

18th

Annual Report
2011-12



VIKAS GRANARIES LIMITED



Board of Directors

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

Company Secretary

Ruta Desai

Members of Audit Committee

Mahesh Batra	Chairman
Ravi Sharma	Member
Bimla devi Jindal	Member

AUDITORS

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

Bankers

Punjab National Bank,
Jodhpur

Registered Office

Hisar Road, Siwani-127046
Haryana

Plant

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

Contents

Notice	1
Directors' Report	1
Corporate Governance Report	3
Auditors' Report	7
Balance Sheet	9
Profit & Loss Account	10
Cash Flow	11
Schedule to Accounts	12
Balance Sheet Abstract	20

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Company will be held on Saturday the 29th day of September, 2012 at 11.30 A.M. in the local area of Regd. Office of the Company at Hisar Road, Siwani- 127046, Haryana, to transact the following business:

ORDINARY BUSINESS

- To receive and adopt the audited Profit & Loss Account for the year ended 31st March 2012, and the Balance Sheet as on the date and the reports of the Directors and Auditors thereon.
- To appoint a Director in place of Sh. B.D. Aggarwal who retires by rotation and being eligible offers himself for re-appointment.
- To appoint Director in place of Sh. Ravi Sharma who retires by rotation and being eligible offers himself for re-appointment
- To appoint Ms. Kamini Jindal as regular director.
- To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

By Order of the Board of Director

Sd/-

Date : 30.08.2012
Place : Sri Ganganagar

(**Bimla Devi Jindal**)
Managing Director

NOTES:

- A Member entitled to attend and vote at the meeting is entitled to appoint one or more persons as proxies to attend and vote on a poll only instead of himself and a proxy need not be a member of the Company.
- Proxies, in order to effective, must be received at the Regd. Office of the Company, not less than forty eight hours before the commencement of the Annual General meeting.
- The Director's Report, Auditor's Report, Audited Balance Sheet as on 31st March 2012 and the Profit & Loss Account for the year ended on that date and Cash Flow Statement are enclosed.
- Members are requested to bring the admission slips along with their copy of the Report and accounts to the meeting.
- Members are requested to notify change in their address, if any, quoting their Folio number
- Members who have multiple account in identical names or joint accounts in same order are requested to send all their relevant share certificate(s) at the registered office of the company for consolidation of all such shareholdings into one account to facilitate better services.
- The Register of Members of the Company shall remain closed from 17th September to 25th September 2012 (both days inclusive)

- Members desirous of obtaining any information concerning the accounts and operation of the Company are requested to address their questions to the Company so as to reach at least seven days before the date of the meeting, so that the information required may be made available at the meeting, to the best extent possible.
- 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.

ADDITIONAL INFORMATION: -

Brief profile of Ms. Kamini Jindal: -Ms. Kamini Jindal is appointed as additional director of the company and being eligible offers herself as regular director, her tenure is upto the Annual General Meeting.

Ms. Kamini Jindal has been appointed by the Board as an Additional Director w.e.f. 16.07.2012. Ms. Kamini Jindal is a person with excellent academic background and possesses good educational qualifications. She is Bachelor of Arts and Master of Philosophy. She is the youngest in the Board of the company. Considering and seeking attention and interest of youth, your Directors recommend appointment of Ms. Kamini Jindal as Director of the Company.

By Order of the Board of Director
For VIKAS GRANARIES LIMITED

sd/-

Date : 30.08.2012
Place : Sri Ganganagar

(**Bimla Devi Jindal**)
Managing Director

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are presenting the 18th Annual Report along with the audited statement of accounts for the year ended on 31st March 2012, of your company.

FINANCIAL RESULTS:

	(Rs. In Millions)	
	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
1. Revenue from operations	1148.76	1328.01
2. Other Income	0.10	0.00
3. Total Expenditure	977.09	924.90
4. Interest	19.64	19.72
5. Gross Profit/(loss) after Interest But before depreciation	152.13	383.39
6. Depreciation	87.59	71.84
7. Net profit/(loss) before tax	64.54	311.55
8. Tax expenses	13.25	106.46
9. Net profit/(loss) after tax	51.29	205.09

OPERATION

During the current year under review your company has achieved a total turnover of Rs. 1148.76 million as compare to that of Rs. 1328.01 million in the previous year. During the year under review the company has a net profit Rs.51.29 million as compare to net profit of Rs. 205.09 million in 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, 2012.

