OBLIGATIONS AND  
DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015**

To,

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, 2017 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.

For Vikas Granaries Limited

Sd/-  
**Bimla Devi Jindal**  
(Managing Director)

Date: 04/09/2017  
Place: Sri Ganganagar

**CERTIFICATE ON CORPORATE  
GOVERNANCE**

To

The Members  
Vikas Granaries Limited  
Railway road  
Siwani, haryana  
127046

1. We have examined all relevant records of M/s VIKAS GRANARIES LIMITED (the Company) for the purpose of certifying of all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March 2017. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This certificate 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.
3. On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Ravinder Gupta & Associates

Place: Sri Ganganagar  
Date: 30.08.2017

(Ravinder Kumar Gupta)  
Practising Company Secretary  
FCS No.-6590  
C P No.:16890

## 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. 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 at its 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. 31, 150,516 as compared to Rs. 1,162,282,700 in the previous year due to lack of orders.

### 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 financial statements of Vikas Granaries Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31 March 2017 and its loss and its cash flows for the year ended on that date.

#### Other Matter

The Company has not complied with the provisions of Section 203(1)(iii) of the Act, regarding appointment of Chief Financial Officer (CFO). Our opinion is not qualified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. 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 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 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act; and
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.
- (g) 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; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of account maintained by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section 11 of section 143 of the Act, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

S.P. Aggarwal  
Partner  
Membership No.74813

Place : Sriganganagar  
Date : 31 May 2017

#### **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF VIKAS GRANARIES LIMITED**

##### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

To the Members of Vikas Granaries Limited ("the Company")

We have audited the internal financial controls over financial reporting of the Company as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

##### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

##### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of

internal financial controls and the aforementioned guidance note. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

##### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

##### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

##### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting

and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act, the standalone financial statements of the Company, which comprise the Balance Sheet as at 31 March 2017, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated 31 May 2017 expressed unmodified opinion.

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

S.P. Aggarwal  
Partner  
Membership No.74813

Place : Sriganganagar

Date : 31 May 2017

### ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Vikas Granaries Limited on the financial statements for the year ended 31 March 2017]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, fixed assets have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)

(a), 3 (iii) (b) and 3 (iii)(c) of the Order are not applicable to the Company.

- (iv) Based on information and explanation given to us, the Company has not granted any loans or made any investments in or provided any guarantees or security, to parties covered under section 185 and section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues, as applicable to it, however, there have been slight delay in few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues, as applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, service tax, value added tax, customs duty, excise duty, which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has neither taken any loans or borrowings from financial institution(s), bank(s) or government nor has issued any debentures as at the balance sheet date. Therefore, paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) During the year, the Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.



- (xi) According to the information and explanations given to us, no managerial remuneration has been paid by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

S.P. Aggarwal  
Partner  
Membership No.74813

Place : Sriganganagar  
Date : 31 May 2017

## VIKAS GRANARIES LIMITED

### Balance Sheet as at 31 March 2017

(Amt. in Rs.)

	Notes	As at 31 March 2017	As at 31 March 2016
<b>Equity and liabilities</b>			
<b>Shareholders' fund</b>			
Share capital	2	18,11,75,000	18,11,75,000
Reserves and surplus	3	54,88,74,536	68,73,26,902
		<u>73,00,49,536</u>	<u>86,85,01,902</u>
<b>Non-current liabilities</b>			
Long-term borrowing	4	1,06,29,50,000	1,06,30,00,000
Deferred tax liabilities (net)	5	11,74,43,756	10,62,11,700
		<u>1,18,03,93,756</u>	<u>1,16,92,11,700</u>
<b>Current liabilities</b>			
Trade payables	6	1,22,01,47,306	1,29,05,89,153
Other current liabilities	6	11,09,86,936	8,09,311
Short-term provisions	7	49,317	2,17,202
		<u>1,33,11,83,559</u>	<u>1,29,16,15,666</u>
<b>Total</b>		<u><u>3,24,16,26,852</u></u>	<u><u>3,32,93,29,268</u></u>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	8	85,58,02,867	1,08,96,78,988
Capital work in progress		47,93,10,429	47,60,32,126
Non-current investments	9	33,384	33,384
Long term loans and advances	10	4,88,77,260	5,21,52,363
		<u>1,38,40,23,940</u>	<u>1,61,78,96,861</u>
<b>Current assets</b>			
Fixed assets held for sale	8	11,70,42,594	-
Inventories	11	-	3,51,97,232
Trade receivables	12	1,65,64,56,563	1,64,84,15,747
Cash and cash equivalents	13	1,91,08,213	5,03,639
Short term loans and advances	14	6,49,95,542	2,73,15,789
		<u>1,85,76,02,912</u>	<u>1,71,14,32,407</u>
<b>Total</b>		<u><u>3,24,16,26,852</u></u>	<u><u>3,32,93,29,268</u></u>

Significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S. Prakash Aggarwal & Co**

Chartered Accountants

Firm Registration No.06105C

**S.P. Aggarwal**

Partner

M.No. : 74813

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

**Bimla Devi Jindal**

Managing Director

**B. D. Aggarwal**

Director

Date : 31 May 2017

Place : Sri Ganganagar

## VIKAS GRANARIES LIMITED

### Statement of profit and loss for the year ended 31 March 2017

(Amt. in Rs.)

	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>INCOME</b>			
Revenue from operations	15	3,11,50,516	1,16,22,82,700
Other income	16	-	2,52,534
<b>Total (I)</b>		<u>3,11,50,516</u>	<u>1,16,25,35,234</u>
<b>EXPENDITURE</b>			
Cost of material consumed	17	93,81,523	1,09,63,76,616
Decrease in stock of finished goods	18	2,58,15,708	1,51,91,192
Employee benefits expense	19	35,03,508	71,85,846
Finance cost	20	1,22,182	1,10,696
Depreciation expense		11,53,28,725	11,54,68,433
<b>Other expenses</b>	21	42,19,180	47,99,649
<b>Total (II)</b>		<u>15,83,70,826</u>	<u>1,23,91,32,431</u>
<b>Loss before tax</b>		<u>(12,72,20,310)</u>	<u>(7,65,97,197)</u>
<b>Tax expense</b>			
- deferred tax expense		1,12,32,056	1,34,93,203
<b>Total Tax expense</b>		<u>1,12,32,056</u>	<u>1,34,93,203</u>
<b>Loss for the year</b>		<u>(13,84,52,366)</u>	<u>(9,00,90,401)</u>
<b>Loss per share (basic and diluted) - Rs.</b>	22	(7.64)	(4.97)

#### Significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S. Prakash Aggarwal & Co**

Chartered Accountants

Firm Registration No.06105C

**S.P. Aggarwal**

Partner

M.No. : 74813

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

**Bimla Devi Jindal**

Managing Director

**B. D. Aggarwal**

Director

Date : 31 May 2017

Place : Sri Ganganagar

## VIKAS GRANARIES LIMITED

### Cash flow statement for the year ended 31 March 2017

(Amt. in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Cash Flow From operating activities</b>		
Loss before tax from operations	(12,72,20,310)	(7,65,97,197)
Non-cash adjustment to reconcile loss before tax to net cash flows		
Depreciation	11,53,28,725	11,54,68,433
Interest expenses	1,22,182	1,10,696
Interest income	-	(2,46,734)
Operating profit before working capital changes	(1,17,69,403)	3,87,35,197
Movements in working capital		
In trade payables	(7,04,41,847)	69,52,63,107
In short term provisions	(1,67,885)	1,48,847
In other current liabilities	11,01,77,625	4,40,237
In trade receivables	(80,40,817)	(85,12,47,686)
In inventories	3,51,97,232	10,87,92,443
In short term loans and advances	(3,76,79,753)	50,796
Cash generated from / (used in) operations	1,72,75,153	(78,17,058)
Direct taxes paid (net of refunds)	-	(2,05,448)
<b>Net cash flow from / (used in) operating activities (A)</b>	1,72,75,153	(80,22,506)
<b>Cash flows from investing activities</b>		
Proceeds from sale of fixed assets	15,04,802	-
Purchase of fixed assets, CWIP and capital advance	(3,200)	(1,39,178)
Interest received	-	2,46,734
<b>Net cash flow from / (used in) investing activities (B)</b>	15,01,602	1,07,556
<b>Cash flows from financing activities</b>		
(Repayment)/proceeds from long term borrowings	(50,000)	80,00,000
Interest paid	(1,22,182)	(1,10,696)
<b>Net cash flow from / (used in) in financing activities ('C)</b>	(1,72,182)	78,89,304
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,86,04,574	(25,646)
Cash and cash equivalents at the beginning of the year	5,03,639	5,29,286
<b>Cash and cash equivalents at the end of the year</b>	1,91,08,213	5,03,639
<b>Components of cash and cash equivalents</b>		
Cash on hand	1,88,90,205	2,94,870
With banks		
On Current Account	2,18,008	2,08,769
<b>Total cash and cash equivalents</b>	1,91,08,213	5,03,639

