VIKAS

The World of Water Soluble Polymers

23rd ANNUAL REPORT 2010-11

VIKAS

Board of Directors

B.D. Agarwal	Chairman cum Managing Director
Megh Raj Jindal	Director
Bimla Devi Jindal	Director
Ravi Sharma	Independent Director
Rakesh Jindal	Independent Director
Kishan Lal	Independent Director
Vishnu Bhagwan	Independent Director
R.A. Mittal	Independent Director

Company Secretary

Ravinder Kumar Gupta

Audit Committee

Ravi Sharma	Chairman
Rakesh Jindal	Member
B.D. Agarwal	Member

Auditors

B S R and Co
Gurgaon.

Bankers

Punjab National Bank
Bank of India

Regd. Office

Railway Road,
Siwani – 127046 (Haryana)

Administrative Office

B-86/87, Udyog Vihar, RIICO Industrial Area,
Sri Ganganagar - 335001 (Raj.)

Plants

Sri Ganganagar (Rajasthan)
Siwani (Haryana)

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Message from the Chairman

Dear Shareholders,

It is my privilege to place before you the highlights of your company's performance during the financial year 2010-11. Details of the achievements and initiatives taken by your company are provided in the enclosed Annual Report for the year 2010-11. Through ongoing research and development (R&D) in the fields of hydrocolloids (guar gum polymers) for hydro-fracturing to extract mineral oil and natural gas from the shale rock matrix (sedimentary rocks) formed by the accumulation of sediments at the Earth's crust and within bodies of water that include sandstone, limestone, and shale, your company has produced novel guar gum tailor-made products. This is the main reason for the increased demand of guar gum products in the global market during the last 12 months and is expected to grow further in the years ahead.

Guar gum polymers for food use has witnessed a moderate growth during the period under review as in the developing countries, the population growth is negligible. However, the main demand driver is the mineral oil and natural gas industry wherein guar gum derivatives are used in abundance for hydraulic fracturing.

What is hydraulic fracturing and how it works -

Hydraulic fracturing is the propagation of fractures in a rock layer caused by the presence of a pressurized fluid. Hydraulic fractures form naturally, as in the case of veins or dikes, and is one means by which gas and petroleum from source rocks may migrate to reservoir rocks.

Energy companies may attempt to accelerate this process in order to release petroleum, natural gas, coal seam gas, or other substances for extraction, where the technique is often called fracking or hydrofracking. This type of fracturing, known colloquially as a "frack job" (or "frac job"), is done from a wellbore drilled into reservoir rock formations. The energy from the injection of a highly-pressurized fracking fluid creates new channels in the rock which can increase the extraction rates and ultimate recovery of fossil fuels. When done in already highly-permeable reservoirs such as sandstone-based wells, the technique is known as "well stimulation". Operators typically try to maintain "fracture width" or slow its decline following treatment by introducing a proppant into the injected fluid, a material, such as grains of sand, ceramic, or other particulates, that prevent the fractures from closing when the injection is stopped. Consideration of proppant strengths and prevention of proppant failure becomes more important at deeper depths where pressure and stresses on fractures are higher.

Distinction can be made between low-volume hydraulic fracturing used to stimulate high-permeability reservoirs, which may consume typically 20,000 to 80,000 gallons of fluid per well, with high-volume hydraulic fracturing, used in the completion of tight gas and shale gas wells; high-volume hydraulic fracturing can use as much as two to three million gallons of fluid per well.

Mechanics

Fracturing in rocks at depth is suppressed by the confining pressure, particularly in the case of tensile fractures which require the walls of the fracture to move apart. Hydraulic fracturing occurs when the effective stress is reduced sufficiently by an increase in the pressure of fluids in the rock such that the minimum principal stress becomes tensile and exceeds the tensile strength of the material. Fractures formed in this way will typically be oriented perpendicularly to the minimum principal stress and for this reason, induced hydraulic fractures in wellbores are sometimes used to determine stress orientations. In natural examples, such as dikes or vein-filled fractures, their orientations can be used to infer past stress states.

Induced hydraulic fracturing

The technique of hydraulic fracturing is used to increase or restore the rate at which fluids, such as oil, water, or natural gas can be produced from subterranean natural reservoirs. Reservoirs are typically porous sandstones, limestones or dolomite rocks, but also include 'unconventional reservoirs' such as shale rock or coal beds. Hydraulic fracturing enables the production of natural gas and oil from rock formations deep below the earth's surface (generally 5,000–20,000 feet or 1,500–6,100 m). At such depth, there may not be sufficient porosity, permeability or reservoir pressure to allow natural gas and oil to flow from the rock into the wellbore at economic rates. Thus, creating conductive fractures in the rock is essential to extract gas from shale reservoirs because of the extremely low natural permeability of shale, which is measured in the microdarcy to nanodarcy range. Fractures provide a conductive path connecting a larger area of the reservoir to the well, thereby increasing the area from which natural gas and liquids can be recovered from the targeted formation. So-called 'super fracking' – creating longer, deeper cracks in the target reservoir formation to release more oil and gas – will allow companies to frack more efficiently.

While the main industrial use of hydraulic fracturing is in stimulating production from oil and gas wells, hydraulic fracturing is also applied to:

- Stimulating groundwater wells
- Preconditioning rock for caving or inducing rock to cave in mining
- As a means of enhancing waste remediation processes, usually hydrocarbon waste or spills
- Dispose of waste by injection into deep rock formations
- As a method to measure the stress in the earth
- For heat extraction to produce electricity in an enhanced geothermal systems

Method

A hydraulic fracture is formed by pumping the fracturing fluid into the wellbore at a rate sufficient to increase pressure downhole to exceed that of the fracture gradient of the rock. The rock cracks and the fracture fluid continues farther into the rock, extending the crack still farther, and so on. To keep this fracture open after the injection stops, a solid proppant, commonly a sieved round sand, is added to the fluid. The propped fracture is permeable enough to allow the flow of formation fluids to the well. Formation fluids include gas, oil, salt water, fresh water and fluids introduced to the formation during completion of the well during fracturing.

The location of one or more fractures along the length of the borehole is strictly controlled by various different methods which create or seal-off holes in the side of the wellbore. Typically, hydraulic fracturing is performed in cased wellbores and the zones to be fractured are accessed by perforating the casing at those locations.

Well types

While hydraulic fracturing is many times performed in vertical wells, today it is also performed in horizontal wells. Horizontal drilling involves wellbores where the terminal drillhole is completed as a 'lateral' that extends parallel with the rock layer containing the substance to be extracted. For example, laterals extend 1,500 to 5,000 feet in the Barnett Shale basin in Texas, and up to 10,000 feet in the Bakken formation in North Dakota. In contrast, a vertical well only accesses the thickness of the rock layer, typically 50-300 feet. Horizontal drilling also reduces surface disruptions as fewer wells are required. Drilling usually induces damage to the pore space at the wellbore wall, reducing the permeability at and near the wellbore. This reduces flow into the borehole from the surrounding rock formation, and partially seals off the borehole from the surrounding rock. Hydraulic fracturing is a unique technique used to restore permeability.

Hydraulic fracturing is commonly applied to wells drilled in low permeability reservoir rock. An estimated 50 percent of the natural gas wells in the United States, Russia and China over the next decade will use hydraulic fracturing to produce gas at economic rates.

Fracturing

The fluid injected into the rock is typically a slurry of water, proppants, chemical additives and a specially produced guar gum derivative. Additionally, gels, foams, and compressed gases, including nitrogen, carbon dioxide and air can be injected. Various types of proppant include silica sand, resin-coated sand, and man-made ceramics. These vary depending on the type of permeability or grain strength needed. Sand containing naturally radioactive minerals is sometimes used so that the fracture trace along the wellbore can be measured. Chemical additives and guar gum derivatives are applied to tailor the injected material to the specific geological situation, protect the well, and improve its operation, though the injected fluid is approximately 98-99.5% percent water, varying slightly based on the type of well. The composition of injected fluid is sometimes changed as the fracturing job proceeds. Often, acid is initially used to scour the perforations and clean up the near-wellbore area. Afterward, high pressure fracture fluid is injected into the wellbore, with the pressure above the fracture gradient of the rock. This fracture fluid contains water-soluble gelling agents (guar gum derivatives) which increase viscosity due to its unique crosslinking properties with various crosslinkers that efficiently deliver the proppant into the formation. As the fracturing process proceeds, viscosity reducing agents such as oxidizers and enzyme breakers are added to the fracturing fluid to deactivate the gelling agents and encourage flowback crosslinked guar gum derivative viscosity can be reduced easily and effectively in this process. The proppant's purpose is primarily to provide a permeable and permanent filler to fill the void created during the fracturing process. At the end of the job the well is commonly flushed with water (sometimes blended with a friction reducing chemical) under pressure. Injected fluid is to some degree recovered and is managed by several methods, such as underground injection control, treatment and discharge, or temporary storage in pits or containers while new technology is being developed to better handle wastewater and improve disposability.

Hydraulic fracturing equipment used in oil and natural gas fields usually consists of a slurry blender, one or more high pressure, high volume fracturing pumps (typically powerful triplex, or quintiplex pumps) and a monitoring unit. Associated equipment includes fracturing tanks, one or more units for storage and handling of proppant, high pressure treating iron, a chemical additive unit (used to accurately monitor chemical addition), low pressure flexible hoses, and many gauges and meters for flow rate, fluid density, and treating pressure. Fracturing equipment operates over a range of pressures and injection rates, and can reach up to 100 MPa (15,000 psi) and 265 L/s (100 barrels per minute).

Fracture monitoring

Measurements of the pressure and rate during the growth of a hydraulic fracture, as well as knowing the properties of the fluid and proppant being injected into the well provides the most common and simplest method of monitoring a hydraulic fracture treatment. This data, along with knowledge of the underground geology can be used to model information such as length, width and conductivity of a propped fracture.

For more advanced applications, Microseismic monitoring is sometimes used to estimate the size and orientation of hydraulically induced fractures. Microseismic activity is measured by placing an array of geophones in a nearby wellbore. By mapping the location of any small seismic events associated with the growing hydraulic fracture, the approximate geometry of the fracture is inferred. Tiltmeter arrays, deployed on the surface or down a well, provide another technology for monitoring the strains produced by hydraulic fracturing.

Emission of gases displaced by hydraulic fracturing into the atmosphere may be detected via atmospheric gas monitoring, and can be quantified directly via the eddy covariance flux measurements.

Horizontal completions

Since the early 2000s, advances in drilling and completion technology by making use of guar gum derivatives has made drilling horizontal wellbores much more convenient and economical. Horizontal wellbores allow for far greater exposure to a formation than a conventional vertical wellbore. This is particularly useful in shale oil and gas formations which do not have sufficient permeability to produce economically with a vertical well. Such wells when drilled onshore are now usually hydraulically fractured many times, especially in North America and more recently in Russia, Canada & China and many other Countries in queue. The type of wellbore completion used will affect how many times the formation is fractured, and at what locations along the horizontal section of the wellbore.

