



**VIKAS GRANARIES LIMITED**  
(formerly known as Adarsh Derivatives Limited)

**15<sup>th</sup>**  
**Annual Report**  
**2008-2009**



## Board of Directors

Bimla Devi Jindal	Managing Director
B.D. Agarwal	Director
Megh Raj Jindal	Director
Ravi Sharma	Independent Director
Mahesh Batra	Independent Director
Rakesh Jindal	Independent Director

## Company Secretary

Shailesh Jain

## AUDITORS

S. Prakash Aggarwal & Co.  
Sri Ganganagar (Raj.)  
Pin. 335001

## Bankers

Axis Bank Ltd.

## Registered Office

Hisar Road, Siwani  
127046 (Harayana)

## Plant

229, G.I.D.C. Industrial Estate,  
Chandisar – 385510. (B.K.)  
Gujarat

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## Letter From The Chairman

Dear Shareholders,

I am happy to inform you that despite the economic meltdown, your company has reported excellent performance, i.e., nearly 115% growth in its volume of sales that stood at Rs. 35.66 Cr during the year under review as compared to that of Rs. 16.57 Cr in FY 2007-08. During the year under review, your company has achieved an all time high net profit of Rs. 6.70 Cr after tax.

### Performance

The performance of your company for the year under review is quite satisfactory and seems to have beaten the global recession. It also proves that derivatized guar gum polymers export is on a robust growth trajectory. Guar gum polymers are extensively used in the manufacture of personal care items like shampoos, bar soaps, toothpaste, and other items alike.

### Outlook

The global market for derivatized guar gum polymers used in the manufacture of personal care items has experienced constant growth over the last few years. This is because of the fact that derivatized guar gum polymers are natural hydrocolloids that do not have any adverse effect on the health of human beings. In the international market, natural gums are preferred as compared to that of synthetic gums. Therefore, the demand of derivatized guar gum polymers are expected to increase gradually in the years ahead.

### Modernization and Expansion - An investment for future

Despite soaring inputs prices, fluctuating market, and the world economy in a state of flux, your company remained focused on its modernization and expansion plans which after completion will add aggregating to 30000 TPA to its production capacity progressively. The modernization and expansion plans of your company, while emphasizing capacity expansion, also put maximum thrust on value addition and product mix improvement, technological upgradation, including modernization of existing assets and environment related projects. These investments will create competitive and sustainable businesses in the future enhancing long-term stakeholder value.

### Securing Raw Materials

For manufacturing guar gum polymers used in the production of personal care items, the principal raw material is guar gum splits. Company sources its raw materials from the open market from its approved suppliers. Despite poor monsoon, 2009 guar crop is adequate to meet out global demand. Therefore, supply of raw material is not expected to pose any problem.

### Market potential

Market of derivatized guar gum polymers are on increase. These polymers are used in almost all the personal care items like shampoos, conditioners, toothpaste, shaving cream and bar soaps. The demand of these items are increasing day by day with the increase of disposable income globally. Therefore, the demand of derivatized guar gum polymers in these segments is expected to increase many folds in the years ahead.

### Types of guar gum

To talk about 'guar gum' as a single entity is misleading. There are many types of guar gum manufactured by employing chemical modification to give them an enormous range of application.

There are many different types of guar gum derivative that can be produced by chemical modification for altering chemical and physical properties to give the polysaccharide new applications. Your company is on the way to produce various chemically modified guar gum polymers to tap market potentials.

### Corporate Governance

Your company is committed to conform to the highest standards of corporate governance by ensuring transparency, disclosures, and reporting as required under various laws, regulations and guidelines issued by the market regulatory authority.

### Acknowledgments

Before I close, I would like to take this opportunity to thank all the shareholders of the company for their continued support and encouragement. I would also like to thank and acknowledge the immense contribution made by the employees of the company by offering their dedicated service.

Thank you ladies and gentlemen.

With warm regards,

S/d

Bimla Jindal

Managing Director

## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 15th Annual General Meeting of the Shareholders of VIKAS GRANARIES LIMITED will be held at the registered office of the Company on Wednesday, the 30th September, 2009 at 01.00 p.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2009, Profit and Loss Account for the year ended on the date and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Megh Raj Jindal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sh. Mahesh Batra, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

### SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of section 94(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, and pursuant to the provisions of the Articles of Association of the Company, the Authorised Share Capital of the company be and is hereby increased from Rs. 31,00,00,000 (Rupees Thirty One Crore) divided into 31000000 (Three Crore Ten Lacs) Equity shares of Re. 10/- (Rupees Ten) each to Rs. 60,00,00,000 (Rupees Sixty Crore) divided into 60000000 (Six Crore) Equity shares of Re. 10/- (Rupees Ten) each."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things including the filing of such forms and returns, as may be deemed necessary, to give effect to the above resolution."

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

"RESOLVED that pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the existing Clause V of the Memorandum of Association of the Company dealing with Capital Clause be and is hereby amended by substituting therefor the following clause:

**Clause V**

The Authorised Share Capital of the Company is Rs. 60,00,00,000 (Rupees Sixty Crore) divided into 60000000 (Six Crore) Equity shares of Re. 10/- (Rupees Ten) each.

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

"RESOLVED that pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the company be and are hereby amended in the following manner:

The existing Article No. 3 of the Articles of Association of the Company dealing with Authorised Share Capital be and is hereby amended by substituting therefor the following Article:

#### **Article No. 3**

The Authorised Share Capital of the Company is Rs. 60,00,00,000 (Rupees Sixty Crore) divided into 60000000 (Six Crore) Equity shares of Re. 10/- (Rupees Ten) each with power to sub-divide, consolidate and increase and with power from time to time, to issue any shares of the original capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be, thought fit, and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.