DEPOSITS:

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

DIRECTORS:

Mr. B.D. Aggarwal and Mr. Ravi Sharma, 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., Sriganganagar, 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.

FIXED DEPOSITS

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

RELATES PARTY TRANSACTIONS

Related party transactions have been disclosed in the notes to the accounts.

PARTICULARS OF TRANSACTIONS

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

CONSERVATION OF ENERGY

The information on Conservation of Energy required under Section 217(I)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is provided in page 3 of the annual report.

FOREIGN EXCHANGE EARNING AND OUTGOINGS

DIRECTOR'S RESPONSIBILITY STATEMENT:

Your directors state that the audited accounts containing financial statement for 2011-12 are in full conformity with the requirements of the Companies Act and are audited by its statutory auditors. Your directors further state that: -

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed:
- b. 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, 2012.
- c. 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
- d. 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 : 30.08.2012
Place : Sri Ganganagar

(Bimla Devi Jindal)
Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

TECHNOLOGY ABSORPTION AND RESEARCH AND DEVELOPMENT

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

A. Conservation of Energy:-

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

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

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

By Order of the Board of Director

sd/-

Date : 30.08.2012
Place : Sri Ganganagar

(Bimla Devi Jindal)
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 2012, the Board of Director consists of 6 members including 3 independent directors.
- b. Attendance of each director upto 31st March, 2012 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	8	Yes
Mr. B. D. Agarwal	Director	8	Yes
Mr. Ravi Sharma	Independent Director	6	Yes
Mr. Mahesh Batra	Independent Director	7	Yes
Mr. Rakesh Jindal	Independent Director	6	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 8 Board Meetings during the year. The meetings were held on 05.04.2011, 30.05.2011, 11.06.2011, 12.08.2011, 21.09.2011, 14.11.2011, 11.01.2012, 03.02.2012 and 14.02.2012. No payments were made during the year to Non Executive Directors towards sitting fees.

2. Share transfer and Investors Grievance Committee: -

The Company has 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: Smt. Ruta Desai (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 30th May 2011, 12th Aug 2011, 14th November 2011 and 14th February 2012. 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. 2011-12 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
2008-2009	Hisar Road, Siwani	30th Sep., 2009	01.00 p.m.
2009-2010	Hisar Road, Siwani	28th Sept., 2010	01.00 p.m.
2010-2011	Hisar Road, Siwani	30th Sept., 2011	01.00 p.m.

7. Means of Communication

- (a) Half-Yearly results: As the results of the company are published in the Newspapers.
 - (b) Quarterly results: Quarterly results are published in Western Times, English and Gujarati edition and Financial Express.
 - (c) Website: www.vikasgranaries.in
 - (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.
8. No banker or Financial Institutions have direct or indirect role in appointment of the Directors of the Company.

9. Disclosures

- (a) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large. - None

- (b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, on any matter related to capital markets, during the last three years: - None

10. A separated section on Corporate Governance forms part of the Annual Report and a Certificate from Practising Company Secretary confirming the compliance of the conditions, forms the part of this report.

11. General Share holders' Information

1. Annual General Meeting

Date and Time : 29th September , 2012
at 11.30 a.m

Venue : Hisar Road, Siwani
(Harayana)

2. Book closure date : 17th Sept., 2012 to
25th Sept., 2012

3. Dividend payment date : N.A.

4. Registered Office : Hisar Road, Siwani
(Harayana)

5. a. Equity shares Listed on:
stock Exchanges at

1. The Stock Exchange,
Mumbai, (Code No.
531518)

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

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

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

	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
HIGH	19.20	18.25	16.70	14.72	12.45	11.50	11.85	9.98	14.11	23.34	26.10	40.30
LOW	16.10	15.05	13.00	10.51	8.71	9.00	9.00	7.00	6.85	14.00	18.60	18.70