In North America, tight reservoirs such as the Bakken, Barnett Shale, Montney and Haynesville Shale are drilled, completed and fractured using this method. The method by which the fractures are placed along the wellbore is most commonly achieved by one of two methods, known as 'plug and perf' and 'sliding sleeve'.

The wellbore for a plug and perf job is generally composed of standard joints of steel casing, either cemented or uncemented, which is set in place at the conclusion of the drilling process. Once the drilling rig has been removed, a wireline truck is used to perforate near the end of the well, following which a fracturing job is pumped (commonly called a stage). Once the stage is finished, the wireline truck will set a plug in the well to temporarily seal off that section, and then perforate the next section of the wellbore. Another stage is then pumped, and the process is repeated as necessary along the entire length of the horizontal part of the wellbore.

The wellbore for the sliding sleeve technique is different in that the sliding sleeves are included at set spacings in the steel casing at the time it is set in place. The sliding sleeves are usually all closed at this time. When the well is ready to be fractured, using one of several activation techniques, the bottom sliding sleeve is opened and the first stage gets pumped. Once finished, the next sleeve is opened which concurrently isolates the first stage, and the process repeats. For the sliding sleeve method, wireline is usually not required.

These completion techniques may allow for more than 30 stages to be pumped into the horizontal section of a single well if required, which is far more than would typically be pumped into a vertical well.

What Is Shale Gas and Why Is It Important?

Shale gas refers to natural gas that is trapped within shale formations which are rare Earth elements. Shales are fine-grained sedimentary rocks that are rich sources of petroleum and natural gas.

Shale gas is natural gas produced from shale. Shale gas has become an increasingly important source of natural gas in the United States over the past decade, and interest has spread to potential gas shales in the rest of the world. One analyst expects shale gas to supply as much as half the natural gas production in America by 2020 which is now just 14 to 15% of the conventional gas production or to say it is just a beginning of new era of shale gas production.

Some analysts expect that shale gas will greatly expand worldwide energy supply and is expected to commence its production in almost all the 48 shale basins across the world in as many as 38 nations as have been identified by Energy Information Administration (EIA). A study by the Baker Institute of Public Policy at University concluded that increased shale gas production in the US and Canada could help prevent Russia and Persian Gulf countries from dictating higher prices for the gas it exports to European countries. The Obama administration believes that increased shale gas development will help reduce greenhouse gas emissions.

History

Shale gas was first extracted as a resource in Fredonia, NY in 1825, in shallow, low-pressure fractures. Work on industrial-scale shale gas mining did not begin until the 1970s, when declining production potential from conventional gas deposits in the United States spurred the federal government to invest in R&D and demonstration projects that ultimately led to directional and horizontal drilling, microseismic imaging, and massive hydraulic fracturing. Mitchell Energy, a Texas gas company, utilized all these component technologies and techniques to achieve the first economical shale fracture in 1998 using an innovative process called slick-water fracturing by making use of specially designed (tailor-made) guar gum derivatives. Since then, natural gas from shale has been the fastest growing contributor to total primary energy (TPE) in the United States, and has led many other countries to pursue shale deposits. According to the IEA, the economical extraction of shale gas more than doubles the projected production potential of natural gas, from 125 years to over 250 years.

Geology

Because shales ordinarily have insufficient permeability to allow significant fluid flow to a well bore, most shales are not commercial sources of natural gas. Shale gas is one of a number of unconventional sources of natural gas; other unconventional sources of natural gas include coalbed methane, tight sandstones, and methane hydrates. Shale gas areas are often known as resource plays (as opposed to exploration plays). The geological risk of not finding gas is low in resource plays, but the potential profits per successful well are usually also lower.

Shale has low matrix permeability, so gas production in commercial quantities requires fractures to provide permeability. Shale gas has been produced for years from shales with natural fractures; the shale gas boom in recent years has been due to modern technology in hydraulic fracturing (horizontal fracking) to create extensive artificial fractures around well bores. In this process tailor-made guar gum derivatives are used for compelling technical considerations.

Horizontal drilling is often used with shale gas wells, with lateral lengths up to 10,000 feet (3,000 m) within the shale, to create maximum borehole surface area in contact with the shale.

Shales that host economic quantities of gas have a number of common properties. They are rich in organic material (0.5% to 25%), and are usually mature petroleum source rocks in the thermogenic gas window, where high heat and pressure have converted petroleum to natural gas. They are sufficiently brittle and rigid enough to maintain open fractures. In some areas, shale intervals with high natural gamma radiation are the most productive, as high gamma radiation is often correlated with high organic carbon content.

Some of the gas produced is held in natural fractures, some in pore spaces, and some is adsorbed onto the organic material. The gas in the fractures is produced immediately; the gas adsorbed onto organic material is released as the formation pressure is drawn down by the well. By applying modern technology (fracking) the entire gas remains are squeezed off for energy purposes.

Economics

Although shale gas has been produced in low quantities by drilling the shale rocks for more than 100 years in the Appalachian Basin and the Illinois Basin of the United States, the wells were often marginally economical. Higher natural-gas prices in recent years and advances in hydraulic fracturing and horizontal completions have made shale-gas wells more profitable. As of June 2011, the validity of the claims of economic viability of these wells has begun to be publicly accepted. Shale gas tends to cost more to produce than gas from conventional wells, because of the expense of the massive hydraulic fracturing treatments required to produce shale gas. However, this is often offset by the low risk of shale-gas wells.

As of 2011 all successful shale-gas wells have exploited Paleozoic and Mesozoic rocks.

North America has been the leader in developing and producing shale gas. The great economic success of the Barnett Shale play in Texas in particular has spurred the search for other sources of shale gas across the United States and Canada.

Research has calculated the 2011 worth of the global shale-gas market as $26.66bn. and the same is expected to grow to be triple by 2035.

Horizontal Drilling and Hydraulic Fracturing

Over the past decade, the combination of horizontal drilling and hydraulic fracturing has allowed access to large volumes of shale gas that were previously uneconomical to produce. The production of natural gas from shale formations has rejuvenated the natural gas industry in the United States.

The U.S. Has Abundant Shale Gas Resources

Of the natural gas consumed in the United States in 2009, 87% was produced domestically; thus, the supply of natural gas is not as dependent on foreign producers as is the supply of crude oil, and the delivery system is less subject to interruption. The availability of large quantities of shale gas will further allow the United States to consume a predominantly domestic supply of gas.

According to the EIA Annual Energy Outlook 2011, the United States possesses 2,552 trillion cubic feet (Tcf) of potential natural gas resources. Natural gas from shale resources, considered uneconomical just a few years ago, accounts for 827 Tcf of this resource estimate, more than double the estimate published last year.

Enough for 110 Years of Use

At the 2009 rate of U.S. consumption (about 22.8 Tcf per year), 2,552 Tcf of natural gas is enough to supply approximately 110 years of use. Shale gas resource and production estimates increased significantly between the 2010 and 2011 Outlook reports and are likely to increase further in the future.

What is a Shale "Play"

Shale gas is found in shale "plays," which are shale formations containing significant accumulations of natural gas and which share similar geologic and geographic properties. A decade of production has come from the Barnett Shale play in Texas. Experience and information gained from developing the Barnett Shale have improved the efficiency of shale gas development around the country.

Other important plays are the Marcellus Shale and Utica Shale in the eastern United States; and, the Haynesville Shale and Fayetteville Shale in Louisiana and Arkansas. Surveyors and geologists identify suitable well locations in areas with potential for economical gas production by using both surface-level observation techniques and computer-generated maps of the subsurface. These shales are yet to exploit for commercial gas production that offers rejuvenating opportunities to the guar gum industry in the years ahead.

Shale Gas vs. Conventional Gas

Conventional gas reservoirs are created when natural gas migrates toward the Earth's surface from an organic-rich source formation into highly permeable reservoir rock, where it is trapped by an overlying layer of impermeable rock. In contrast, shale gas resources form within the organic-rich shale source rock. The low permeability of the shale greatly inhibits the gas from migrating to more permeable reservoir rocks. Without horizontal drilling and hydraulic fracturing, shale gas production would not be economically feasible because the natural gas would not flow from the formation at high enough rates to justify the cost of its production..

China to promote shale gas exploration

BEIJING - The Ministry of Land and Resources (MLR) said Sunday that China will increase efforts to explore shale gas in 2012, a move expected to help restructure the country's energy supplies.

The government will strengthen the survey and appraisal of shale gas this year to speed up the development of the shale gas industry, MLR Vice Minister Wang Min said at a national geological survey conference.

The move comes after the recent approval of the State Council, or the Cabinet, to list shale gas as an independent mineral resource, making the total number of mineral resources discovered in China to 172.

Realizing scale production of shale gas will help ease the country's natural gas shortage and even change its entire energy supply structure, Wang said.

China has a rich reserve of shale gas resource, which is estimated at 31 trillion cubic meters, equivalent to the total amount of conventional natural gas, according to Wang.

If developed properly, the country's shale gas output will exceed 100 billion cubic meters in 2020, Wang said.

Shale gas, a clean and high-efficiency energy resource, is produced from shale through a complicated process called hydraulic fracturing, or "fracking".

Currently, China has no commercial shale gas production, but shale gas has become an increasing important source of natural gas in the United States and Canada.

The MLR said in December 2011 that it will formulate a series of supporting policies to bring in diversified investment in shale gas exploration to push forward large-scale extraction of the resource.

Potentiality of Shale Gas

Shale gas in 2009 made up 14% of total U.S. natural gas supply. Production of shale gas is expected to continue to increase, and constitute 45% of U.S. total natural gas supply in 2035, as projected in the EIA Annual Energy Outlook 2011.

Encouraged by the availability of inexpensive and cleaner domestic gas, some electric utilities are replacing their coal burning capacity with gas fired units. Energy intensive manufacturers of chemicals, plastics, and steel are beginning to bring home operations that they exported years ago. Shale production in the US has increased from practically nothing in 2000 to more than 13 billion cubic feet per day, or about 30% of the country's natural gas supply. That proportion is heading toward 50% in coming years. The US passed Russia in 2009 to become the world's largest producer of natural gas. An Energy Department advisory panel on which Krupp sits estimated in August that more than 200000 jobs, both direct and indirect, "have been created over the last several years by the development of domestic production of shale gas in USA".

At present shale gas is just started to exploit mainly in the USA and Canada. Energy Information Administration (EIA) of America has identified 48 shale gas rich basins in 38 countries that include Mexico, Brazil, Peru, Chile, Argentina, South Africa, Poland, Bulgaria, England, Australia, France, Ireland, New Zealand and India. Therefore, shale gas exploitation is bound to increase in these countries in the years ahead. Being a leading guar gum derivative manufacturer, this offers good fortune to your company for many years to come.