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

**Resolved that** pursuant to the provisions of Section 81(1) and 81(1A) of the Companies Act, 1956 and other applicable provisions (including any amendment(s) to or re-enactment(s) thereof), provisions of the Memorandum and Articles of Association of the Company, rules, regulations and guidelines of the Securities and Exchange Board of India ("SEBI"), and other applicable provisions, if any, and in accordance with and subject to requisite approvals, consents, permissions and sanctions, if any, from Government of India, SEBI, the stock exchanges, the Reserve Bank of India, Institutions or bodies under any applicable laws and rules and terms, conditions and modifications as may be prescribed by the respective statutory, governmental and other authorities and departments while granting such approvals, sanctions, consents and permissions, and which may be agreed to the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall be deemed to include any Committee(s) constituted / to be constituted by the Board) consent of the members be and is hereby accorded to create, issue, offer and allot

equity shares / Convertible instruments, whether optionally or otherwise, with or without detachable warrants (herein after called as "securities") up to an aggregate amount of the Rs. 150 crores (Rupees One Hundred Fifty Crores), for cash, at such premium as may be determined by the Board through public issue and / or rights issue and /or Qualified Institutional Placement or a combination thereof at such time or times and at such price whether at premium or discount to market price and on such terms and conditions including rate of interest, etc. as may be decided by the Board of Directors at the time of the issue or allotment considering the prevailing market conditions and any other relevant factors wherever necessary in consultation with the Merchant Bankers.

**Resolved further that** the Board of Directors of the Company be and is hereby authorized in its discretion to accept such conditions and modifications as may be prescribed by SEBI or RBI or any other authority while according consent or sanction to the proposed issue of the said equity shares including variation, if any, in the proposed amount of premium and take such consequential action thereon, including the authority to revise / adjust the value / quantum of equity shares reserved for any category or any portion thereof in such manner as may be beneficial to the Company in the event of such variation being considered expedient.

**Resolved further that** the new equity shares arising out of the proposed issue shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects with the existing Equity Shares of the Company.

**Resolved further that** the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of the equity shares and the utilisation of the issue proceeds as it may deem fit and to appoint market intermediaries including Merchant Bankers as the Board may suo moto decide in its absolute discretion in the best interests of the Company without being required to seek any further consent or approval of the members.

**Resolved further that** the Board may constitute a Committee of Directors, of which Shri B D Agarwal shall be the Chairman, which may be delegated any or all of the powers herein conferred on the Board, to give effect to this resolution."

By Order of the Board

Sd/-

Date : 24.08.2009

**Bimla Devi Jindal**

Place : Sri Ganganagar

Managing Director

#### NOTES:

- i A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY MAY BE SENT IN THE FORM ENCLOSED AND IN ORDER TO BE EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE MEETING.
- ii The Directors' Report, Auditors' Report, Audited Balance Sheet as at 31st March 2009 and the Profit and Loss Account for the year ended on that date and Cash flow Statement are enclosed.
- iii Members are requested to notify change in their address, if any, quoting their Folio number.
- iv The Register of Members and Share Transfer Books in respect of the equity shares of the Company shall remain closed from 17th September 2009 to 25th September 2009 (both days inclusive.)
- v Members who have multiple accounts in identical names or joint accounts in same order are requested to sent all their relevant share certificate (s) at the Registered Office of the Company for consolidation of all such shareholdings into one account to facilitate better services.
- vi Members are requested to bring the copy of their Annual Report and the Attendance slip at the Annual General Meeting.
- vii Members desirous of obtaining any information concerning the accounts and operation of the Company are requested to address their questions to the Company so as to reach atleast seven days before the date of the meeting, so that the information required may be made available at the meeting, to the best extent possible.
- viii Under Section 205A read with Section 205C of the Companies Act, 1956, the Amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date for payment is required to be transferred to the Investor Education and Protection Fund of the Central Government.

#### EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

##### ITEM NOS. 5, 6 & 7

Presently the Authorised Share Capital of the Company is Rs. 310000000 (Rupees Thirty One Crores) divided into 31000000 (Three Crore Ten Lacs) Equity Shares of Re. 10/- (Rupees Ten) each. The Company is proposing to raise additional resources to meet the business needs of the Company. In order to facilitate the issue of equity shares (by

way of private placement on preferential basis or any other wise) it is proposed to increase the Authorised Share Capital to Rs. 60,00,00,000 (Rupees Sixty Crore) divided into 60000000 (Six Crore) Equity shares of Re. 10/- (Rupees Ten) each.

The proposed change in the Authorised Share capital of the Company requires approval of the members in general meeting. Consequently upon the change in the Authorised Share Capital of the Company, its Memorandum and Articles of Association will require alteration so as to reflect the changed Authorised Share Capital which also requires approval of the members in general meeting.

Hence the Board of Directors recommends the resolutions at item no. 5 and 6 as ordinary resolutions and at item no. 7 as a special resolution for your approval.

None of the directors is concerned or interested in the said resolutions

#### **ITEM NOS. 8**

To meet with the growing demand of the products internationally, the Company plans to undertake modernization and expansion of its existing business operations. The estimated total cost for modernization of the existing manufacturing unit and the proposed expansion is Rs. 150 cr.

The Company is exploring various options for raising finances to meet its capital requirements and to further consolidate the financial structure and augment long term financial resources. For this purpose, the Company plans to raise funds through public offer, rights issue or qualified institutional placement, without limiting its option to raise money from more than one such source.