7. Registrar and Transfer Agents

Link Intime India Pvt. Limited.
A-40, 2nd Floor, Naraina Industrial Area, Phase - II,
Near Batra Banquet Hall,
New Delhi - 110028

8. Distribution of shareholding Pattern as on 31st March 2012

S.No.	No. of Equity Shares held	Share holders Nos.	No. of Shares	% of Share holding
1.	Upto-2500	3534	433743	2.39
2.	2501-5000	1077	447046	2.47
3.	5001-10000	611	520933	2.88
4.	10001-20000	324	517359	2.86
5.	20001-30000	148	380838	2.10
6.	30001-40000	58	206036	1.14
7.	40001-50000	70	336771	1.86
8.	50001-100000	76	578725	3.19
8	100001 & above	104	14696049	81.11
	TOTAL	6002	18117500	100

Shareholding pattern as on 31st March 2012

Category	Nos. of shares held	% to Total
Promoters	1070000	5.91
Financial Institutions /		
Nationalized Banks & Mutual Fund	0.00	0.00
Non-Resident Individuals/ OCBs/FII's	241210	1.33
Bodies Corporate	1448002	7.99
Resident Individuals	15358288	84.77
TOTAL	18117500	100

9. Dematerialisation of Share: Approximately 95.76% of the equity shares have been dematerialized upto 30th March 2012.
10. Outstanding GDRs/ ADRs/ Warrants or any convertible: The company has not issued any GDRs/ADRs/Warrants instruments, conversion date and likely impact on equity of any convertible instrument.
11. Buy Back of shares : The Company has no plan to buy-back its equity shares.
12. Plant location: 229, G.I.D.C., Chandisar (B.K.) 385510. Gujarat
13. Address for Correspondence : Hisar Road, Siwani (Harayana)

14. Certification under Clause 49 (I) (D) of the Listing Agreement

All the Board Members and Senior Management personnel have affirmed compliance with the Codes of Conduct for Vikas Granaries Limited for the financial year ended 31st March, 2012.

For VIKAS GRANARIES LIMITED

sd/-

Date : 30.08.2012
Place : Sri Ganganagar

(Bimla Devi Jindal)
Managing Director

15. Statement of Disclosure by Audit Committee to the Shareholders

To,

The Shareholders of
Vikas Granaries Limited

In terms of Clause 49 of the Listing Agreement regarding Corporate Governance, we the members of the Audit Committee disclose in respect of the Financial Year 2011-2012 that:

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

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

Sd/-

Date : 30.08.2012
Place : Sri Ganganagar

Ravi Sharma
Chairman, Audit Committee

CERTIFICATE ON CORPORATE GOVERNANCE

The certificate of Practising Company Secretary on Compliance of Clause 49 of the Listing Agreement relating to Corporate Governance is hereunder: -

TO

THE MEMBERS
VIKAS GRANARIES LTD.

CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of corporate governance by Vikas Granaries Limited, for the year ended on March 31, 2012, as stipulated in clause - 49 of the listing agreement of the said 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 corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause -49 of the above mentioned listing agreement:-

1. The company has held four meetings of the Audit Committee during the financial year 2011-2012 on 30.5.2011, 12.08.2011, 14.11.2011 & 14.02.2012.
2. The Shareholders' Grievances Committee was functioning according to the Listing Agreement.

As per the records maintained by the company, no Investor's Grievances were pending for a period exceeding one month as on 31.03.2012.

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

For Nitesh Kumar Sinha
Company Secretaries

Sd/-
Per Nitesh Kumar Sinha
Partner
Membership No. 7648

Date : August 25, 2012
Place : New Delhi

Auditor' Report

To

The Members of Vikas Granaries Limited

1. We have audited the attached Balance Sheet of Vikas Granaries Limited, (the 'Company') as at March 31, 2012, the Statement of 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 in paragraph 3 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 Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting

Policies and notes thereon give the information required by the Companies Act, 1956, 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, 2012;
- ii) the Statement of 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
Firm Registration No.06105C

S.P. Aggarwal

Proprietor

Date : May 29, 2012

Place : Sri Ganganagar

Membership No. 74813

Annexure to the Auditors' report of the even date to the members of Vikas Granaries Limited on the financial statements for the year ended March 31, 2012

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 and certified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to (d) of the Order are not applicable.