Socio Economic Responsibility

Our vision for responsible growth builds on your Company's belief that we do well when our interests are aligned with farmers community, we serve. Farmers are at the heart of our business. Our deep commitments to the farming community and our ability to offer them exciting opportunities and realizations enable us to attract them to harvest need-based guar crop in the years ahead that give us the competitive edge. Enhanced realizations provided to the farming community during the year under review has considerably changed the life style of the poor farmers residing in the Great Indian Desert who were previously deprived off the basic needs to maintain their livelihood. Better crop realization have enabled them to provide good education to their children which in turn will help in building a good society thereby eradicating the evil of poverty in the times to come from the state.

Listing of Company's stocks in NSE -

Your company has planned to list its stock for trading in the National Stock Exchange of India (NSE) during the month of May - June 2012. This will enhance the liquidity of stocks to a great extent. I am happy to announce that the Board of Directors of your company has proposed a dividend @ 25% for the year ended 31st March 2011 also. Going forward, your company is seen as one of the engines powering global energy market and re-shaping the global landscape. Your company will remain alert to the new opportunities being offered by the modern technology for the exploitation of shale rocks, while at the same time continuing to consolidate and build on its core competencies.

Best wishes for a prosperous tomorrow.

Place: Siwani
Date : 16-1-2012

B. D. Agarwal
Chairman and Managing Director

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Company will be held on Tuesday the 28th day of February, 2012 at 10.00 A.M. in the local area of Regd. Office of the Company at Railway Road, Siwani- 127046, Haryana, to transact the following business: -

ORDINARY BUSINESS

1. To receive and adopt the audited Profit & Loss Account for the year ended 31st March 2011, and the Balance Sheet as on the date and the reports of the Directors and Auditors thereon.
2. To consider and declare final dividend for the year.
3. To appoint a Director in place of Smt Bimla Devi Jindal who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Director in place of Shri Kishan Lal who retires by rotation and being eligible offers himself for re-appointment
5. To appoint Director in place of Shri R A Mittal who retires by rotation and being eligible offers himself for re-appointment
6. To appoint Director in place of Shri Vishnu Bhagwan who retires by rotation and being eligible offers himself for re-appointment
7. 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.

SPECIAL BUSINESS

8. **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 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory amendment or re-enactment thereof and subject to such consent, approvals and permissions as may be needed, the remuneration package of Shri. Kishan Lal, designated as an Independent Director of the Company, be and is hereby reappointed for a period of five years from the expiry of his present tenure in the following manner :-

   Salary (Remuneration): Rs. 5,00,000/ per annum.

9. **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 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory amendment or re-enactment thereof and subject to such consent, approvals and permissions as may be needed, the remuneration package of Shri. R A Mittal, designated as an Independent Director of the Company, be and is hereby reappointed for a period of five years from the expiry of his present tenure in the following manner :-

   Salary (Remuneration): Rs. 5,00,000/ per annum.

10. **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 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory amendment or re-enactment thereof and subject to such consent, approvals and permissions as may be needed, the remuneration package of Shri. Vishnu Bhagwan, designated as an Independent Director of the Company, be and is hereby reappointed for a period of five years from the expiry of his present tenure in the following manner :-

    Salary (Remuneration): Rs. 5,00,000/ per annum.

By Order of the Board of Director
For VIKAS WSP LIMITED
Sd/-

Date: 30.01.2012 (B. D. Agarwal)
Place: Sri Ganganagar Managing Director

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint one or more persons as proxies to attend and vote on a poll only instead of himself and a proxy need not be a member of the Company.
2. Proxies, in order to effective, must be received at the Regd. Office of the Company, not less than forty eight hours before the commencement of the Annual General meeting.
3. Additional information, pursuant to clause 49 of the Listing Agreement with Stock Exchange, on Directors recommended for appointment/ reappointment at the Annual General meeting, is appearing in the Report and Accounts.
4. Members are requested to bring the admission slips along with their copy of the Report and accounts to the meeting.
5. Members holding shares in physical form are requested to notify/send the change in their address at the Regd. Office of the Company and holding shares in the electronic form are advised to send the same information to their respective Depository Participant.
6. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit at the Regd. Office of the Company the prescribed form 2B.
7. The Register of Members of the Company shall remain closed from 17th September to 25th September 2011 (both days inclusive) for the purpose of Dividend and Annual Book Closure.
8. Shareholders who have not so far en-cashed the Interim dividend warrant(s) for the year 2007-2008 are requested

to seek issue of duplicate warrant(s) by writing to the company immediately. Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claim. The amount of Dividend which remain unclaimed for the following years:

Sr. No	Year	Record Date	Unclaimed Amount (Rs.)
1	2007-08	24.10.2007	1038423.25
2	2008-09	16.09.2009	2223609.00
3	2009-10	16.09.2010	2055208.00

ADDITIONAL INFORMATION: -

1. Brief profile of Smt Bimla Devi Jindal: - Smt Bimla Devi Jindal, Director, who retires by rotation and being eligible, offers himself for reappointment.

   Smt. Bimla Devi Jindal has been appointed by the Board as an additional Director w.e.f. 10.06.2005. Smt. Bimla Devi Jindal holds a Bachelor's Degree in Commerce from the University of Haryana. She belongs to a leading Gaur Gum Industrialist family. Keeping in view her long experience in the Gaur Gum industry, your directors recommends to re-appoint Smt. Bimla Devi Jindal as Director of the Company.

2. Brief profile of Shri Kishan Lal: - Shri Kishan Lal, Director, who retires by rotation and being eligible, offers himself for reappointment

   Sh Kishan Lal has been appointed by the Board as an Additional Director w.e.f. 27.10.2007. He holds a Master Degree in science. He is a former Director General of Police, Government of Rajasthan. Mr. Kishan Lal having long experience in enforcing law & order, your Directors recommend to re-appoint Sh Kishan Lal as Independent Director of the Company.

3. Brief profile of Shri R A Mittal: - Sh R A Mittal, Director, who retires by rotation and being eligible, offers himself for reappointment

   Sh R A Mittal has been appointed by the Board as an Additional Director w.e.f. 11.08.2008.

   He is a person with excellent academic background and possesses strong educational and professional qualifications. He is retired from Indian Revenue Services and having long experience in Accounts and Audit, your Directors recommend to re-appoint Sh R A Mittal as Independent Director of the Company.

4. Brief profile of Shri Vishnu Bhagwan: - Shri Vishnu Bhagwan, Director, who retires by rotation and being eligible, offers himself for reappointment

   Sh Vishnu Bhagwan has been appointed by the Board as an Additional Director w.e.f. 27.10.2007. Mr. Vishnu Bhagwan is a person with excellent academic background and possesses strong educational and professional qualifications. He is Bachelors in Law, Master of Art and Master of Philosophy. He was I.A.S. (Retd) officer and former Chief Secretary of Government of Haryana; he has also served as India's representative to Food and Agricultural Organisation (FAO) of United Nations Organisation. Having wide experience in this field, your Directors recommend to re-appoint Sh Vishnu Bhagwan as Independent Director of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 8

By taking into consideration the increased business volume of the Company and to match the remuneration package of Shri Kishan Lal, Independent Director of the Company with the present prevailing compensation at this level in the industry, it is appropriate the remuneration package of Shri Kishan Lal should be at Rs. 500000/- per annum in the present situations.

Therefore it is proposed, on the recommendation made by the "Board of Directors' of the Company, the remuneration package of Shri Kishan Lal is Rs. 500000/- for a period of five years from the date of the expiry of his present tenure.

ITEM NO. 9

By taking into consideration the increased business volume of the Company and to match the remuneration package of Shri R A Mittal, Independent Director of the Company with the present prevailing compensation at this level in the industry, it is appropriate the remuneration package of Shri R A Mittal should be at Rs. 500000/- per annum in the present situations.

Therefore it is proposed, on the recommendation made by the "Board of Directors' of the Company, the remuneration package of Shri R A Mittal is Rs. 500000/-for a period of five years from the date of the expiry of his present tenure.

ITEM NO. 10

By taking into consideration the increased business volume of the Company and to match the remuneration package of Shri Vishnu Bhagwan, Independent Director of the Company with the present prevailing compensation at this level in the industry, it is appropriate the remuneration package of Shri Vishnu Bhagwan should be at Rs. 500000/- per annum in the present situations.

Therefore it is proposed, on the recommendation made by the "Board of Directors' of the Company, the remuneration package of Shri Vishnu Bhagwan is Rs. 500000/- for a period of five years from the date of the expiry of his present tenure.

By Order of the Board of Director
For VIKAS WSP LIMITED
Sd/-

Date: 30.01.2012 (B. D. Agarwal)
Place: Sri Ganganagar Managing Director

DIRECTORS REPORT

To The Members,

I am happy to present on behalf of the Board of Directors, the Annual Report of your Company and the audited statement of accounts for the year ended 31st March 2011.

Financial Performance

Key aspects of your Company's Financial Performance for the financial years 2010-2011 and 2009-2010 are tabulated below:

(Rs. In Millions)

ITEMS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
1 Net Sales	5460.14	4589.77
2 Other Income	23.83	6.16
3 Total Expenditure	3596.86	2915.50
4 Interest	168.48	50.20
5 Gross Profit/Loss after Interest but before depreciation	1718.63	1630.23
6 Depreciation	407.46	303.64
7 Net Profit/Loss before tax	1311.16	1326.59
8 Tax Expenses	88.88	127.07
9 Deferred tax liability	0.249	-
10 Net Profit/Loss after tax	1222.28	1199.52
11 Extra Ordinary Items	-	-
12 Net Profit for the period	1222.28	1199.52
13 Appropriations		
(a) Proposed/ Interim Dividend	34.36	68.72
(b) Corporate Tax on distributed dividend	5.71	11.68
(c) Transfer to General Reserve	122.23	250.00
14 Reserves & Surplus	9163.26	7981.05
15 Book value/share	67.67	59.65

Operations

During the current year under review your company has achieved a total turnover of Rs. 5460.14 millions as compared to that of Rs. 4589.77 millions in the previous year. So, our sales for the current year grew by 18.96% over the previous year. During the year under review the company has earned a net profit of Rs 1222.28 millions as compared to net profit of Rs.1199.52 millions in previous year. Therefore, our net profit for the current year grew by 1.86% over the previous year.

Dividend

Your Directors proposed final dividend of Rs. 0.25 per equity share of Rs. 1/- each for the financial year 2010-11 for your approval, if approved then the record date for the purpose of payment of dividend is fix as on 16th September, 2011 and payable to its shareholders who were on the register of members of our company as at the closing hours of record date.

Future prospects

Guar gum polymers global market is expanding at a CAGR @ 15%. Its main demand is increasing in the food and oil and gas segment. Guar gum polymers demand in the food segment is increasing @ 7 to 8% in the developed countries whereas it is showing an increase of 12-15% in the developing countries. Demand of Guar polymers for oil and gas wells drilling and fracturing is increasing day by day as the global crude oil prices are on increase. Company's R&D is constantly involved in developing newer guar products for food and other industrial applications for the effective control of processing problems and the same is conducive in expanding global guar polymers market. International market for certified organic guar polymer is also on increase at a robust rate of 25% per annum. Taking all these prospects together, the demand for guar polymers is bound to increase in the years ahead. So the future prospects are expected to be even better.