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**

Partner

M.No. : 74813

**Bimla Devi Jindal**

Managing Director

**B. D. Aggarwal**

Director

Date : 31 May 2017

Place : Sri Ganganagar

## VIKAS GRANARIES LIMITED

### Notes to financial statements for the year ended on 31 March 2017

#### 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 2017

	(Amt. in Rs.)
	As at
	31 March 2017
	As at
	31 March 2016
<b>2. 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	60,00,00,000
	60,00,00,000
<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	18,11,75,000
	18,11,75,000

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

**Equity Shares**

	31 March 2017	31 March 2016
	Numbers	Amount
At the beginning of the year	1,81,17,500	18,11,75,000
Add: Issued during the year	-	-
Balance at the end of the year	1,81,17,500	18,11,75,000

**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 March 2017	31 March 2016
	No. of Shares	% Holding
<b>Equity shares of Rs. 10 each fully paid</b>		
Bajrang Dass Aggarwal	11,51,228	6.35%
Dhanna Ram Saharan	25,00,000	13.80%
Amit Babbar	10,65,598	5.88%
Girish Kansal	22,00,000	12.14%
Sarbati Devi	21,00,000	11.59%
Nir Singh Sandhu	19,00,000	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. The Company has not issued/allotted any class of shares as fully paid up pursuant to contract(s) without payment being received in cash or by way of bonus shares during the period of five year immediately preceding the reporting date. Further, no shares of any class were bought back during the period of five year immediately preceding the reporting date.**

## VIKAS GRANARIES LIMITED

### Notes to financial statements for the year ended on 31 March 2017

	(Amt. in Rs.)
As at 31 March 2017	As at 31 March 2016
<b>3. Reserves and surplus</b>	
Securities premium account	13,36,50,000
Subsidy	1,79,844
<b>Surplus in the statement of profit and loss</b>	
Balance as per last financial statements	55,34,97,058
Less: Loss for the year	(13,84,52,366)
<b>Balance as at the end of the year</b>	41,50,44,692
<b>Total reserves and surplus</b>	54,88,74,536
<b>4. Long-term borrowings</b>	
Unsecured loans	
Loan from director (interest free)	1,06,29,50,000
	1,06,30,00,000
	1,06,29,50,000
<b>5. Deferred tax liabilities (net)</b>	
Deferred tax liability arising on account of depreciation	11,74,43,756
	10,62,11,700
	11,74,43,756
<b>6. Current liabilities</b>	
Trade payables	
- to parties other than Micro, Small and Medium enterprises	1,22,01,47,306
	1,29,05,89,153
<b>Other liabilities</b>	
Advance received	10,85,52,000
Salary payable	20,97,071
Other payables	2,65,000
CST/WCT payable	72,865
	34,454
	8,09,311
<b>7. Short-term Provisions</b>	
<b>Other provisions</b>	
Provision for expenses	49,317
Provision for income tax	-
	2,17,202
	49,317

# VIKAS GRANARIES LIMITED

## Notes to financial statements for the year ended on 31 March 2017

### 8 (a) Tangible assets

(Amt. in Rs.)