- b) The Company has taken loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. The Company is not providing any services.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) The Company has an internal audit system, commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. We have not observed any continuing failure to correct major weakness in internal control during the course of audit.
- (viii) 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 not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed for reported during the year.

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

S.P. Aggarwal
Proprietor

Date : May 29, 2012
Place : Sri Ganganagar

Membership No. 74813

VIKAS GRANARIES LIMITED
Balance Sheet as at 31 March 2012

	Notes	As at 31 March 2012	(Amt. in Rs.) As at 31 March 2011
Equity and liabilities			
Shareholders' fund			
Share capital	3	181,175,000	181,175,000
Reserves and surplus	4	675,692,181	624,413,282
		856,867,181	805,588,282
Non-current liabilities			
Long-term borrowing	5	1,105,000,000	1,100,000,000
Deferred tax liability (net)	6	51,544,731	39,421,635
		1,156,544,731	1,139,421,635
Current liabilities			
Short-term borrowings	7	345,982,900	143,505,808
Trade payables	8	381,916,549	3,641,330
Other current liabilities	8	326,353	369,332
Short-term provisions	9	1,210,085	678,176
		729,435,887	148,194,646
Total		2,742,847,799	2,093,204,563
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	1,614,865,471	847,790,265
Capital work in progress		154,307,661	850,784,418
Non-current investments	11	13,384	13,384
		1,769,186,516	1,698,588,067
Current assets			
Inventories	12	336,412,124	188,421,485
Trade receivables	13	272,888,709	175,249,471
Short term loans and advances	14	19,347,914	1,705,213
Cash and cash equivalents	15	345,012,536	29,000,327
		973,661,282	394,376,496
Miscellaneous expenditure (to the extend not written off)		-	240,000
Total		2,742,847,799	2,093,204,563

Significant accounting policies 2.1

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

For and on behalf of the Board of Directors

S.P. Aggarwal

Proprietor

M.No. : 74813

Bimla Devi Jindal

Managing Director

B D Agarwal

Director

Ruta Desai

Company Secretary

Date : 29th May 2012

Place : Sri Ganganagar

VIKAS GRANARIES LIMITED

Statement of profit and loss for the year ended 31 March 2012

	Notes	For the year ended 31 March 2012	(Amt. in Rs.) For the year ended 31 March 2011
INCOME			
Revenue from operation	16	1,148,760,460	1,328,016,717
Other income	17	102,946	-
Total (I)		1,148,863,406	1,328,016,717
EXPENDITURE			
Cost of materials consumed	18	926,419,580	872,623,796
Employee benefits expenses	19	4,097,944	4,091,508
Increase/ (decrease) in stock of finished goods	20	(16,250,442)	(7,171,013)
Finance cost	21	19,644,069	19,726,960
Depreciation and amortization expenses	10	87,593,651	71,838,013
Other expenses	22	62,591,397	55,118,779
Exceptional items	23	240,000	240,000
Total (II)		1,084,336,199	1,016,468,043
Profit/(loss) before tax		64,527,207	311,548,674
Tax expenses			
– current tax		14,083,673	90,611,428
– MAT credit entitlement		(12,958,461)	1,747,430
– deferred tax		12,123,096	14,103,980
Total Tax expense		13,248,308	106,462,838
Profit/(loss) for the year		51,278,899	205,085,836
Earnings per share (basic and diluted) - Rs.	24	2.83	11.32
Significant accounting policies	2.1		