International Quality Standards and their certifications-

(A) An ISO 9001:2000 - Certified Company-

100% EOU units of the company have been certified as ISO 9001:2000 by DNV - a Norvagian Company. So the company is meeting all the quality control parameters as set out by DNV.

(B) Hazards Analysis of Critical Control Points (HACCP)-

The product manufactured by the company is also used in the food production as thickening and binding agent. The user customers are multinational (MNCs) food producers viz. Nestle (Friskies), Mars (Master Food), Heinz, Sara lee, Unilever, and CSM. To source their key raw materials, these MNCs prefer HACCP certified vendors. Employing HACCP in the production system one can check the following contaminations:

- Physical
- Chemical
- Microbial

(C) Good Manufacturing Practices (GMP)

Company's 100% EOU units are certified WHO Good Manufacturing Practices (WHO-GMP). Guar Polymers produced using GMP is included in the Food Chemical Codex (FCC) and approved for food use. Therefore, GMP ensures the customers that the products are manufactured in good and hygienic conditions.

Foreign Exchange Earning and Outgoings

The detail of foreign exchange earnings and outgoings is provided in page no. 10 of the annual report.

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 10 of the annual report.

Directors' re-appointment

Mrs. Bimla Devi Jindal retires by rotation and being eligible offer themselves for re-appointment at this Annual General Meeting. The Board Governance Committee has recommended their re-appointment for consideration of the shareholders. A brief profile of Mrs Bimla Devi Jindal is given in the notice of Annual General Meeting.

Mr. Kishan Lal retires by rotation and being eligible offer themselves for re-appointment at this Annual General Meeting. The Board Governance Committee has recommended their re-appointment for consideration of the shareholders. A brief profile of Mr Kishan Lal is given in the notice of Annual General Meeting.

Mr. R A Mittal retires by rotation and being eligible offer themselves for re-appointment at this Annual General Meeting. The Board Governance Committee has recommended their re-appointment for consideration of the shareholders. A brief profile of Mr R A Mittal is given in the notice of Annual General Meeting.

Mr. Vishnu Bhagwan retires by rotation and being eligible offer themselves for re-appointment at this Annual General Meeting. The Board Governance Committee has recommended their re-appointment for consideration of the shareholders. A brief profile of Mr. Vishnu Bhagwan is given in the notice of Annual General Meeting.

Auditors' Appointment

M/s B S R & Co., Chartered Accountants, Gurgaon, Statutory Auditor of the company, being eligible, offers himself for appointment.

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 thereunder.

Related Party Transactions

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

Particulars of Employees

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

Directors Responsibility Statement

On behalf of the Directors I confirm that as required under Section 217 (2AA) of the Companies Act, 1956:-

(a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures is made from the same;

(b) we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the period;

(c) we have taken proper and sufficient care 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) we have prepared the annual accounts on a going concern basis.

Corporate Governance

We believe Corporate Governance is at the heart of Shareholder value creation. Our governance practices are described separately at page 11 of the Annual Report. We have obtained a certification from a practicing company secretary on compliance with clause 49 of the listing agreement with Indian Stock Exchanges. The certificate is given at page 14.

Industrial Relations

The relation with employees at all levels has 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.

Observation by Auditors

We explained in detail of all observation made by the Statutory Auditors on Financial Accounts in Notes on Accounts at page 30.

Acknowledgments

Your Directors take this opportunity to thank all stake holders, customers, vendors, banks, regulator and governmental authorities, and Stock Exchanges for their continued support. Your Directors also acknowledge with thanks, the support extended by Financial Institutions. The Board also place on record their appreciation for the wholehearted co-operation received from its employees.

By Order of the Board of Directors
For VIKAS WSP LIMITED

Sd/-

Date: 30.01.2012 (B. D. Agarwal)
Place: Sri Ganganagar Managing Director

ANNEXURE TO DIRECTOR'S REPORT

A. (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;

(5) the detail of total energy consumption are as under:

		2010-11
Electricity		
Purchased Unit	KWH	20590644
Total Amount	Rs.(in million)	97.89
Rate/Unit	Rs.	4.75
HSD oil		
Quantity of HSD	KL:	1379
Total cost	Rs.(in million)	48.69
Average rate/KL	Rs.	35304.70
LPG		
Quantity	Kgs.	20366
Total cost	Rs.(in million)	48.60
Average rate/ Kg.	Rs.	2386.60

B. FOREIGN EXCHANGE EARNING & OUTGOING:

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

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

	Rs. In lacs
Total foreign exchange earnings during the year-	51821.91
Total foreign exchange used during the year	12943.45
Net foreign exchange earned during the year	38878.4

REPORT ON CORPORATE GOVERNANCE 2010-11

COMPANY'S PHILOSOPHY

Our name and logo reflects our philosophy and policy. Vikas means development; in terms of thought and deed. Vikas is a Shining Star in red, over an oval encompassing our name, is our constant reminder to out-shine others.

Vikas WSP Limited would like to be known as an 'excellent' Company in terms of the quality of governance, the products it manufactures and trades in, in Customer Services, in fair dealings with its stakeholders and in the standards of individual and Company performance. We believe good governance is an essential ingredient of good business, good governance and good business have many things in common; participatory decision making, accountability, responsiveness, transparency, effectiveness and efficiency among others.

VIKAS, is led by a strong and independent Board, which provides the Company strong oversight and strategic counsel. The company has established systems and procedure to ensure that the Board remains well-informed and well-equipped to fulfill its oversight responsibilities and to provide the management, the strategic direction it needs to create long-term shareholders value.

For us good governance and good business is not a destination but a continuing journey.

1. BOARD OF DIRECTORS

The current policy of the Company is to have an executive Chairman who is also the Managing Director. All Directors except Non-executive Directors have long experience in the Guar Gum Industry. The Composition and category of Directors in the Board of the Company are: -

Name of the Director	category	Total no. of Director Ship	Total no. of membership of the Committees of Board		Total No. of Chairmanship of the Committees of Board	
			Member-Ship In audit/ Investor grievance Committees	Member-ship in other committees	Chairman-Ship In audit/ Investor grievance Committees	Chairman-ship in other committees
1. Sh. B.D.Agarwal	CMD	3	2	1	Nil	1
2. Sh. Megh. Raj	Director	3	Nil	Nil	Nil	Nil
3. Smt. Bimla Devi	Director	4	2	1	Nil	1
4. Sh. Ravi Sharma	Ind. Director	2	4	2	2	Nil
5. Sh. Rakesh Jindal	Ind. Director	2	4	1	2	Nil
6. Sh. Kishan Lal	Ind. Director	1	Nil	Nil	Nil	Nil
7. Sh. Vishanu Bhagwan	Ind. Director	2	Nil	Nil	Nil	Nil
8. Sh. R.A. Mittal	Ind. Director	1	Nil	Nil	Nil	Nil

Notes: -

1. While considering the total number of directorships, directorships in private companies have also been included

Details of Board meeting held during the financial year 2010-11.

During the financial year 2010-11, the Board of Directors of the company met 13 (Thirteen) times on 15.05.2010, 20.05.2010, 22.06.2010, 14.08.2010, 30.08.2010, 30.09.2010, 14.11.2010, 01.12.2010, 12.12.2010, 30.12.2010, 14.02.2011, 23.02.2011 and 31.03.11 Detailed Agenda notes and the informations required to be given in terms of Companies Act, 1956 and Listing Agreement were circulated to the Board.

Attendance at the Board meeting and last Annual General Meeting

Name of the Director	No. of Board meetings Attended	Attendance at the last AGM held on 28th Sep.10
Sh. B.D.Aggarwal	13	Yes
Sh. Megh Raj Jindal	08	Yes
Smt. Bimla Devi	09	Yes
Sh. Ravi Sharma	09	No
Sh. Rakesh Jindal	08	No
Sh. Kishan Lal	05	No
Sh. Vishanu Bhagwan	06	Yes
Sh. R.A. Mittal	02	No

2. AUDIT COMMITTEE

The Company has set up its Audit Committee in December 2000 and is reconstituted again on 10.06.2005 & 07.03.06 & 27.04.2009 Sh. Ravi Sharma has been appointed as chairman of this committee. Sh. Ravi Sharma has sound knowledge in finance and accounts and has long experience in this industry. Sh. Mahesh Batra has been resigned from the membership and Sh. Rakesh Jindal is appointed as member of the committee.

The terms of reference of the Audit committee is very wide and includes overseeing the Company's: -

* Financial reporting process and disclosure of its financial information;
* to recommend the appointment of internal auditors;
* to review internal control systems ;
* the scope of internal audit including the observations of the auditors;
* major accounting policies, practices and entries;
* to ensure the compliances with the accounting standards, Listing Agreement and other legal requirement concerning with the financial statements of the Company;
* related party transactions, if any;
* to review the quarterly, half- yearly and annual financial statements before they are submitted to the Board.

Dates of Committee Meetings

Name of member	Designation	Attendance - Yes/No			
		14.05.2010	14.08.2010	12.11.2010	12.02.2011
Sh. Ravi Sharma	Chairman	Yes	Yes	Yes	Yes
Sh. Rakesh Jindal	Member	Yes	Yes	Yes	Yes
Sh. B.D.Agarwal	Member	Yes	Yes	Yes	Yes

The minutes of the meetings of the audit committee are placed before the Board and the Company is following the recommendations of the audit committee.

3. COMPENSATION COMMITTEE

Company has been constituted a compensation committee in the chairmanship of Mr. B. D. Agarwal and two other Directors namely Sh. Rakesh Jindal and Sh. Ravi Sharma are the members of this committee. The Secretary of the committee is Mr. Ravinder Kumar Gupta.

4. INVESTOR GRIEVANCE COMMITTEE

The Board of Directors of the Company has constituted the Investors' Grievances Committee of Directors. The committee specifically redresses the grievances of the shareholders. The terms of reference of shareholders Grievance Committee inter-alia considers the following matters: -

* Approves issue of Duplicate Share Certificates.
* Looks into the redressal of shareholders complaints like non- receipt of Balance Sheet, Dividend Warrants and complaints pertaining to transfer of shares, etc.
* The committee also considers the request of the shareholders for splitting/consolidation/renewal of certificate as may be referred by the share transfer committee.

The Investor Grievance Committee presently comprises of the following Members: -

1. Sh. Rakesh Jindal Chairman
2. Sh. Ravi Sharma Member
3. Sh. B.D.Agarwal Member

5. DATE, VENUE & TIME FOR THE LAST THREE ANNUAL GENERAL MEETING

Date	Venue	Time	No. of Special Resolution
26.09.2008	In the local area of Regd. Office of the company at Railway Road, Siwani - 127046 (Haryana)	10.00 A.M.	None
30.09.2009		10.00 A.M.	Three
28.09.2010		10.00 A.M.	None

6. DISCLOSURE

There are no materially significant related party transactions i.e. transactions material in nature with its promoters, the directors or the management, their subsidiaries or relatives etc., except with one group company wherein normal business transactions are made and that are not prejudicial to the interest of the company.