The Board further plans to raise funds by issuing equity shares, instruments convertible into equity or warrants. In this regard, it is proposed to empower the Board to decide on the options and ways for raising funds and to determine the price for issuance of such securities. The authority of the members is also required to empower the Board to raise such funds in multiple tranches, as the Board may deem fit.

Your Directors recommend the resolution for your approval as special resolution.

None of the Directors of the Company is interested in the resolution except to the extent of their existing shareholding of the Company.

By Order of the Board

Sd/-

Date : 24.08.2009

**Bimla Devi Jindal**

Place : Sri Ganganagar

Managing Director

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are presenting the 15th Annual Report along with the audited statement of accounts for the year ended on 31st March 2009, of your company.

### FINANCIAL RESULTS:

Items	(Rs. In Millions)	
	Year Ended 31.03.2009	Year Ended 31.03.2008
1. Net Sales	356.63	165.73
2. Other Income	0.02	0.51
3. Total Expenditure	251.33	137.38
4. Interest	2.45	0.56
5. Gross Profit/(loss) after Interest But before depreciation	102.87	28.30
6. Depreciation	3.99	3.00
7. Net profit/(loss) before tax	98.88	25.30
8. Tax expenses	31.90	1.07
9. Net profit/(loss) after tax	66.98	24.23

### OPERATION

During the current year under review your company has achieved a total turnover of Rs.356.63 million as Compare to that of Rs. 165.73 million in the previous year. During the year under review the company have a net profit Rs. 66.98 million as compare to net profit of Rs. 24.23 million in Previous Year. Therefore, our profit for the current year grew by 176.43 % over the previous year.

### DIVIDEND

The profit of the year used for expansion and modernization so, your Board does not recommend any dividend for the year ended on 31st March, 2009.

### DEPOSITS

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

### DIRECTORS

Mr. Megh Raj Jindal and Mr. Mahesh Batra, who retire by rotation in accordance with the provisions of the companies Act, 1956, and being eligible, offer themselves for re-appointment.

### AUDITORS

Your Auditors' report being self explanatory, and therefore does not call for any further comments or explanations by the Board of directors.

M/s. S.Prakash Aggarwal & Co., Sriganaganagar, Statutory Auditors of the Company, retires at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. A certificate from the auditors to the effect that their re-appointment, if made, will be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956, has been received.

### PREFERENTIAL ALLOTMENT

Company has allotted 1,21,50,000 equity shares having Fv of Rs. 10/- each at a premium of Rs. 11.00 per share i.e. at an aggregate price of Rs. 21.00 per share to promoters and non-promoters on 15th September, 2008 as approved in the AGM dated 12th August, 2008. The proceeds so received were utilized for implementing the planned projects. These shares are listed on Bombay Stock Exchange Limited.

### CONSERVATION OF ENERGY

The information on Conservation of Energy required under Section 217(I)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is provided in page 6 of the annual report.

### FOREIGN EXCHANGE EARNING AND OUTGOINGS

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

### DIRECTOR'S RESPONSIBILITY STATEMENT

Your directors state that the audited accounts containing financial statement for 2008-09 are in full conformity with the requirements of the Companies Act and are audited by its statutory auditors. Your directors further state that: -

- In the preparation of the annual accounts, the applicable accounting standards have been followed:
- The appropriate accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the company as at March 31, 2009.
- The proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act.1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities: and
- the annual accounts have been prepared on a going concern basis.

## INDUSTRIAL RELATIONS

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

## CORPORATE GOVERNANCE

As per clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance together with a certificate from the Company's Auditors confirming compliance thereto is set out in the Annexure forming part of this report.

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

## APPRECIATION

Your Board appreciates the commitment and contribution made by all its employees and support given by its shareholders, distributors, suppliers, bankers and all other business associates during the year.

Your involvement as shareholders is greatly valued. Your Directors look forward to your continuing support.

By Order of the Board

Sd/-

Date : 24.08.2009

**Bimla Devi Jindal**

Place : Sri Ganganagar

Managing Director

## ANNEXURE TO THE DIRECTORS' REPORT

### TECHNOLOGY ABSORPTION AND RESEARCH AND DEVELOPMENT

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

#### A. Conservation of Energy:-

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

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

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

By Order of the Board

Sd/-

Date : 24.08.2009

**Bimla Devi Jindal**

Place : Sri Ganganagar

Managing Director



## CORPORATE GOVERNANCE

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

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

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

#### 1. Board of Directors: -

##### a. Composition

As on the year ended 31st March 2009, the Board of Director consists of 6 members including 3 independent directors.

##### b. Attendance of each director upto 31st March, 2009 at the Board meetings and at last Annual General Meeting:

Name of the Director	Category	Attendance Particulars	
		Board meetings	Last AGM
Mrs. Bimla Devi Jindal	Managing Director	11	Yes
Mr.B.D.Agarwal	Director	10	Yes
Mr. Megh Raj Jindal	Director	8	Yes
Mr. Ravi Sharma	Independent Director	7	Yes
Mr. Mahesh Batra	Independent Director	7	No
Mr. Rakesh Jindal	Independent Director	8	No

- c. None of the directors of the company holds membership of more than 10 board committees or hold chairmanship of more than 5 board committees.
- d. The company has held 12 Board Meetings during the year. The meetings were held on 29.06.2008, 12.07.2008, 21.07.2008, 31.07.2008, 15.09.2008, 29.09.2008, 03.10.2008, 22.10.2008, 30.12.2008, 30.01.2009, 17.02.2009 and 31.03.2009.
- e. No payments were made during the year to Non Executive Directors towards sitting fees.