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

As per our report of even date

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

For and on behalf of the Board of Directors

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

Bimla Devi Jindal
Managing Director

B D Aggarwal
Director

Ruta Desai
Company Secretary

Date : 29th May 2012
Place : Sri Ganganagar

VIKAS GRANARIES LIMITED

Cash flow statement for the year ended 31 March 2012

Particulars	As at 31 March 2012	(Amt. in Rs.) As at 31 March 2011
Cash Flow From Operating Activities		
Profit before tax from operations	64,527,207	311,548,674
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	87,593,651	71,838,013
Misc. Expenditure written off	240,000	240,000
Interest expenses	18,018,654	19,726,960
Interest income	(102,946)	-
Operating profit before working capital changes	<u>170,276,566</u>	<u>403,353,647</u>
Movements in working capital		
Increase/(decrease) in trade payables	378,275,219	1,466,381
Increase/(decrease) in short term provisions	1,104,893	561,125
Increase/(decrease) in other current liabilities	(42,979)	(1,621,206)
Decrease/(increase) in trade receivables	97,639,238	(49,280,940)
Decrease/(increase) in inventories	(147,990,639)	(64,020,963)
Decrease/(increase) in short term loans and advances	(5,110,475)	840,387
Cash generated from / (used in) operations	<u>298,873,347</u>	<u>291,298,431</u>
Direct taxes paid (net of refunds)	<u>(14,230,423)</u>	<u>(92,358,858)</u>
Net cash flow from / (used in) operating activities (A)	<u>284,642,924</u>	<u>198,939,573</u>
Cash flows from investing activities		
Purchase of fixed assets, CWIP and capital advance	(158,192,099)	(210,907,038)
Proceeds from sale of fixed assets	-	-
Interest received	102,946	-
Net cash flow from / (used in) investing activities (B)	<u>(158,089,153)</u>	<u>(210,907,038)</u>
Cash flows from financing activities		
Proceeds from issuance of share capital	-	-
Proceeds from long term borrowings	5,000,000	-
Proceeds from short term borrowings	311,582,673	41,012,657
Repayment of short term borrowing	(109,105,581)	-
Interest paid	(18,018,654)	(19,726,960)
Net cash flow from / (used in) in financing activities (C)	<u>189,458,438</u>	<u>21,285,697</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	<u>316,012,209</u>	<u>9,318,232</u>
Cash and cash equivalents at the beginning of the year	<u>29,000,327</u>	<u>19,682,095</u>
Cash and cash equivalents at the end of the year	<u>345,012,536</u>	<u>29,000,327</u>
Components of cash and cash equivalents		
Cash on hand	87,977	144,539
With banks on current account		
-on deposit account	<u>344,924,559</u>	<u>28,855,788</u>
Total cash and cash equivalents	<u>345,012,536</u>	<u>29,000,327</u>

As per our report of even date

For S. Prakash Aggarwal & Co

Chartered Accountants

Firm Registration No.06105C

For and on behalf of the Board of Directors

S.P. Aggarwal

Proprietor

M.No. : 74813

Bimla Devi Jindal

Managing Director

B D Aggarwal

Director

Ruta Desai

Company Secretary

Date : 29th May 2012

Place : Sri Ganganagar

VIKAS GRANARIES LIMITED

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

1. Corporate information

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

2. Basis of preparation

The financial statements of Vikas Granaries 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.

2.1 Summary of significant accounting policies

a. Change in accounting policy

Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b. 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.

c. 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.

d. Depreciation

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

e. 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.	

f. 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.

g. 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.

h. 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.

i. 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.

j. 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.

k. 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.

l. Miscellaneous expenditure

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

VIKAS GRANARIES LIMITED

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

	As at 31-Mar-12	(Amt. in Rs.) As at 31-Mar-11
3. Share capital		
Share capital		
Authorised capital		
60,000,000 (previous year 60,000,000) equity shares of Rs. 10 each	600,000,000	600,000,000
	600,000,000	600,000,000
Issued, subscribed and paid up capital		
18,117,500 (previous year 18,117,500) equity shares of Rs.10 each fully paid up	181,175,000	181,175,000
	181,175,000	181,175,000