7. MEANS OF COMMUNICATION

The company's quarterly results, in the format prescribed by the Stock Exchanges, are approved and taken on record by the Board within the prescribed time frame and sent immediately to all Stock Exchanges on which the Company's shares are listed.

The quarterly unaudited financial results are generally published in the English and Vernacular newspapers. These results are published in Economic Times in all editions, and in two newspapers of regional language and also submitted to Stock Exchanges to enable them to put them on their websites.

8. GENERAL SHAREHOLDER INFORMATION

These information's are furnished herein below: -

(I) As indicated in the notice to our shareholders, the Annual General Meeting of the Company will be held on 28th February, 2012 in the local area of Regd. Office of the Company at 10.00 a.m.

(II) The financial year of the Company is 1st April 2010 to 31st March 2011.

(III) Date of Book Closure from 17th Sep. 2011 to 25th Sep. 2011 (both days inclusive) for the purpose of Annual Book Closure.

(IV) The Shares of the Company are listed on: -
- (a) The Bombay Stock Exchange Ltd., Mumbai
- (b) The Delhi Stock Exchange Association Ltd., Delhi
- (c) Jaipur Stock Exchange Ltd., Jaipur
- (d) The Stock Exchange, Ahmedabad
- (e) Cochin Stock Exchange Ltd., Cochin

(V) Listing fees for the all the Stock Exchanges have been paid.

(VI) In respect of transfer of physical shares, shareholders are advised to contact the Share Transfer Agent of the Company.

(VII) Shares received for physical transfer are generally registered within a period of 15 days from the date of receipt.

(VIII) As on March 31, 2011, the Distribution of our shareholding was as following: -

S. No.	No. of Equity Shares held	Share holders Nos.	No. of Shares	% of Share holding
1	Upto-5000	55011	39100045	28.449
2	5001-10000	1284	9631501	7.008
3	10001-20000	633	9106965	6.626
4	20001-30000	215	5301551	3.857
5	30001-40000	94	3311808	2.41
6	40001-50000	63	2920486	2.125
7	50001-100000	105	7765335	5.65
8	100001 & above	83	60301909	43.875
	TOTAL	**57488**	**137439600**	**100**

Shareholding pattern as on 31st March 2011

Category	Nos. of shares held	% to Total
Promoters	20331517	14.79306
Financial Institutions / Nationalized Banks & Mutual Fund	5002200	3.639562
Non-Resident Individuals/ OCBs/FII's	10166718	7.397226
Bodies Corporate	16170839	11.76578
Resident Individuals	85768326	62.40438
TOTAL	**137439600**	**100**

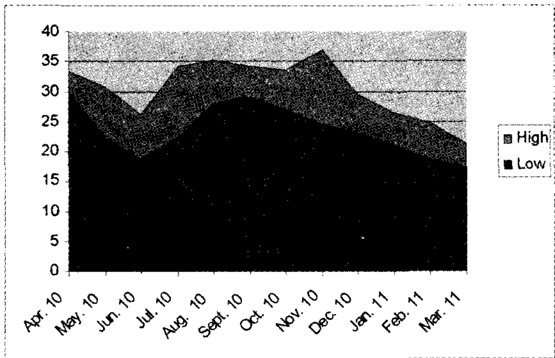
(viii) Dematerialization of shares

Over 97% of the listed Equity Shares have been dematerialized.

(ix) Demat ISIN Numbers in NSDL & CDSL : INE706A01022

(x) Stock Market Rate on BSE (Re.1/- per Share)

	Apr. 10	May 10	June 10	July 10	Aug. 10	Sept. 10	Oct. 10	Nov. 10	Dec. 10	Jan. 11	Feb. 11	Mar. 11
High	33.45	30.75	26.20	34.25	35.30	34.20	33.70	37.00	29.40	26.45	24.75	21.25
Low	29.90	22.30	18.80	22.20	28.10	29.15	27.10	24.60	23.00	21.10	18.65	17.35



Diagrammatical presentation of monthly high low of stock price at Bombay Stock Exchange Ltd., Mumbai.

(xi) Address for correspondence: -

Admn. Office	**Regd. Office**
B-86/87, Udyog Vihar	Railway Road, Siwani
RIICO Industrial Area,	127046 (Haryana)
Sri Ganganagar- 335001	

E-mail: investor.grevience@vikaswspltd.in
ravindergupta@vikaswspltd.in

Website: www.vikaswspltd.in

(xii) Registrar & Transfer Agent

LINK INTIME INDIA PVT. LIMITED
A-40, 2rd Floor, Naraina Industrial Area,
Phase-II, Near Batra Banquet Hall,
New Delhi-110028
Unit: - Vikas WSP Ltd.

9. 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 WSP Limited for the financial year ended 31st March, 2011.

For VIKAS WSP LIMITED
Sd/-

Date: 30.01.2012 (B. D. Agarwal)
Place: Sri Ganganagar Managing Director

10. Statement of Disclosure by Audit Committee to the Shareholders

To,

The Shareholders of
Vikas WSP 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 2010-11 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 WSP LIMITED**
Sd/-

Date: 30.01.2012 Ravi Sharma
Place: Sri Ganganagar Chairman, Audit Committee

11. CERTIFICATE ON CORPORATE GOVERNANCE

The Auditors' certificate on Compliance of Clause 49 of the Listing Agreement relating to Corporate Governance is hereunder: -

TO

THE MEMBERS
VIKAS WSP LTD.

CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of corporate governance by Vikas WSP Limited, for the year ended on March 31, 2011, 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 2010-2011 on 14.05.2010, 14.08.2010, 12.11.2010 & 12.02.2011.

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 31.03.2011.

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

Place: New Delhi
Date: 25.01.2012

12. NON MANDATORY RECOMMENDATIONS AS PER CLAUSE 49 OF THE LISTING AGREEMENT

Chairman	:	The Company has an Executive Chairman & Managing Director.
Remuneration Committee	:	The Board has Compensation Committee
Shareholders Right	:	The Company ensures that any new developments related to its business; receive wide coverage in the press through regular press releases and electronic distribution &/ or sent to Bombay Stock Exchange as Corporate Announcement.
Postal Ballot	:	The business to be transacted at the ensuing general meetings do not require passing of resolution by postal ballot. The Company will extend this facility of voting by postal ballot on matters, specified for postal ballot in the Companies Act, 1956, as and when required.

MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENT

The Company VIKAS WSP was established in 1988. The Company is one of the India's foremost guar gum powder (GGP) manufacturer, supplying to all sectors of the food industry with an extensive range of quality products. Besides food, the Company also offers guar gum for technical applications such as pet food, oil drilling and fracturing, textile printing, paper making, etc. Per annum production capacity of all grades guar gum powder is 46200 MT. The Company is committed to provide its customers overall services and values that is the best. It has contributed significantly to our national output, employment and exports.

FUTURE OUTLOOK, OPPORTUNITIES AND THREATS

Your company - world's leading provider of guar gum polymers, knows how much traceability means to food and pharmaceutical producers. It offers a complete and trustworthy range of guar polymers world-wide and can fully prove their origins. Traceability serves both regulatory and consumer requirements. The company is known for proven production processes, advanced quality systems and reliable supplies. These are the reasons that your company has abducted most of the expanding market of guar polymers. Company's R&D has a gimlet-eye on the application problems and their solutions which goes a long way in expanding its business in all segments in the years ahead. Currently, your company is the sole producer of "Certified Organic guar polymers" and the same is an opportunity for the company to spread its wings in markets where none existed before. Threats - Guar is a xero-phyte plant and the rain pattern of the monsoons in the Indian arid zone - mainly Western desert of Rajasthan provides ideal growing conditions. The need for just the right amount of rain at the right time leaves the guar crop heavily dependent on the annual rainfall pattern and causes occasional wide swings in guar supply and prices. With the emergence of irrigated guar seeds, dependency of guar crop on monsoon has been minimized. Now its crop is irrigated with canal water at the right time that increased its per hectare yield greatly.

COMPANY'S PERFORMANCE

During the current year under review your company has achieved a total turnover of Rs. 5460.14 millions as compared to Rs.4589.77 millions in the previous year During the year under review the company has earned a net profit of Rs. 1223.28 millions as compared to net profit of Rs. 1199.52 millions during previous year.

FOREIGN EXCHANGE EARNINGS

Your Company remains committed to enlarging Foreign Exchange Earnings. Earnings from exports create growing value for the Indian Economy and also serve to benchmark the competitiveness of your Company's operations with global standards.

The VIKAS WSP's contribution to Foreign Exchange Earning was accounted for the agro exports, a measure of your company's growing contribution to the rural economy.

BUSINESS SEGMENT

As the Company is dealing only in Guar derivatives and Guar Polymers, therefore, segment wise detail is not required to incorporate.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

HUMAN RESOURCES/INDUSTRIAL RELATIONS

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

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

Amended Auditors' Report

To the Members of
Vikas WSP Limited

1. We have audited the attached Amended Balance Sheet of Vikas WSP Limited ("the Company") as at 31 March 2011, Amended Profit and Loss Account and also the Amended Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These Amended financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these amended financial statements based on our audit.

2. **Attention is drawn to note 1 of schedule 18, wherein it is explained that the Board of Directors had adopted the financial statements of the Company for the year ended 31 March 2011 in their meeting held on 30 May 2011 (referred to as "original financial statements") on which we issued our Audit Report dated 30 May 2011. However, subsequent to the issuance of our earlier audit report dated 30 May 2011 on the original financial statements we noted that:**
   - **complete/correct information and documents particularly in relation to term loan and packing credit loan taken from IFCI Limited and in respect of certain guarantees given by the Company were not provided to us; and**
   - **the representations provided by the management to us with respect to the above matters during the course of our audit were not appropriate;**

   In accordance with the provisions of Standards on Auditing 560 (Revised) 'Subsequent Events' issued by The Institute of Chartered Accountants of India, we have carried out additional audit procedures necessary in the circumstances including corroboration with other evidences for representations made by the management during the course of our earlier audit. We are issuing this audit report on the amended financial statements. Our audit report dated 30 May 2011 on the original financial statements is superseded by this audit report.

3. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the amended financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the amended financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall amended financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

4. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

5. 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 Amended Balance Sheet, the Amended Profit and Loss Account and the Amended Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Amended Balance Sheet, the Amended Profit and Loss Account and the Amended Cash Flow Statement dealt with by this report comply with the applicable 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 31 March 2011, and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on 31 March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

   (f) Attention is invited to note 15 of schedule 19 with regard to a corporate guarantee given to a bank by the Company in respect of a loan amounting to Rs. 100,000 thousand taken by a public company, in which some of the directors of the Company were interested as directors. As per Section 295 of the Companies Act, 1956, the Company is required to take prior approval from the Central Government for such transactions, which the Company had not obtained.