#### 2. Share transfer and Investors Grievance Committee:

The Company has re-constituted the Share transfer and Investors grievance committee comprising of Shri Mahesh Batra, Smt. Bimla Devi Jindal & Ravi Sharma.

- (a) Name of the Non-Executive Director heading the Committee: Sh. Mahesh Batra
  - (b) Name and Designation of Compliance officer: Sh. Shailesh Jain (Company Secretary)
3. The company's shares are traded in dematerialised form at all Stock Exchanges where it is listed. To expedite the transfer in physical mode, share transfer committee has been delegated with necessary powers.

#### 4. Audit Committee :-

The Audit committee comprises of three directors viz. Sh. Ravi Sharma, Mahesh Batra and Smt. Bimla Devi Jindal.

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

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

- (a) To investigate any activity within its terms of reference.
- (b) To seek information from any employee.
- (c) To obtain outside legal or other professional advice.
- (d) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- (e) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (f) Recommending the appointment and removal of external auditor and fixation of audit fee.
- (g) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  1. Any change in accounting policies and practices.
  2. Major accounting entries based on exercise of prudence judgment by Management.

During the year, the Committee has met four times. The meetings were held on 28th June 2008, 30th July 2008, 21st October 2008 and 29th January 2009. All the committee members were present at all the meetings.

#### 5. Remuneration Committee

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

The remuneration given to Managing Director and Executive director in the f.y.2008-09 is as under:

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

## 6. General Body Meetings

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

Year	Location	Date	Time
2005-2006	Hisar Road, Siwani	28th Sept., 2006	10.00 a.m.
2006-2007	Hisar Road, Siwani	27th Sept., 2007	10.00 a.m.
2007-2008	Hisar Road, Siwani	12th Aug., 2008	10.00 a.m.

## 7. Means of Communication

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

## 9. Disclosures

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

## 11. General Share holders' Information

These information's are furnished herein below: -

### 1. Annual General Meeting

Date And Time : 30th September , 2009 at 01.00 p.m

Venue : Hisar Road, Siwani (Harayana)

- Book closure date : 17th Sept., 2008 to 25th Sept., 2009
- Dividend payment date : N.A
- Registered Office : Hisar Road, Siwani (Harayana)
- a. Equity shares Listed on stock Exchanges at : 1. The Stock Exchange, Mumbai, (code No.31518)  
: 2. The Jaipur Stock Exchange, Jaipur (code No. 767)
- b. Demat ISIN Numbers : ISIN 767B01014 in NSDL & CDSL
- Stock Market Rate on BSE (in Rs. / per Share):

	Apr. 08	May 08	June 08	July 08	Aug 08	Sept 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09
High	17.80	17.15	15.87	15.00	19.24	19.85	15.75	11.99	11.35	12.00	10.30	9.50
Low	14.70	12.35	9.95	11.45	13.00	15.10	8.85	8.11	8.90	8.62	8.05	6.53

- Registrar and Transfer Agents  
Pinnacle Share Registry Pvt. Limited.  
Near Ashok Mill, Naroda Road Ahmedabad-25
- Distribution of shareholding Pattern as on 31st March 2009

No. of equity shares held	No. of folios	%	No. of Shares	%
Upto 500	4541	78.43	871977	4.81
501-1000	559	9.65	476213	2.63
1001-2000	321	5.54	512543	2.83
2001-3000	119	2.06	307765	1.70
3001-4000	41	0.71	146135	0.81
4001-5000	67	1.16	319315	1.76
5001-10000	61	1.05	445927	2.46
10001 and above	81	1.40	15037625	83.00
Total	5790	100.00	1,81,17,500	100.00

- Dematerialisation of Share : Approximately 95.00% of the equity shares have been dematerialized upto 30th June 2009.
- Outstanding GDRs/ ADRs/ Warrants or any convertible: The company has not issued any GDRs/ ADRs/Warrants instruments, conversion date and likely impact on equity of any convertible instrument.
- Buy Back of shares : The Company has no plan to buy-back its equity shares.
- Plant location : 229, G.I.D.C., Chandisar ( B.K.) 385510. Gujarat

13. Address for Correspondence : Hisar Road ,Siwani  
(Harayana)

#### AUDITOR'S CERTIFICATE

To The Members of VIKAS GRANARIES LIMITED

We have examined the report of Corporate Governance presented by the Board of Directors of VIKAS GRANARIES Limited for the year ended on 31st March, 2009 as stipulated in clause 49 of the listing agreement of the company with the Stock Exchanges.

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

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

We state that no investor grievance is pending for a period exceeding one month against the company as per records maintained by the Shareholders' Grievance Committee.

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

For **S. Prakash Aggarwal & Co.**  
Chartered Accountants

Place : Sriganganagar  
Date : 21st August, 2009

Sd/-  
Proprietor  
Membership No. 74813

## Auditor' Report

To

The Members of Vikas Granaries Limited (formerly known as Adarsh Derivatives Limited)

1. We have audited the attached Balance Sheet of Vikas Granaries Limited (Formerly known as Adarsh Derivatives Limited), (the 'Company') as at March 31, 2009, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto (collectively referred as the 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') (as amended), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order
4. Further to our comments in the Annexure referred to above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c. The financial statements dealt with by this report are in agreement with the books of account;

- d. On the basis of written representations received from the directors, as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
- e. In our opinion and to the best of our information and according to the explanations given to us, the financial statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act and the Rules framed there under and 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, in the case of:
  - i) the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
  - ii) the Profit and Loss Account, of the profit for the year ended on that date; and
  - iii) the Cash Flow Statement, of the cash flows for the year ended on that date;

for **S. Prakash Aggarwal & Co**  
Chartered Accountants

Sd/-

by **S.P. Aggarwal**

Proprietor

Membership No. 74813

Place : Sriganganagar

Date : June 30, 2009

**Annexure to the Auditors' report of the even date to the members of Vikas Granaries Limited (Formerly known as Adarsh Derivatives Limited) on the financial statements for the year ended March 31, 2009**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that

- (i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) A significant portion of the fixed assets has been physically verified & certified by the management during the year. In our opinion, the frequency of verification of the fixed assets is reasonable having regards to the size of the Company and nature of its assets. The material discrepancies noticed have been properly dealt with in the books of account.
- c) In our opinion, a substantial part of fixed assets have not been disposed off during the year.
- (ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to (d) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. The Company is not providing any services.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act

have been so entered.

- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) The Company has an internal audit system, commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. We have not observed any continuing failure to correct major weakness in internal control during the course of audit.
- (viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act, in respect of Company's products. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.
- (ix) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have been regularly deposited with the appropriate authorities. No undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.
- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) In our opinion, the Company has not defaulted in repayment of dues to a bank or financial institution. There are no debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.

- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) The Company did not have any terms loans outstanding during the year. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

for **S. Prakash Aggarwal & Co**  
Chartered Accountants

Sd/-

by **S.P. Aggarwal**

Place : Sriganganagar

Proprietor

Date : June 30, 2009

Membership No. 74813

**VIKAS GRANARIES LIMITED**  
**(Formerly known as ADARSH DERIVATIVES LIMITED)**

**Balance Sheet as at March 31, 2009**

	Schedule		March 31, 2009 (Rs.)	March 31, 2008 (Rs.)
<b>SOURCE OF FUNDS</b>				
<b>SHAREHOLDER'S FUND:</b>				
			382,911,415	60,785,727
Share capital	1	181,175,000	59,675,000	
Reserves and surplus	2	201,736,415	1,110,727	
<b>Loan funds:</b>			1,100,000,000	17,366,400
Unsecured loans	3	1,100,000,000	17,366,400	
<b>Deferred tax liability:</b>			2,381,574	1,036,588
Deferred tax liability (net)	4	2,381,574	1,036,588	
<b>TOTAL:</b>			<b>1,485,292,989</b>	<b>79,188,715</b>
<b>APPLICATIONS OF FUNDS</b>				
<b>Fixed Assets:</b>	5		1,413,708,409	42,322,240
Gross block		985,691,103	74,050,921	
Less: Depreciation		(35,720,722)	(31,728,681)	
		949,970,381	42,322,240	
Capital work in progress		463,738,027	-	
<b>Investments:</b>	6		13,384	13,384
<b>Current Assets Loans &amp; Advances:</b>			70,851,196	35,893,091
Inventories	7	48,698,627	19,090,023	
Sundry debtors	8	45,924,186	32,072,861	
Cash and bank balances	9	11,034,917	215,151	
Other current assets	10	2,627,192	2,543,392	
		108,284,921	53,921,426	
Less : Current liabilities & Provisions				
Liabilities	11	6,781,803	15,478,223	
Provisions	11	30,651,923	2,550,113	
		37,433,726	18,028,336	
<b>Miscellaneous expenditure</b> (to the extent not written off)	12		720,000	960,000
<b>TOTAL</b>			<b>1,485,292,989</b>	<b>79,188,715</b>
Significant accounting policies	20			
Notes to the financial statements	21			

The schedules referred to above form an integral part of the financial statements.

Sd/-  
Bimla Devi Jindal  
Managing Director

For and on behalf of the board of directors  
Sd/-  
B.D. Agarwal  
Director

Sd/-  
Megh Raj Jindal  
Director

For S. Prakash Aggarwal & Co  
Chartered Accountants

Sd/-  
(S.P. Aggarwal)  
Proprietor  
Membership number: 74813

Place : Sri Ganganagar  
Date : June 30, 2009

**VIKAS GRANARIES LIMITED**  
**(Formerly known as ADARSH DERIVATIVES LIMITED)**  
**Profit and Loss Account for the period ended March 31, 2009**

	Schedule	March 31, 2009 (Rs.)	March 31, 2008 (Rs.)
<b>INCOME</b>			
Sales	13	356,628,664	165,728,880
Other income	14	15,267	511,867
Increase / ( Decrease In Stock)	15	<u>9,314,587</u>	<u>(4,443,710)</u>
		<u><b>365,958,518</b></u>	<u><b>161,797,037</b></u>
<b>EXPENDITURE</b>			
Raw material consumed	15	240,468,075	126,751,477
Manufacturing overheads	17	18,362,810	4,695,045
Administrative expenses	18	1,571,890	1,253,987
Financial charges	19	2,452,045	562,953
Depreciation	5	3,992,041	2,996,875
Miscellaneous expenses written off		<u>240,000</u>	<u>240,000</u>
		<u><b>267,086,860</b></u>	<u><b>136,500,337</b></u>
<b>Net Profit Before Tax</b>		<b>98,871,658</b>	<b>25,296,700</b>
<b>Provision For Tax</b>			
- Current tax		30,528,341	1,747,430
- Fringe benefit tax		22,644	29,376
- MAT credit		-	(1,747,430)
- Deferred tax		1,344,986	1,036,588
<b>Net Profit After Tax</b>		<b>66,975,688</b>	<b>24,230,736</b>
<b>Balance brought forward</b>		<b>930,883</b>	<b>(23,299,853)</b>
<b>Balance carried forward</b>		<u><b>67,906,571</b></u>	<u><b>930,883</b></u>
<b>Earning per share (basic and diluted)</b>		<b>5.33</b>	<b>4.06</b>
<b>Significant accounting policies</b>	20		
<b>Notes to the financial statements</b>	21		

The schedules referred to above form an integral part of the financial statements.