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

Equity Shares

	31-Mar-12		31-Mar-11	
	Numbers	Amount	Numbers	Amount
At the beginning of the year	18,117,500	181,175,000	18,117,500	181,175,000
Issued during the year	-	-	-	-
Balance at the end of the year	18,117,500	181,175,000	18,117,500	181,175,000

b. Terms/rights attached to equity shares

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

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

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

	31-Mar-12		31-Mar-11	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity shares of Rs. 10 each fully paid				
Dhanna Ram Saharan	2,500,000	13.80%	2,500,000	13.80%
Amit Babbar	1,065,598	5.88%	1,150,000	6.35%
Girish Kansal	2,200,000	12.14%	2,200,000	12.14%
Sarbati Devi	2,100,000	11.59%	2,100,000	11.59%
Nir Singh Sandhu	1,900,000	10.49%	1,900,000	10.49%

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

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

	31-Mar-12	31-Mar-11
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	-	-
Equity shares allotted as fully paid up pursuant to contracts for consideration other than cash	-	-
Equity shares bought back by the company	-	-

VIKAS GRANARIES LIMITED

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

	(Amt. in Rs.)	
	As at 31-Mar-12	As at 31-Mar-11
4. Reserves and surplus		
Securities premium account		
Balance as per the last financial statements	133,650,000	133,650,000
Add: Premium on issue of shares	-	-
Closing Balance	133,650,000	133,650,000
Subsidy		
Balance as per the last financial statements	179,844	179,844
Add: Received during this year	-	-
Closing Balance	179,844	179,844
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	490,583,438	285,497,602
Profit for the year	51,278,899	205,085,836
Net surplus in the statement of profit and loss	541,862,337	490,583,438
Total reserves and surplus	675,692,181	624,413,282
5. Long-term borrowings		
Unsecured loans		
Loan from director	1,105,000,000	1,100,000,000
	1,105,000,000	1,100,000,000
6. Deferred tax liabilities (net)		
Deferred tax liability arising on account of depreciation	51,544,731	39,421,635
	51,544,731	39,421,635
7. Short-term borrowings		
From Bank		
Loan from financial institution	-	109,105,581
Loan from bank	345,982,900	34,400,227
	345,982,900	143,505,808
The above amount includes		
Secured borrowings	345,982,900	143,505,808
8. Other current liabilities		
Trade payables	381,916,549	3,641,330
Other liabilities		
TDS payable	86,853	10,052
CST payable	52,777	-
Salary payable	186,723	359,280
	326,353	369,332
9. Provisions		
Other provisions		
Provision for expenses	637,101	678,176
Provision for income tax	572,984	-
	1,210,085	678,176

VIKAS GRANARIES LIMITED

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

10. Fixed assets

Particulars	Gross Block		Depreciation		Net Block				
	As at 1 April 2011	Additions during the year	Deletions / adjustments	As at 31 March 2012	For the year	Deletions / adjustments	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012
i) Tangible assets									
Land	50,161,823	3,101,448	-	53,263,271	-	-	-	50,161,823	53,263,271
Buildings	16,693,991	-	-	16,693,991	6,491,935	557,579	7,049,514	10,202,056	9,644,477
Plant and equipment	956,768,866	851,526,336	-	1,808,295,202	169,971,505	86,778,888	256,750,393	786,797,361	1,551,544,809
Furniture and fixtures	577,668	-	-	577,668	521,509	36,566	558,075	56,159	19,593
Vehicles	1,884,911	41,072	-	1,925,983	1,684,775	183,294	1,868,069	200,136	57,914
Office equipments	785,748	-	-	785,748	413,017	37,323	450,340	372,731	335,408
Total	1,026,873,007	854,668,856	-	1,881,541,863	179,082,741	87,593,651	266,676,392	847,790,266	1,614,865,471