   (g) *subject to paragraph 5(f) above, the impact of which is not ascertainable,* in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:

      (i) in the case of the Amended Balance Sheet, of the state of affairs of the Company as at 31 March 2011;

      (ii) in the case of the Amended Profit and Loss Account, of the profit for the year ended on that date; and

(iii) in the case of the Amended Cash Flow Statement, of the cash flows for the year ended on that date.

For B S R and Co
Chartered Accountants
Firm Registration No:128510W

Sd/-

Rajesh Arora
Partner
Membership No.: 076124

Place: Sriganganagar
Date: 16 January 2012

Annexure referred to in paragraph 3 of the Amended Auditors' Report to the Members of Vikas WSP Limited on the accounts for the year ended 31 March 2011

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a programme of physical verification of fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the year.

c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.

(ii) a) The inventory, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.

b) The procedures for the physical verification of inventories 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. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly adjusted in the books of account.

(iii) As informed to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies or firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain raw materials and fixed assets are for the Company's specialised requirements and similarly certain goods sold are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods. As explained to us, the Company does not render any sale of services. We have not observed any major weakness in the internal control system during the course of our audit. *Also refer to paragraph 2 of our main audit report and our comments in clause (xxi) of this annexure.*

(v) (a) In our opinion and according to the information and explanations given to us, the contracts or arrangements, referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs 5 lakh are for purchases of certain items of inventories which are for the Company's specialised requirements and similarly sale of certain goods are for the specialised requirements of the buyers and for which suitable alternative sources are not available to obtain the comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.

(vi) *In our opinion and according to the information and explanations given to us, and as explained in note 18 of schedule 19, the Company has given a corporate guarantee for loans aggregating Rs 100,000 thousand disbursed by a public sector bank to individual group leaders as per the "scheme of crop loan under tie up arrangement with the Company". Under this scheme, the Company is required to identify eligible farmers, who are represented collectively in groups designated as joint liability group (JLG). During the current year, funds aggregating to Rs. 99,520 thousand, obtained under the said scheme were transferred from the JLG account's to the Company's account and temporarily utilised (for less than three months) by the Company for its business purposes. These funds, during the year itself, were subsequently paid into the JLG's accounts. In our opinion, acceptance of the above mentioned funds from the group leaders by the Company is in contravention of Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposit) Rules, 1975.* As informed to us, there have been no proceedings before the Company Law Board or Reserve Bank of India or any Court or any other Tribunal in this matter and no order have been passed by any of the aforesaid authorities.

(vii) *In our opinion and according to the information and explanations given to us, though the Company has an internal audit system, the same needs to be strengthened to make it commensurate with the size and nature of its business.*

(viii) As informed to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including, Provident Fund, Sales tax, Income tax, Service tax, Excise duty, Wealth tax, Customs duty, Investor Education and Protection Fund, Cess and other material statutory dues to the extent applicable, have generally been deposited regularly during the year by the Company with the appropriate authorities *though there have been slight delays in a few cases in respect of tax deducted at source.*

There were no dues on account of cess under Section 441A of the Companies Act, 1956 since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales tax, Service tax, Customs duty, Wealth tax, Investor and Education Fund, Excise duty, Cess and other material statutory due were in arrears as at 31 March 2011 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Sales tax, Wealth tax, Service tax, Excise duty, Customs duty and Cess, which have not been deposited with the appropriate authorities on account of any dispute. As informed to us, due relating to Income tax which has been deposited under protest on account of any dispute is as follows:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax	3,072,093	1995-96	High Court of Punjab and Haryana

(x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers *except, as explained in note 16 of schedule 19 regarding defaults in payment of loan instalments and interest due to a Financial Institution till 31 March 2011 aggregating to Rs. 167,150 thousand. Pursuant to the order of Debt Recovery Tribunal, Delhi dated 8 August 2011, the Company has paid all overdue instalments along with interest by 30 September 2011.* The Company did not have any outstanding debentures during the year.

(xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) According to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks during the year, are, prima facie, not prejudicial to the interest of the Company.

(xvi) According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investments.

(xviii) The Company has not made any preferential allotment of shares to companies or firm covered in the register maintained under Section 301 of the Companies Act, 1956. As mentioned above, there are no other parties listed in the register maintained under section 301 of the Companies Act, 1956.

(xix)The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by way of public issues during the year.

(xxi)*As explained in paragraph 2 of our main report and note 1 of schedule 18, during the course of our audit of the financial statements of the Company for the year ended 31 March 2011, complete/correct information and documents particularly in relation to term loan and packing credit loan taken from IFCI Limited and in respect of certain guarantees given by the Company were not provided to us and certain representations made to us earlier by the management were not appropriate.*

Except for the matter mentioned above, based on the audit procedures performed and according to the information and explanations given to us, no other fraud on or by the Company has been noticed or reported during the course of our audit.

For B S R and Co
Chartered Accountants
Firm Registration No:128510W

Sd/-

Rajesh Arora
Partner
Membership No.: 076124

Place: Sriganganagar
Date: 16 January 2012

VIKAS WSP LIMITED

Amended Balance Sheet as at 31 March 2011

(All amounts in Rs. thousands)

	Schedule	As at 31 March 2011	As at 31 March 2010
SOURCES OF FUNDS			
Shareholders' fund			
Share capital	1	**137,440**	137,440
Reserves and surplus	2	**9,163,265**	7,981,048
Loan fund			
Secured loans	3	**974,617**	884,138
Deferred tax liability (net)	4	**249,522**	217,716
		10,524,844	9,220,342
APPLICATION OF FUNDS			
Fixed assets	5		
Gross block		**10,862,531**	9,186,133
Less : Accumulated depreciation		**1,852,498**	1,472,949
Net block		**9,010,033**	7,713,184
Capital work in progress (including capital advances Rs. 11,902 (previous year Rs. 1,241)		**29,190**	347,890
Current assets, loans and advances			
Inventories	6	**378,262**	269,033
Sundry debtors	7	**552,015**	316,261
Cash and bank balances	8	**29,213**	46,581
Loans and advances	9	**896,180**	850,216
		1,855,670	1,482,091
Less: Current liabilities and provisions			
Current liabilities	10	**244,398**	159,199
Provisions	11	**125,651**	163,624
Net current assets		**1,485,621**	1,159,268
		10,524,844	9,220,342
Significant accounting policies	18		
Notes to the amended financial statements	19		

The schedules referred to above form an integral part of the Amended Balance Sheet.

As per our report attached

For B S R and Co
Chartered Accountants
Firm Registration No. 128510W

For and on behalf of the Board of Directors of Vikas WSP Limited

Sd/-	Sd/-	Sd/-	Sd/-
Rajesh Arora	B.D. Agarwal	Bimla Devi Jindal	Ravinder K. Gupta
Partner	**Managing Director**	**Director**	**Company Secretary**
Membership no: 076124			
Place: Sriganganagar	Place: Sriganganagar	Place: Sriganganagar	Place: Sriganganagar
Date: 16 January 2012	Date: 16 January 2012	Date: 16 January 2012	Date: 16 January 2012

VIKAS WSP LIMITED

Amended Profit and Loss Account for the year ended 31 March 2011

(All amounts in Rs. thousands)

	Schedule	For the year ended 31 March 2011	For the year ended 31 March 2010
INCOME			
Sale of goods			
- exports (refer to note 5(f) of schedule 19)		**5,447,972**	4,585,776
- domestic		**13,570**	4,289
		5,461,542	4,590,065
Less: excise duty		**1,403**	291
Net sales		**5,460,139**	4,589,774
Other income	12	**23,833**	6,158
		5,483,972	4,595,932
EXPENDITURE			
(Increase)/ decrease in stock of finished goods	13	**(76,494)**	193,877
Raw material consumed	14	**3,145,680**	2,344,043
Purchase for resale		**32,603**	-
Operating expenses	15	**495,071**	377,574
Depreciation	5	**407,459**	303,640
Finance charges	16	**168,482**	50,200
		4,172,801	3,269,334
Profit before tax		**1,311,171**	1,326,598
Tax expense			
- current tax		**264,411**	228,001
- MAT credit entitlement		**(190,935)**	(141,165)
- MAT credit entitlement in respect of earlier years		**(16,395)**	-
- deferred tax		**31,806**	40,235
Profit after tax		**1,222,284**	1,199,527
Balance brought forward		**3,083,507**	2,214,379
Amount available for appropriation		**4,305,791**	3,413,906
Appropriations			
- proposed final dividend		**34,360**	68,720
- tax on dividend		**5,707**	11,679
- transfer to general reserve		**122,228**	250,000
Net profit carried forward		**4,143,496**	3,083,507
Earnings per share (basic and diluted) - Rs.	17	**8.89**	8.76
Significant accounting policies	18		
Notes to the amended financial statements	19		

The schedules referred to above form an integral part of the Amended Profit and Loss Account.

As per our report attached

For B S R and Co
Chartered Accountants
Firm Registration No. 128510W
Sd/-
Rajesh Arora
Partner
Membership no: 076124

Place: Sriganganagar
Date: 16 January 2012

For and on behalf of the Board of Directors of Vikas WSP Limited

Sd/-	Sd/-	Sd/-
B.D. Agarwal	Bimla Devi Jindal	Ravinder K. Gupta
Managing Director	**Director**	**Company Secretary**
Place: Sriganganagar	Place: Sriganganagar	Place: Sriganganagar
Date: 16 January 2012	Date: 16 January 2012	Date: 16 January 2012

VIKAS WSP LIMITED

Schedules forming part of the amended financial statements

(All amounts in Rs. thousands)

	As at 31 March 2011	As at 31 March 2010
Schedule: 1		
Share capital		
Authorised capital		
287,500,000 (previous year 287,500,000) equity shares of Re. 1 each	**287,500**	287,500
	287,500	287,500
Issued, subscribed and paid up capital		
137,439,600 (previous year 137,439,600) equity shares of Re.1 each fully paid up	**137,440**	137,440
	137,440	137,440
Schedule: 2		
Reserves and surplus		
Capital reserve	**10,172**	10,172
Securities premium	**2,996,322**	2,958,450
Add: Premium on exercise of employee stock options	**-**	37,872
	2,996,322	2,996,322
General reserve	**1,891,047**	1,641,047
Add: Transfer from Profit and Loss Account	**122,228**	250,000
	2,013,275	1,891,047
Employee stock options outstanding (refer to note 11 of Schedule 19)	**-**	31,779
Add: Amortisation of deferred exployee compensation	**-**	6,356
Less: Transferred to share premium on exercise of stock option	**-**	37,872
Less: Reversal of deferred exployee compensation	**-**	263
	-	-
Profit and loss account	**4,143,496**	3,083,507
	9,163,265	7,981,048
Schedule: 3		
Secured loans		
Short term		
- from banks		
Export packing credit (refer to note 6(a) of schedule 19)	**149,881**	-
Bill discounting (refer to note 6(a) of schedule 19)	**16,833**	-
Demand loans (refer to note 6(d) of schedule 19)	**3,399**	9,138
Bank overdraft	**913**	-
- from financial institution		
Export packing credit (refer to note 6(c) and 17 of schedule 19)	**160,964**	150,000
Long term		
- from financial institution		
Term loan (refer to note 6(b) and 16 of schedule 19)*	**642,627**	725,000
	974,617	884,138
*(Amount repayable within one year Rs. 237,628 (previous year Rs. 160,000))		
Schedule: 4		
Deferred tax liability (net)		
Deferred tax liability arising on account of depreciation	**256,221**	218,652
Deferred tax asset arising on account of provision for gratuity and doubtful advances	**(6,699)**	(936)
	249,522	217,716