Sd/-  
Bimla Devi Jindal  
Managing Director

**For and on behalf of the board of directors**  
Sd/-  
B.D. Agarwal  
Director

Sd/-  
Megh Raj Jindal  
Director

For S. Prakash Aggarwal & Co  
Chartered Accountants

Place : Sri Ganganagar  
Date : June 30, 2009

Sd/-  
(S.P. Aggarwal)  
Proprietor  
Membership number: 74813



**VIKAS GRANARIES LIMITED**  
**(Formerly known as ADARSH DERIVATIVES LIMITED)**  
**Schedules forming part of the financial statements as at March 31, 2009**

	Current Year 2008-09	Previous Year 2007-08
<b>SCHEDULE : 1</b>		
Authorised Capital		
31,000,000 Equity shares of Rs. 10 each	<u>310,000,000</u>	<u>310,000,000</u>
Issued , Subscribed & paid up capital		
18,117,500 Equity shares of Rs.10 each fully paid up	<u>181,175,000</u>	<u>59,675,000</u>
	<u><u>181,175,000</u></u>	<u><u>59,675,000</u></u>
<b>SCHEDULE : 2</b>		
Reserves and Surplus		
Subsidy	179,844	179,844
Securities premium	133,650,000	-
Profit and loss account	67,906,571	930,883
	<u><u>201,736,415</u></u>	<u><u>1,110,727</u></u>
<b>SCHEDULE : 3</b>		
Unsecured loans		
- Loan from directors	1,100,000,000	15,016,400
- Loan from others	-	2,350,000
	<u><u>1,100,000,000</u></u>	<u><u>17,366,400</u></u>
<b>SCHEDULE : 4</b>		
Deferred tax liability (net)	2,381,574	1,036,588
	<u><u>2,381,574</u></u>	<u><u>1,036,588</u></u>
<b>SCHEDULE : 6</b>		
Investments		
National Saving Certificate	13,384	13,384
	<u><u>13,384</u></u>	<u><u>13,384</u></u>
<b>SCHEDULE : 7</b>		
Inventories		
Finished goods	13,541,887	4,227,300
Raw material	34,652,418	14,535,053
Packing materials	415,663	294,400
Consumables	88,659	33,270
	<u><u>48,698,627</u></u>	<u><u>19,090,023</u></u>
<b>SCHEDULE : 8</b>		
Sundry Debtors : ( Unsecured , considered good , unless stated otherwise)		
Outstanding for a period exceeding six months	938,523	938,523
Outstanding less than six months	44,985,663	31,134,338
	<u><u>45,924,186</u></u>	<u><u>32,072,861</u></u>

**VIKAS GRANARIES LIMITED**  
**(Formerly known as ADARSH DERIVATIVES LIMITED)**  
**Schedules forming part of the financial statements as at March 31, 2009**

**SCHEDULE : 5**  
**Fixed assets**

Particulars	Gross block		Accumulated depreciation		Net block	
	31.03.2008	Addition	Sales/Tfd.	31.03.2009	As On	As On
Vehicles	1,884,911	-	-	1,326,642	737,336	558,269
Furniture	577,668	-	-	448,376	165,858	129,292
Office Equipment	785,748	-	-	338,371	484,700	447,377
Plant & Machinery	44,644,802	910,134,322	-	28,202,540	19,754,906	926,576,584
Land	13,264,019	1,505,860	-	-	13,264,019	14,769,879
Office Building	246,300	-	-	53,195	197,120	193,105
Building	12,647,473	-	-	422,426	7,718,301	7,295,875
Total	74,050,921	911,640,182	-	85,720,722	42,322,240	949,970,381

**VIKAS GRANARIES LIMITED**  
**(Formerly known as ADARSH DERIVATIVES LIMITED)**  
**Schedules forming part of the financial statements as at March 31, 2009**

	<b>Current Year</b>	<b>Previous Year</b>
	<b>2008-09</b>	<b>2007-08</b>
<b>SCHEDULE : 9</b>		
Cash and Bank Balances		
Cash in hand	58,410	1,386
Foreign exchange in hand	131,400	131,400
Bank balance in current accounts	10,845,107	82,365
	<b>11,034,917</b>	<b>215,151</b>
<b>SCHEDULE : 10</b>		
Current Assets		
MAT Credit	1,747,430	1,747,430
TDS receivable	37,662	37,662
Other current assets	83,800	-
Security With GSEB	758,300	758,300
	<b>2,627,192</b>	<b>2,543,392</b>
<b>SCHEDULE : 11</b>		
Current Liabilities		
Sundry creditors	6,549,869	15,378,811
Tax deducted at source	78,043	61,830
Provision for Income Tax	30,528,341	1,747,430
Provision for expenses	123,582	802,683
Salary payable	153,892	37,582
	<b>37,433,726</b>	<b>18,028,336</b>
<b>SCHEDULE : 12</b>		
Miscellaneous expenditure		
Fee paid to registrar of companies	720,000	960,000
	<b>720,000</b>	<b>960,000</b>
<b>SCHEDULE : 13</b>		
Sales		
Guar Gum Powder & Splits	356,628,664	165,728,880
	<b>356,628,664</b>	<b>165,728,880</b>
<b>SCHEDULE : 14</b>		
Other Income		
Scrap sales	15,267	511,867
	<b>15,267</b>	<b>511,867</b>