Particulars	Gross Block		Depreciation		Net Block				
	As at 1 April 2010	Additions during the year	Deletions / adjustments	As at 31 March 2011	For the year	Deletions / adjustments	As at 31 March 2011	As at 31 March 2010	As at 31 March 2011
i) Tangible assets									
Land	46,683,897	3,477,926	-	50,161,823	-	-	-	46,683,897	50,161,823
Buildings	12,893,773	3,800,218	-	16,693,991	5,831,232	660,703	6,491,935	7,062,541	10,202,055
Plant and equipment	954,779,124	1,989,742	-	956,768,866	99,047,151	70,924,354	169,971,505	855,731,973	786,797,361
Furniture and fixtures	577,668	-	-	577,668	484,943	36,566	521,509	92,725	56,159
Vehicles	1,884,911	-	-	1,884,911	1,505,708	179,067	1,684,775	379,203	200,136
Office equipments	785,748	-	-	785,748	375,694	37,323	413,017	410,054	372,731
Total	1,017,605,121	9,267,886	-	1,026,873,007	107,244,728	71,838,013	179,082,741	910,360,393	847,790,265

(Amt. in Rs.)

VIKAS GRANARIES LIMITED

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

	(Amt. in Rs.)	
	As at 31-Mar-12	As at 31-Mar-11
11. Non-current investments		
National saving certificates	13,384	13,384
	13,384	13,384
12. Inventories		
Finished goods	43,134,200	26,883,758
Raw material	292,281,084	160,304,305
Packing materials	996,840	819,828
Consumables	-	413,594
	336,412,124	188,421,485
13. Trade receivables		
Unsecured, considered goods unless otherwise stated		
Outstanding for a period exceeding 6 months from the date they are due for payment	-	938,523
Others	272,888,709	174,310,948
Total	272,888,709	175,249,471
14. Loans and advances		
Security deposit		
Unsecured, considered good	2,902,762	758,300
Other loans and advances		
Income tax refundable	-	426,234
Excise duty refundable	-	271,349
MAT Credit	12,958,461	-
Import licence receivable	2,263,750	-
Other current assets	1,222,942	249,330
	19,347,914	1,705,213
15. Cash and bank balances		
Balances with banks:		
On current accounts	344,924,559	144,539
Cash in hand	87,977	28,855,788
	345,012,536	29,000,327
	For the year ended 31 March 2012	For the year ended 31 March 2012
16. Revenue from operation		
Sale of goods (gross)		
- Guar gum	1,143,360,308	1,328,016,717
Other operating income		
- Profit on sale of import licenses	5,400,152	-
	1,148,760,460	1,328,016,717
17. Other income		
Interest income	102,946	-
- Guar gum	102,946	-
18. Cost of material consumed		
Inventory at the beginning of the year	160,304,305	104,021,730
Add: Purchases	1,058,396,358	928,906,371
	1,218,700,663	1,032,928,101
Less: Inventory at the end of the year	(292,281,084)	(160,304,305)
	926,419,580	872,623,796

VIKAS GRANARIES LIMITED

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

	For the year ended 31 March 2012	(Amt. in Rs.) For the year ended 31 March 2012
19. Employee benefits expenses		
Salaries, wages and allowances	4,092,359	4,069,390
Contribution to provident and other funds	5,585	22,118
	4,097,944	4,091,508
20. (Increase)/decrease in stock of finished goods		
Inventory at the end of the year	43,134,200	26,883,758
Less : Inventory at the beginning of the year	(26,883,758)	(19,712,745)
	16,250,442	7,171,013
21. Finance cost		
Bank charges	1,625,415	735,858
Interest expenses	18,018,654	18,991,102
	19,644,069	19,726,960
22. Other expenses		
Manufacturing expenses		
Chemicals	401,706	516,921
Freight Inward & Outward	18,398,991	17,047,596
Grading & Sorting expenses	4,846,871	5,853,830
Packing Material	4,349,219	4,231,604
Power, fuel and water	26,615,709	21,913,047
Repair & Maintenance	2,140,687	474,594
Stores & Spares Consumed	892,054	523,506
Administrative expenses		
Advertisement expenses	167,362	173,514
Corporate expenses	992,218	2,372,545
Insurance expenses	741,968	421,697
Legal & Professional Charges	135,610	52,520
Motor Car expenses	129,660	119,935
Handling Charges	973,180	433,786
Laboratory expenses	717,416	88,661
Office expenses	335,730	250,119
Rates & Taxes	310,100	106,265
Remuneration to Auditors	50,000	50,000
Telephone, Postage & Stationary	276,780	238,937
Travelling expenses	33,656	175,282
Vehicle running expenses	82,481	74,420
	62,591,397	55,118,779
23. Exceptional items		
Miscellaneous expenses written off*	240,000	240,000
	240,000	240,000
*This includes fee paid to Registrar of companies for the increase in authorized capital and will be amortized over a period of 5 years.		
24. Earning per share (EPS)		
Profit attributable to equity shareholders's (for basic and diluted earning)	51,278,899	205,085,836
Weighted average number of equity shares for basic and diluted earnings per share (face value of Re. 1 each (previous year Re 1))	18,117,500	18,117,500
Basic and diluted (Rs.)	2.83	11.32