Particulars	Gross block					Accumulated depreciation				Net block	
	As at 1 April 2016	Additions during the year	Deletions/ adjustments	Adjustments	As at 31 March 2017	As at 1 April 2016	Charge for the year	Deletions / adjustments	Adjustments	As at 31 March 2017	As at 31 March 2016
<b>i) Tangible assets</b>											
Land (leasehold)	5,12,64,451	-	-	42,66,457	4,69,97,994	-	-	-	-	4,69,97,994	5,12,64,451
Buildings	2,13,17,843	-	-	2,13,17,843	-	96,83,531	6,75,776	-	1,03,59,306	-	1,16,34,312
Plant and equipment	1,81,06,97,392	-	30,04,802	20,36,35,200	1,60,40,57,390	78,39,52,972	11,46,17,145	15,00,000	10,18,17,600.00	80,88,04,873	1,02,67,44,420
<b>Furniture and fixtures</b>	<b>6,22,218</b>	-	-	<b>6,22,218</b>	-	<b>6,22,218</b>	-	-	<b>6,22,218</b>	-	-
Vehicles	22,53,805	-	-	19,25,983	3,27,822	22,53,805	-	-	19,25,983	3,27,822	-
Office equipment	9,23,748	-	-	9,23,748	-	8,87,944	35,804	-	9,23,748	-	35,804
Total	1,88,70,79,457	-	30,04,802	23,26,91,449	1,65,13,83,206	79,74,00,470	11,53,28,725	15,00,000	11,56,48,855	79,55,80,339	1,08,96,78,988
Previous year	1,88,59,67,767	11,11,690			1,88,70,79,457	54,18,57,374	14,00,74,669	-		79,74,00,470	85,58,02,867

### 8(b) Fixed assets held for sale

The management of the Company had proposed to dispose of the certain assets having a gross book value of Rs.232,691,449 (accumulated depreciation Rs.115,648,855) located at Chandisar plant of the Company and a notice for postal ballot for the same was given on March 9, 2017. Subsequent to the year end, after seeking the approval of its members through postal ballot on April 10, 2017, the management is in advance stages of completing the disposal transaction. As per management, there is no significant foreseeable loss on the said transaction.

## VIKAS GRANARIES LIMITED

### Notes to financial statements for the year ended on 31 March 2017

	(Amt. in Rs.)
As at 31 March 2017	As at 31 March 2016
<b>9. Non-current investments</b>	
Non-trade, unquoted (Valued at cost)	
National saving certificates	33,384
	<u>33,384</u>
<b>10. Long term loans and advances</b>	
Unsecured, considered good	
Capital advances	5,21,52,363
	<u>4,88,77,260</u>
	<u>4,88,77,260</u>
<b>11. Inventories</b>	
Raw material	93,81,524
Finished goods	2,58,15,708
	<u>3,51,97,232</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	1,64,84,15,747
Others	-
Total	<u>1,64,84,15,747</u>
	<u>1,65,64,56,563</u>
<b>13. Cash and cash equivalent</b>	
Cash on hand	2,94,870
Balances with banks:	
On current accounts	2,08,769
	<u>2,18,008</u>
	<u>1,91,08,213</u>
<b>14. Short term loans and advances</b>	
Unsecured, considered good	
Security deposit	31,60,647
Other loans and advances	
Advance recoverable in cash or kind	-
Advance tax/Income tax refund	42,838
MAT credit entitlement	2,40,92,304
Others	20,000
	<u>87,890</u>
	<u>6,49,95,542</u>
	<u>2,73,15,789</u>
	<u>For the year ended 31 March 2017</u>
	<u>For the year ended 31 March 2016</u>
<b>15. Revenue from operation</b>	
<b>Sale of goods (gross)</b>	
- Guar Gum Powder	2,42,15,636
- Guar Gum	1,16,22,82,700
	<u>69,34,880</u>
	<u>3,11,50,516</u>
	<u>1,16,22,82,700</u>
<b>16. Other income</b>	
Interest income in security deposit	2,46,734
Other income	5,800
	<u>2,52,534</u>