**VIKAS GRANARIES LIMITED**  
**(Formerly known as ADARSH DERIVATIVES LIMITED)**  
**Schedules forming part of the financial statements as at March 31, 2009**

	Current Year 2008-09	Previous Year 2007-08
<b>SCHEDULE : 15</b>		
Increase / Decrease in stock		
Closing stock of finished goods	13,541,887	4,227,300
Less : Opening stock of finished goods	<u>(4,227,300)</u>	<u>(8,671,010)</u>
	<u>9,314,587</u>	<u>(4,443,710)</u>
<b>SCHEDULE : 16</b>		
Raw Material Consumed		
Opening stock of raw material	14,535,053	7,246,800
Raw material purchase	260,585,440	134,039,730
Less : Closing stock	<u>(34,652,418)</u>	<u>(14,535,053)</u>
	<u>240,468,075</u>	<u>126,751,477</u>
<b>SCHEDULE : 17</b>		
Manufacturing overheads		
Chemicals	153,122	40,620
Contribution to provident fund	13,521	32,986
Freight Inward & Outward	7,025,445	469,092
Grading & Sorting expenses	1,856,447	228,639
Packing Material	1,125,663	263,167
Power & Fuel	6,257,178	2,539,040
Repair & Maintenance	123,395	42,708
Stores & Spares Consumed	82,375	63,869
Wages, Salaries & allowances	1,725,664	1,014,924
	<u>18,362,810</u>	<u>4,695,045</u>
<b>SCHEDULE : 18</b>		
Administrative expenses		
Advertisement expenses	145,057	18,190
Corporate expenses	550,436	561,839
Insurance expenses	150,365	146,906
Legal & Professional Charges	6,000	5,920
Motor Car expenses	154,256	152,898
Office expenses	234,298	172,099
Rates & Taxes	6,235	27,206
Remuneration to Auditors	18,000	18,000
Telephone, Postage & Stationary	237,232	87,727
Travelling expenses	8,395	22,302
Vehicle running expenses	61,616	40,900
	<u>1,571,890</u>	<u>1,253,987</u>
<b>SCHEDULE : 19</b>		
Financial Charges		
Bank Charges	24,996	41,326
Interest	2,427,049	521,627
	<u>2,452,045</u>	<u>562,953</u>

**VIKAS GRANARIES LIMITED**  
**(formerly known as Adarsh Derivatives Limited)**

**Schedules forming part of the financial statements for the year ended March 31, 2009**

Schedule: 20

**Significant accounting policies**

**1) Basis of preparation of financial statements**

The financial statements of Vikas Granaries Limited (Formerly known as Adarsh Derivatives Limited) ("the Company") have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting standards) Rule 2006 issued by the Central Government in exercise of the power conferred under sub-section (1) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act'). The financial statements have been prepared under the historical cost convention on accrual basis.

**2) 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

**3) 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.

**4) Depreciation:**

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

**5) Employee benefits:**

**i. 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.

**ii. Other 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.

**6) Taxation**

Tax expense comprises current taxes, deferred taxes and fringe benefit 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.

The Company makes provision for fringe benefit tax in accordance with applicable Income-tax laws.

**7) Contingent 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.

**8) 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.

**9) 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 recognised on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

**10) 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.

**11) 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 recognised 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.

**12) Miscellaneous expenditure**

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

**VIKAS GRANARIES LIMITED**  
**(formerly known as Adarsh Derivatives Limited)**

**Schedules forming part of the financial statements for the year ended March 31, 2009**

**Schedule: 21**

**Notes to the financial statements**

1. Vikas Granaries Limited (Formerly known as Adarsh Derivatives Limited) was incorporated in the year 1994. The shares of the Company were listed on Bombay Stock Exchange Limited ("the stock exchange") and other stock exchanges in India in 1996. The Company is an agro based industry manufacturer of Guar Gum Powder and its derivatives.
2. During the year the Company had issued 12,150,000 lacs equity shares of Rs. 10 each at a premium (of Rs. 11 per share, to Mr. B.D. Agarwal (Promoter and director of the Company) and other (non promoter and non share holder on the date of allotment) on a preferential basis.
3. 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.
4. Information pursuant to paragraph 3, 4C & 4D of part II of Schedule VI of the Companies Act, 1956.

**(a) Licensed capacity and installed capacity:**

Quantitative details	March 31, 2009	March 31, 2008
	Metric tones per annum	Metric tones per annum
Licensed and installed capacity per annum		
- Guar Gum Splits	6,000	6,000
- Guar Gum Powder	12,000	4,050

1. As certified by management and relied upon by the Auditors, being a technical matter.

**(b) Particulars of raw material consumed, sales and stock of finished goods**

Quantitative details	March 31, 2009		March 31, 2008	
	Quantity in MT	Amount (Rs. in lacs)	Quantity in MT	Amount (Rs. in lacs)
<b>Raw material consumed</b>				
- Guar split and others	5,935.29	2,404.68	2,979.76	1267.51
<b>Finished Goods (Guar Gum Powder/Refined Guar Gum)</b>				
Opening stock	90.00	42.27	208.94	86.71
Production	5,935.29	-	2,979.76	-
Sales	5,725.00	3,566.29	3,063.39	1,657.29
Closing stock	300.29	135.42	90.00	42.27

**(c) Net value of imported and indigenous material consumed and percentage thereof:**

	March 31, 2009		March 31, 2008	
	Percentage	Value (Rs. in lacs)	Percentage	Value (Rs. in lacs)
i) Raw material				
Indigenous	100%	2,404.68	100%	1,267.51
ii) Stores and spare parts				
Indigenous	100%	Rs. 1.23	100%	1.04
Imported	-	-	-	-

5. Information required as per the Micro, Small and Medium Enterprises Development Act, 2006  
The Company has requested its vendors to confirm their status under Micro, Small and Medium Enterprises Development Act, 2006. Based on the confirmations received, there are no amounts due to any micro or small enterprise under the MSMED Act, 2006.
6. Commitments and contingent liabilities  
Firm capital commitments  
Estimated amount of contracts remaining to be executed on capital account Rs 284.05 lacs (Previous year Rs. 316.48 lacs).
7. Previous year figures have been regrouped or recast wherever necessary to make them comparable with those of the current year.