VIKAS WSP LIMITED

Schedule forming part of the amended financial statements

(All amounts in Rs. thousands)

Schedule 5
Fixed assets

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1 April 2010	Additions	Disposals/ adjustments	As at 31 March 2011	As at 1 April 2010	Charge for the year	Disposals/ adjustments	As at 31 March 2011	As at 31 March 2011	As at 31 March 2010
Land - freehold*	4,231,289	-	-	4,231,289	-	-	-	-	4,231,289	4,231,289
Land - leasehold**	40,170	56,632	-	96,802	-	-	-	-	96,802	40,170
Buildings	70,536	20,088	-	90,624	28,325	2,573	-	30,898	59,726	42,211
Plant and machinery***	4,832,501	1,636,517	40,587	6,428,431	1,438,130	403,800	27,910	1,814,020	4,614,411	3,394,371
Office equipments	3,343	542	-	3,885	1,593	181	-	1,774	2,111	1,750
Vehicles	8,294	3,206	-	11,500	4,901	905	-	5,806	5,694	3,393
Total	**9,186,133**	**1,716,985**	**40,587**	**10,862,531**	**1,472,949**	**407,459**	**27,910**	**1,852,498**	**9,010,033**	**7,713,184**
Previous year	**6,694,058**	**2,492,076**	**-**	**9,186,133**	**1,169,309**	**303,640**	**-**	**1,472,949**	**7,713,184**	

Note:

* There are restrictions on transferability of freehold land having an original cost of Rs. 2,785,747 (previous year Rs. 2,785,747) for 20 years from the date of acquisition i.e. 12 March 2008. This free hold land was purchased by the Company from Government of Rajasthan under Indira Gandhi Canal Project vide document number 17041/90 and the same is registered in the name of the Company though the necessary mutation in the revenue records is pending. Further, there are restrictions on freehold land having an original cost of Rs. 1,140,780 (previous year Rs. 1,140,780) for 10 years from the date of acquisition i.e. 15 March 2010.

** Leasehold land includes land having book value of Rs. 76,009 (previous year Rs. 19,377) which is pending registration in the name of the Company as at 31 March 2011.

*** Plant and machinery includes machinery (gross block Rs. Nil (previous year Rs. 40,587) accumulated depreciation Rs. Nil (previous year Rs. 27,910) and net book value Rs. Nil (previous year Rs. 12,677) retired from active use and held for disposal as at 31 March 2010. These assets have been sold during the year.

VIKAS WSP LIMITED

Schedules forming part of the amended financial statements

(All amounts in Rs. thousands)

	As at 31 March 2011	As at 31 March 2010
Schedule: 6		
Inventories		
Consumables , stores and spares	**17,891**	11,658
Raw material		
– in stores	**105,664**	82,503
Finished goods		
– in stores	**78,998**	72,747
– in transit	**169,577**	99,334
Packing materials	**6,132**	2,791
	378,262	269,033

	As at 31 March 2011	As at 31 March 2010
Schedule: 7		
Sundry debtors		
(Unsecured, considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months	-	-
Other debts (refer to note 3 and note 8 of Schedule 19)	**552,015**	316,261
	552,015	316,261

	As at 31 March 2011	As at 31 March 2010
Schedule: 8		
Cash and bank balances		
Cash in hand	**43**	46
Balances with scheduled banks in		
– current accounts	**907**	20,537
– fixed deposits (refer to note 6(d) of schedule 19)	**24,711**	24,913
– unclaimed dividend account #	**3,552**	1,085
	29,213	46,581

Of the above, amount due for deposit to Investor Education and Protection Fund, Rs. Nil (previous year Rs. Nil)

VIKAS WSP LIMITED

Schedules forming part of the amended financial statements

(All amounts in Rs. thousands)

		As at 31 March 2011	As at 31 March 2010
Schedule: 9			
Loans and advances			
(Unsecured, considered good, unless otherwise stated)			
Advances recoverable in cash or kind or for the value to be received		39,929	43,590
VAT credit receivable		2,232	1,882
MAT credit receivable		462,363	255,033
Advances to			
- suppliers (refer to note 3 of Schedule 19)	227,017		
Less : Provison for doubtful advances	(15,000)	212,017	396,022
Advance tax (net of provision for tax Rs. 290,577 (previous year Rs. 217,101))		14,039	8,189
Advances to farmers		165,600	145,500
		896,180	850,216

	As at 31 March 2011	As at 31 March 2010
Schedule: 10		
Current liabilities		
Sundry creditors		
- amount due to micro and small enterprises (refer to note 7 to Schedule 19)	480	4,849
- amount due to enterprises other than micro and small enterprises (refer to note 8 to Schedule 19)	213,949	128,821
Salary and bonus payable	8,959	6,305
Book overdraft	95	288
Unclaimed dividend #	3,552	1,085
Interest accrued but not due	14,644	16,516
Other liabilities	2,719	1,335
	244,398	159,199

Amount due for deposit to Investor Education and Protection Fund Rs Nil (previous year Rs Nil)

	As at 31 March 2011	As at 31 March 2010
Schedule: 11		
Provisions		
Provision for gratuity (refer to note 10 to schedule 19)	5,646	2,820
Final dividend 2008-09 (refer to note 12 to schedule 19)	-	68,725
Final dividend 2009-10 (refer to note 12 to schedule 19)	68,720	68,720
Proposed final dividend 2010-11	34,360	-
Provision for interest on dividend (refer to note 12 to schedule 19)	11,218	-
Corporate dividend tax on proposed dividend	5,707	23,359
	125,651	163,624

VIKAS WSP LIMITED

Schedules forming part of the amended financial statements

(All amounts in Rs. thousands)

	For the year ended 31 March 2011	For the year ended 31 March 2010
Schedule: 12		
Other income		
Profit on sale of import license	-	3,920
Foreign exchange gain	22,358	-
Interest on fixed deposits (net of tax deducted at source Rs.164 (previous year Rs. 138))	1,475	989
Insurance claim	-	1,249
	23,833	6,158
Schedule 13		
(Increase)/decrease in stock of finished goods		
Opening stock		
Finished goods		
- in stores	72,747	41,699
- in transit	99,334	324,259
	172,081	365,958
Closing stock		
Finished goods		
- in stores	78,998	72,747
- in transit	169,577	99,334
	248,575	172,081
	(76,494)	193,877
Schedule: 14		
Raw material consumed		
Opening stock	82,503	5,914
Add: Purchases	3,168,841	2,420,632
	3,251,344	2,426,546
Less: Closing stock	(105,664)	(82,503)
	3,145,680	2,344,043
Schedule: 15		
Operating expenses		
Employee cost		
- salaries, wages and bonus (refer to note 14 of schedule 19)	45,298	36,363
- contribution to provident and other funds	4,815	1,772
- staff welfare	2,670	1,648
- deferred employee compensation	-	6,093
Store and spares consumed	11,103	10,868
Packing material consumed	25,965	17,643
Power and fuel	196,152	114,693
Lease rent	977	981
Repair and maintenance		
- plant and machinery	2,298	1,004

VIKAS WSP LIMITED

Schedules forming part of the amended financial statements

(All amounts in Rs. thousands)

	For the year ended 31 March 2011	For the year ended 31 March 2010
- building	**807**	363
- others	**1,950**	1,275
Insurance	**5,246**	2,414
Rates and taxes	**2,624**	6,328
Other manufacturing expenses	**14,408**	8,000
Travelling expenses	**5,140**	3,242
Legal and professional (refer to note 13 of schedule 19)	**6,152**	7,177
Research and development	**11,903**	10,769
Foreign exchange loss	**-**	54,696
Port handling charges	**30,382**	24,128
Freight outward	**102,053**	62,467
Provision for doubtful advances	**15,000**	-
Miscellaneous	**10,128**	5,650
	495,071	377,574

Schedule: 16

Financial charges

Bank charges	**3,971**	1,791
Interest		
- term loans (refer to note 6(b) and 16 of schedule 19)	**93,193**	12,454
- others	**58,508**	32,475
- dividend	**11,218**	-
Bill discounting charges	**1,592**	3,480
	168,482	50,200

Schedule: 17

Earnings per share

Profit attributable to equity shareholders's (for basic and diluted earning)	**1,222,284**	1,199,527
Weighted average number of equity shares for basic and diluted earnings per share [face value of Re 1 each (previous year Re 1)]	**137,440**	136,958
Basic and diluted (Rs.)	**8.89**	8.76

VIKAS WSP LIMITED

Schedules forming part of the amended financial statements

Schedule 18: Significant accounting policies

1) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply with the mandatory accounting standards as specified in Rule 3 of the Companies (Accounting Standards) Rules, 2006, and in accordance with the provisions of the Companies Act, 1956, to the extent applicable.

Background for preparation of amended financial statements

The Board of Directors had adopted the financial statements for the year ended 31 March 2011 in their meeting held on 30 May 2011 and the statutory auditors' had issued their report dated 30 May 2011 on those financial statements. However, complete/correct information and documents in relation to term loan and packing credit loan taken from IFCI Limited and in respect of certain guarantees given by the Company were not provided to the auditors. Further, the representations provided by the management to the auditors' with respect to the above matters were not appropriate. In accordance with the provisions of Standard on Auditing 560 (Revised) 'Subsequent Events' issued by The Institute of Chartered Accountants of India, previously issued financial statements are required to be amended in case additional facts become known subsequent to the balance sheet date that may necessitate a amendment to the financial statements. Further, the management has asked the auditors to carry out audit procedures necessary in the circumstances on the amendment and issue an amended audit report on the amended financial statements. Also refer to note 15, 16, 17 and 18 of schedule 19 for detailed explanation for the above matters.

2) Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses. Examples of such estimates include provisions of future obligation under employee retirement benefit plans, the useful lives of fixed assets etc.

Actual results could differ from those estimates. Any revisions to accounting estimates are recognised prospectively in current and future periods. Contingencies are recorded when it is probable that a liability will be incurred and the amount can be reasonably estimated.

3) Fixed Assets

Fixed assets are stated at acquisition cost less accumulated depreciation. Cost includes inward freight, duties, taxes and incidental expenses related to acquisition and installation incurred up to the date of commissioning of the assets.

4) Depreciation

Depreciation is provided under the straight-line method based on the estimated useful lives of the assets which are equal to the rates specified in Schedule XIV to the Companies Act, 1956. Assets costing below Rs. 5,000 are depreciated fully in the year of purchase.