## VIKAS GRANARIES LIMITED

### Notes to financial statements for the year ended on 31 March 2017

		(Amt. in Rs.)
	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>17. Cost of material consumed</b>		
Inventory at the beginning of the year	93,81,523	10,27,81,140
Add: Purchases	-	1,00,29,77,000
	93,81,523	1,10,57,58,140
Less: Inventory at the end of the year	-	(93,81,524)
	<u>93,81,523</u>	<u>1,09,63,76,616</u>
<b>18. Decrease in stock of finished goods</b>		
Inventory at the end of the year	-	2,58,15,708
Less : Inventory at the beginning of the year	<u>2,58,15,708</u>	<u>4,10,06,900</u>
	<u>2,58,15,708</u>	<u>1,51,91,192</u>
<b>19. Employee benefits expenses</b>		
Salaries, wages and allowances	34,20,933	70,91,298
Contribution to provident and other funds	<u>82,575</u>	<u>94,548</u>
	<u>35,03,508</u>	<u>71,85,846</u>
<b>20. Finance cost</b>		
Interest	8,220	80,428
- to others		
Bank charges	<u>1,13,962</u>	<u>30,268</u>
	<u>1,22,182</u>	<u>1,10,696</u>
<b>21. Other expenses</b>		
Chemicals	3,644	-
Freight	10,03,207	2,14,100
Packing material		2,01,635
Power, fuel and water	9,06,495	23,18,859
Repair and maintenance	700	58,479
Stores and spares consumed	8,820	14,308
Advertisement expenses	5,41,020	2,26,227
Insurance expenses	2,875	2,86,168
Legal and professional charges	3,07,814	4,13,558
Foreign exchange loss	86,095	-
Office expenses	60,387	1,53,948
Rates and taxes	5,29,376	3,13,708
Remuneration to auditors	2,65,000	2,61,500
Telephone, postage and stationery	32,911	1,00,885
Travelling expenses	21,121	55,704
Vehicle running expenses	8,080	1,80,570
Corporate expenses	1,81,880	-
Miscellaneous expenses	<u>2,59,755</u>	<u>-</u>
	<u>42,19,180</u>	<u>47,99,649</u>
<b>21.a Payment to auditor includes</b>		
As auditor*:		
Audit fee	1,50,000	1,50,000
Limited review	90,000	90,000
Tax audit	<u>25,000</u>	<u>25,000</u>
* exclusive of service tax	<u>2,65,000</u>	<u>2,65,000</u>

## VIKAS GRANARIES LIMITED

### Notes to financial statements for the year ended on 31 March 2017

	For the year ended 31 March 2017	(Amt. in Rs.) For the year ended 31 March 2016
<b>22. Loss per share (EPS)</b>		
Loss attributable to equity shareholders (for basic and diluted earning)	(13,84,52,366)	(9,00,90,401)
Weighted average number of equity shares for basic and diluted earnings per share (face value of Rs. 10 each (previous year Rs 10))	1,81,17,500	1,81,17,500
Basic and diluted (Rs.)	(7.64)	(4.97)

#### 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.

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

Disclosure of payable to vendors as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue Principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly, there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

#### 25. Capital commitments and contingent liabilities

- Estimated amount of contracts remaining to be executed on capital account is Rs. Nil (previous year Rs. 98.56 lacs)
- There are no contingent liabilities.

#### 26(a). Imported and indigenous raw materials, components and spare parts consumed

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	%	Amount (Rs.)	%	Amount (Rs.)
1) Raw material				
Indigenous	100%	93,81,523	100%	1,09,63,76,616
Imported	-	-	-	-
ii) Stores and spare parts				
Indigenous	100%	8,820.00	100%	14,308.00
Imported	-	-	-	-

26(b).The Company has not incurred any expenditure in foreign currency during the financial year or the immediately previous financial year.

26(c ).There have been no imports during the financial year and the immediately previous financial year.

	For the year ended 31 March 2017	(Amt. in Rs.) For the year ended 31 March 2016
<b>26(d ). Earnings in foreign currency</b>		
FOB value of exports	1,94,98,249	-



## 27. Corporate social responsibility

Gross amount required to be spent by the Company during the year is Rs. Nil (Previous Year Rs. 11,00,629) against which the Company has spent a sum of Rs. Nil (Previous Year Rs. Nil). The Company did not spend the amount unspent amount during the year i.e. 2016-17 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 .

## 28. Related party disclosure

### a. Transactions with related parties are summarised below :

Related party and nature of related party with whom transactions have taken place during the year:-

- 1) Key management personnel and their relatives (KMP)
  - Mrs. Bimla Devi Jindal - Managing Director
  - Ms. Kamini Jindal - Director
  - Mr. B D Aggarwal - Director
  - Mrs. Swarnlata Jain - Company Secretary (resigned on May 30, 2016)
- 2) Entities controlled by KMPs
  - Vikas WSP Limited
  - Vikas Chemi Gums (India) Limited \$
  - Vegan Colloids Limited \$

\$ Entities became related party with effect from 31 July 2015.

(Amount in Rs.)