VIKAS GRANARIES LIMITED

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

25. 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.

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

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

27. Commitments and contingent liabilities

a) Firm capital commitments

Estimated amount of contracts remaining to be executed on capital account is Rs.14.26 lacs (previous year Rs. 12.09 lacs)

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

Quantitative Details	March 31, 2012		March 31, 2011	
	Quantity in MT	Amount (Rs. In lacs)	Quantity in MT	Amount (Rs. In lacs)
Raw material consumed				
Guar Split and others	6,707	9,264	15,964	8,726
Finished Goods (Guar gum powder / refined guar gum)				
Opening stock	468	269	424	197
Production / Purchase	6,995	-	16,129	-
Sales	6,707	11,434	16,085	13,280
Closing Stock	297	431	468	269

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

Particulars	For the year ended 31-Mar-12		For the year ended 31-Mar-11	
	%	Amount	%	Amount
1) Raw material				
Indigenous	100%	9,264	100%	8,726
ii) Stores and spare parts				
Indigenous	100%	9	100%	5
Imported	-	-	-	-

30. Previous year figures have been regrouped or recast wherever necessary to make comparable with those of the current year.

As per our report of even date

For S. Prakash Aggarwal & Co

Chartered Accountants

Firm Registration No.06105C

For and on behalf of the Board of Directors

S.P. Aggarwal

Proprietor

M.No. : 74813

Bimla Devi Jindal

Managing Director

B D Aggarwal

Director

Ruta Desai

Company Secretary

Date : 29th May 2012

Place : Sri Ganganagar

PART - IV

Balance Sheet Abstract and Company's General Business Profile

Registration Details

I. Registration No.	36433	State Code	05
Balance Sheet	31 - 3	-	2012
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	-	NIL	-

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

Total Liabilities	Total Assets
2742848	2742848

Source of Funds

Paid-up Capital	Reserves & Surplus
181175	675692
Unsecured Loan	Deferred Tax Liability
1105000	51544

Application of Funds

Net Fixed Assets	Investment
1614855	13
Net Current Assets	Misc. Expenditure
244226	0

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

Turnover [Including Other Income]	Total Expenditure
1143360	1084336
Profit/Loss Before Tax	Profit/Loss After Tax
64527	51278
Earning Per Share in Rs.	Dividend rate %
2.83	NIL

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

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

PROXY FORM

I/We, the undersigned as Equity Shareholders (s) of the company Vikas Granaries Limited hereby appoint Mr./Mrs. of and failing him/her, Mr./Mrs. of as my/our proxy to vote for me/us at the Annual General Meeting of the Equity Shareholders to be held on Saturday the 29th day of September, 2012 at 11.30 A.M. at the Registered Office of the Company at Hisar Road, Siwani-127046, Distt. Bhiwani, Haryana and any adjournment thereof.

Signature.....

Note :

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

Affix
Re. 1/-
Revenue
Stamp

VIKAS GRANARIES LIMITED

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

ATTENDANCE SLIP

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

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

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

.....
Signature of Shareholder/Proxy



VIKAS GRANARIES LIMITED

Regd. Office : Hisar Road, Siwani (Haryana)

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

Chandisar - 385510 (B.K.) Gujarat