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

Sd/-  
B.D. Agarwal  
**Director**

Sd/-  
Shailesh Jain  
**(Company Secretary)**

Place : Sri Ganganagar  
Date : June 30, 2009



**VIKAS GRANARIES LIMITED**  
**(Formerly known as ADARSH DERIVATIVES LIMITED)**  
**Cash Flow Statement For Year Ended 31st March, 2009**

	Year Ended March 31, 2009 (Rs.)	Year Ended March 31, 2008 (Rs.)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax & extra ordinary adjustments	98,871,658	25,296,700
<b>Adjustment for:</b>		
Depreciation	3,992,041	2,996,875
Miscellaneous expenses written off	240,000	240,000
Interest Paid	<u>2,452,045</u>	<u>562,953</u>
	<u>6,684,086</u>	<u>3,799,828</u>
Operating profit before working capital changes	<u>105,555,744</u>	<u>29,096,528</u>
<b>Adjustment for:</b>		
Trade and other receivables	(13,851,325)	(24,214,578)
Inventories	(29,608,604)	(2,820,463)
Trade Payable	19,405,390	10,686,088
Other Current Assets	<u>(83,800)</u>	<u>(1,773,396)</u>
	<u>(24,138,339)</u>	<u>(18,122,349)</u>
Cash generated from operations	<u>81,417,405</u>	<u>10,974,179</u>
Income tax	(30,528,341)	-
Fringe benefit tax	<u>(22,644)</u>	<u>(29,376)</u>
Cash Flow before extra-ordinary adjustments	<u>50,866,420</u>	<u>10,944,803</u>
Extra ordinary items	-	-
<b>NET CASH OPERATING ACTIVITIES</b>	<u>50,866,420</u>	<u>10,944,803</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,375,378,209)	(26,825,042)
Miscellaneous expenditure not written off	-	(1,200,000)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(1,375,378,209)</u>	<u>(28,025,042)</u>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Unsecured loans	1,082,633,600	-
Proceeds from preferential allotment of shares	255,150,000	-
Decrease in working capital loans	-	17,366,400
Interest paid	<u>(2,452,045)</u>	<u>(562,953)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>1,335,331,555</u>	<u>16,803,447</u>
<b>NET INCREASE IN CASH AND EQUIVALENTS</b>	<u>10,819,766</u>	<u>(276,792)</u>
<b>CASH AND CASH EQUIVALENTS AS AT 31ST MARCH</b>	<u>215,151</u>	<u>491,943</u>
(Opening Balance)		
<b>CASH AND CASH EQUIVALENTS AS AT 31ST MARCH</b>	<u>11,034,917</u>	<u>215,151</u>
(Closing Balance)		
	<u>10,819,766</u>	<u>(276,792)</u>

Sd/-  
Bimla Devi Jindal  
Managing Director

**For and on behalf of the board of directors**  
Sd/-  
B.D. Agarwal  
Director

Sd/-  
Shailesh Jain  
Company Secretary

This is the Cash Flow Statement referred to in our report of even date.  
For **S. Prakash Aggarwal & Co**  
Chartered Accountants

Sd/-  
**(S.P. Aggarwal)**  
Proprietor  
Membership number: 74813

Place : Sri Ganganagar  
Date : June 30, 2009

## PART - IV

### Balance Sheet Abstract and Company's General Business Profile

#### Registration Details

I.	Registration No.	36433	State Code	05
	Balance Sheet	31 - 3 - 2009		
	Date	Date Month Year		

#### II. Capital Raised during the Year (Amount in Rs. Thousand)

Public Issue	- NIL -	Rights Issue	- NIL -
Bonus Issue	- NIL -	Private Placement	2 5 5 1 5 0

#### III. Position of Mobilisation and Development of Funds (Amount in Rs. Thousand)

Total Liabilities	Total Assets
1 4 8 5 2 9 3	1 4 8 5 2 9 3

#### Source of Funds

Paid-up Capital	Reserves & Surplus
1 8 1 1 7 5	2 0 1 7 3 6
Unsecured Loan	Deferred Tax Liability
1 1 0 0 0 0	2 3 8 2

#### Application of Funds

Net Fixed Assets	Investment
1 4 1 3 7 0 8	1 3
Net Current Assets	Misc. Expenditure
7 0 8 5 1	7 2 0

#### IV. Performance of Company (Amount in Rs. Thousands)

Turnover [Including Other Income]	Total Expenditure
3 5 6 6 4 4	2 5 7 7 7 2
Profit/Loss Before Tax	Profit/Loss After Tax
9 8 8 7 2	6 6 9 7 6
Earning Per Share in Rs.	Dividend rate %
5.33	N I L

#### V. Generic Names of Principal Product of the Company

Product	Item Code No.(ITC Code)
GUAR GUM TREATED & PULVERISED	13023203
GUAR GUM REFINED SPLIT	13023202
CATTLEFEED	23099009

# VIKAS GRANARIES LIMITED

(Formerly Known as  
Adarsh Derivatives Limited)





# VIKAS GRANARIES LIMITED

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