Nature of transaction	Key management personnel		Entities controlled by KMP	
	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
<b>Sales</b>				
- Vikas Chemi Gums (India) Limited	-	-	-	1,16,22,82,700
- Vikas WSP Limited			69,34,880	-
<b>Purchases of raw materials and finished goods</b>				
- Vikas WSP Limited	-	-	-	72,51,60,000
- Vegan Colloids Limited	-	-	-	27,78,17,000.00
<b>Long term borrowing taken from director by the Company</b>				
- B D Aggarwal	-	80,00,000.00	-	-
<b>Outstanding balances as at the year end</b>				
Trade receivable				
- Vikas Chemi Gums (India) Ltd	-	-	1,11,48,97,327	1,11,48,97,327
<b>Trade payable</b>				
- Vikas WSP Limited	-	-	98,23,34,091	1,01,20,35,000.00
- Vegan Colloids Limited	-	-	23,62,39,036	27,77,67,000.00
<b>Unsecured loan payable</b>				
- Mr. B.D. Aggarwal	1,06,29,50,000.00	1,06,30,00,000	-	-
<b>Salary to Company Secretary</b>	30,000.00	2,04,000		

**29 Note on handling and deposit of specified notes in banks between November 8, 2016 to December 30, 2016**

	Specified Bank notes (SBNs)	Other denomination notes	Total
<b>SBNs</b>			
Closing cash in hand as on November 8, 2016	9,97,050	1,89,18,814	1,99,15,864
(+) Permitted receipts	-	-	-
(+) Withdrawn from banks	-	3,00,000	3,00,000
(-) Permitted payments	-	81,352	81,352
(-) Amount deposited in Banks	9,97,050	-	9,97,050
Closing cash in hand as on December 30, 2016	-	1,91,37,462	1,91,37,462

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

**For S. Prakash Aggarwal & Co**

Chartered Accountants

Firm Registration No.06105C

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

**S.P. Aggarwal**

Partner

M.No. : 74813

**Bimla Devi Jindal**

Managing Director

**B. D. Aggarwal**

Director

Date : 31 May 2017

Place : Sri Ganganagar





[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

## Vikas Granaries Limited

CIN: L15400HR1994PLC036433

Registered office: Hisar Road, Siwani, Haryana-127046.

Tel: 91(154) 2494512/2494552; Fax: 31(154) 2494361/2475376

Website: www.vikasgranaries.in, E-mail ID: cs.vikasgranaries@gmail.com

### ATTENDANCE SLIP

Registered Folio No./DP ID No. / Client ID No.	
Name and address of the Member(s)	
Joint Holder 1	
Joint Holder 2	
Number of Shares held:	

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 23rd Annual General Meeting of the **Vikas Granaries Limited** at "Railway Road, Siwani, Haryana-127046" on Saturday, 30th September 2017 at 11:00 A.M.

\_\_\_\_\_  
Name of the member / proxy

\_\_\_\_\_  
Signature of member / proxy

#### Note:

1. Please fill up the attendance slip and hand it over at the entrance of the meeting hall.
2. Members are requested to bring their copies of the Annual Report to the AGM.

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.

<b>EVSN (Electronic Voting Sequence Number)</b>	<b>*Default PAN</b>
<b>170905083</b>	USE YOUR PAN

\*Only Member who have not updated their PAN with Company / Depository Participant shall use default PAN in the Pan field.

Note: Please read the instructions printed in the Notice of 23rd Annual General Meeting Dated 30th September 2017. The Voting period starts from 27th September 2017 at 10.00 A.M. and ends on 29th September 2017 at 5.00 P.M. The voting module shall be disabled by CDSL for voting thereafter.



## Form No. MGT-11

### Proxy form

[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	Folio No /Client ID	DP ID

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company. Hereby appoint

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

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the company, to be held on the Saturday, 30th day of September 2017 at 11:00 a.m. at Railway Road, Siwani, Haryana-127046 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution(s)	Vote	
		For	Against
1.	Adoption of Audited Balance Sheet, Statement of Profit and Loss, Director's and Auditor's report for the year ended on 31st March 2017		
2.	Reappointment of Mrs. Bimla Devi Jindal, Director of the Company who retires by rotation and being eligible herself for reappointment		
3.	To appoint M/s. Yogesh Mahipal & Associates, Chartered Accountants as Statutory Auditor of the Company		
4.	Approval for Related Party Transaction		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Affix  
Revenue  
Stamps

Signature of Shareholder Signature of Proxy holder Signature of the shareholder across Revenue Stamp

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



## ROUTE MAP

### 23RD ANNUAL GENERAL MEETING OF VIKAS GRANARIES LIMITED

**Google Maps** Railway Station Road  
Siwani