5) Inventories

Inventories are valued as follows:

Raw materials, stores and spares and packing materials	Lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Work in progress and finished goods	Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

6) Revenue recognition

Revenue is recognised 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 recognised when the significant risks and rewards of ownership of the goods are transferred to the customer. In case of export sales this coincides with shipment of goods.

Revenue in case of sale of domestic products is recognised at the point of despatch which coincides with the transfer of risks and rewards of ownership.

7) Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and bonus etc. are recognised in the Profit and Loss Account in the period in which the employee renders the related service.

Defined contribution plans

The employee's provident fund scheme is a defined contribution plan. The Company's contribution paid / payable under the scheme is recognised as an expense in the Profit and Loss Account during the period in which the employee renders the related service.

Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

8) Foreign exchange transactions

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Foreign currency assets and liabilities remaining unsettled at the Balance Sheet date are translated at the rates of exchange prevailing on that date. Gains/ losses arising on account of realisation/ settlement of foreign exchange transactions and on translation of foreign currency assets and liabilities are recognised in the Profit and Loss Account.

9) Taxation

Income tax expense comprises current tax, (that is amount of tax for the period determined in accordance with the Income tax laws) and deferred tax charge or credit (reflecting the tax effects of timing difference between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liability and/ or deferred tax assets is recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and are written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

In accordance with the provisions of Section 115JAA of the Income-tax Act, 1961, the Company is allowed to avail credit equal to the excess of Minimum Alternate Tax (MAT) over normal income tax for the assessment year for which MAT is paid. MAT credit so determined can be carried forward for set-off for ten succeeding assessment years from the year in which such credit becomes allowable. MAT credit can be set-off only in the year in which the Company is liable to pay tax as per the normal provisions of the Income-tax Act, 1961 and such tax is in excess of MAT for that year. Accordingly, MAT credit entitlement is recognised only to the extent there is convincing evidence that the Company will pay normal tax during the specified period.

10) Contingencies

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

11) Impairment of assets

Management reviews the carrying amount of all assets at each Balance Sheet date using internal and external sources of information to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets or its cash generating unit is estimated. Impairment occurs where the carrying value of the assets or its cash generating unit exceeds the present value of future cash flows expected to arise from the continuing use of the asset or its cash generating unit and its eventual disposal. An impairment loss is recognized in the Profit and Loss Account whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

12) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or productions of qualifying assets is capitalised as part of assets. Other borrowing costs are recognized as an expense in the period in which they are incurred.

13) Research cost

Revenue expenditure incurred on research is charged to Profit and Loss Account in the year it is incurred.

14) Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where results would be anti-dilutive.

Vikas WSP Limited

Schedules forming part of the amended financial statements

Schedule 19: Notes to the accounts

(All amounts in Rupees thousands)

1. **Background**

   Vikas WSP Limited was promoted in the year 1988 under the name and style of Vikas Gum Mills Private Limited and subsequently the name was changed to Vikas WSP Limited in the year 1992. The Company is an agro based Company registered as 100% Export Oriented Unit with Secretariat of Industrial Approval, Ministry of Commerce and Industry, Government of India, for the manufacture of Guar Gum (pulverized) and its derivatives.

2. Segment reporting disclosure per Accounting Standard 17 "Segment Reporting" as specified in Rule 3 of Companies (Accounting Standard) Rules, 2006, is not applicable since the Company primarily operates within single primary segment of manufacture of guar gum powder and a single geographical segment.

3. Debts due from a company under the same management within the meaning of Section 370(1-B) of the Companies Act, 1956:

Particulars	**As at 31 March 2011**	**As at 31 March 2010**
Loans and advances include Vikas Chemi Gums (India) Limited [(maximum balance due at any time during the year Rs. 402,361 (previous year Rs. 479,056)]	**188,776**	394,891
	188,776	394,891
Debtors include Vegan Colloids Limited [(maximum balance due at any time during the year Rs. 73,530 (previous year Rs. 147,488)]	**69**	13,217
	69	13,217

4. **Related party disclosures**

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

   i) Key management personnel and their relatives (KMP)

      Mr. B. D. Agarwal - Managing Director

      Mr. Megh Raj Jindal - Director

      Mrs. Bimla Devi Jindal - Director

   ii) Entities controlled by KMPs

      Vikas Granaries Limited

      Vikas Chemi Gums (India) Limited

      Vikas Dall and General Mills (Partnership firm)

   iii) Entities over which significant influence is exercised by the KMPs

      Vegan Colloids Limited

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

Nature of transaction	Key management personnel		Entities controlled by KMP		Entities over which significant influence is exercised by the KMPs	
	For the year ended 31 March 2011	For the year ended 31 March 2010	For the year ended 31 March 2011	For the year ended 31 March 2010	For the year ended 31 March 2011	For the year ended 31 March 2010
Sales						
- Vikas Granaries Limited	-	-	12,011	-	-	-
- Vegan Colloids Limited	-	-	-	-	253,769	173,353
- Vikas Chemi Gums (India) Limited	-	-	578	-	-	-
Purchases of raw materials and finished goods						
- Vikas Granaries Limited	-	-	20,810	587	-	-
- Vikas Chemi Gums (India) Limited	-	-	-	-	11,793	3,298
- Vegan Colloids Limited	-	-	1,895,030	1,823,874	-	-
Lease rent paid						
- Vikas Chemi Gums (India) Limited	-	-	240	240	-	-
Sale of fixed assets						
- Vegan Colloids Limited	-	-	-	-	12,677	-
Salary paid to						
- Mr. B D Agarwal	600	600	-	-	-	-
- Mr. Megh Raj Jindal	300	300	-	-	-	-
- Mrs. Bimla Devi Jindal	300	300	-	-	-	-
Corporate guarantees given on behalf of others by the Company under scheme for financing farmers under tie up agreement with the Company						
- Vikas Granaries Limited	-	-	100,000	-	-	-
Corporate guarantee given on behalf of the Company by others						
- Vikas Granaries Limited	-	-	150,000	-	-	-
Shares pledged by certain directors for term loan taken by the Company						
- B D Agarwal	*	*	-	-	-	-
- Bimla Devi Jindal	*	*	-	-	-	-
- Megh Raj Jindal	*	*	-	-	-	-
b. Outstanding balances						
Advances receivable						
- Vikas Chemi Gums (India) Limited	-	-	188,776	394,891	-	-
Trade payable						
- Vikas Granaries Limited	-	-	5,785	-	-	-
Trade receivable						
- Vegan Colloids Limited	-	-	-	-	69	13,217
Other payable						
- Mr. B.D. Agarwal	2	546	-	-	-	-
- Mr. Megh Raj Jindal	4	294	-	-	-	-
- Mrs. Bimla Devi Jindal	12	295	-	-	-	-

* The aforesaid directors of the Company have pledged their shares of the Company with IFCI Limited for term loan taken by the Company with a sanctioned amount of Rs. 800,000 (previous year Rs. 800,000).

5. Information pursuant to paragraph 3, 4C & 4D of part II of Schedule VI of the Companies Act, 1956

(a) Licensed capacity, installed capacity and production:

Quantitative details (in MT) [2]	For the year ended 31 March 2011	For the year ended 31 March 2010
Licensed and installed capacity per annum[1]		
- Guar gum (pulverized)	58,800	58,800
- Guar splits/churi korma	38,815	16,315

(1) Installed capacity is on double shift basis

(2) As certified by management, not verified by the auditors being a technical matter.

Quantitative details (in MT)	For the year ended 31 March 2011	For the year ended 31 March 2010
Production for the year		
- Guar gum (pulverized)	58,521	51,621

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

Pursuant to Press Note No. 2/2011 dated 8 February 2011, issued by the Ministry of Corporate Affairs, disclosures required by Part II, para 3(i)(a), 3(ii)(a), 3(ii)(b) and 3(ii)(d) of Schedule VI to the Companies Act, 1956 are not required to be disclosed.

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

	For the year ended 31 March 2011		For the year ended 31 March 2010	
	%	Amount	%	Amount
i) Raw material				
Indigenous	100%	3,145,680	100%	2,344,043
ii) Stores and spare parts				
Indigenous	78%	8,687	34%	3,747
Imported	22%	2,416	66%	7,121
		11103		10868

(d) CIF value of imports

	For the year ended 31 March 2011	For the year ended 31 March 2010
Chemicals	4,023	-
Plant and machinery	1,290,322	631,170

(e) Expenditure in foreign currency

	For the year ended 31 March 2011	For the year ended 31 March 2010
Travel	-	261

(f) Earnings in foreign currency

	For the year ended 31 March 2011	For the year ended 31 March 2010
FOB value of exports*	5,182,191	4,407,218

* excludes sales amounting to Rs. 265,781 (previous year Rs. 173,353) to other Export Oriented Units.

6. Charges on the secured loan:

a) During the year, the Company has obtained a packing credit limit and foreign documentary bill purchase/ discounting facility of Rs. 150,000 each from Punjab National Bank secured by hypothecation of inventory, demand bill accompanied by invoice and bill of lading evidencing shipment of goods and mortgage of immoveable assets of the Company at B-86/87 Udyog Vihar, RIICO Industrial Area, Sri Ganga Nagar.

Mr. Meghraj Jindal, Mrs. Bimla Devi Jindal and Mr. B.D. Agarwal, the promoters and directors of the Company have also provided their personal guarantees.

b) During the previous year, the Company had obtained secured loan for general corporate purposes including capital expenditure for expansion projects and augmentation of long term working capital of Rs. 800,000 (sanctioned amount) from IFCI Limited secured by exclusive charge and mortgage on all moveable and immoveable fixed assets of the Company situated at Plot no. E-255 to 257 in RIICO Industrial Area and Plot no. F-92 in Udyog Vihar, Sri Ganga Nagar.

Mr. B.D. Agarwal, Mrs. Bimla Devi Jindal and Mr. Megh Raj Jindal, the promoters and directors of the Company have pledged their entire shareholding aggregating to 20,346,000 equity shares of Re 1 each and have also provided their personal guarantees.

All the promoters and their relatives have pledged their entire shareholding in Vikas Granaries Limited (Companies under the same management) aggregating 12,340,000 equity shares of Rs. 10 each.

Out of the above, the total draw down amount of loan aggregates to Rs. 725,000 and the principal and interest amount outstanding as on 31 March 2011 is Rs. 618,523 and Rs. 24,105 respectively.

c) During the previous year, the Company had obtained packing credit limit of Rs. 150,000 from IFCI Factors Limited secured by exclusive charge and mortgage on all immoveable fixed assets situated at Plot No 229 in Chandisar Industrial Estate, Palanpur, Dist. Banaskantha, Gujarat.

These assets are owned and controlled by Vikas Granaries Limited, which is a related party covered as an entity controlled by KMPs.

d) The demand loan of Rs. 3,399 (previous year Rs. 9,138) obtained from Union Bank of India is secured against the fixed deposits (pledged) with the bank.

7. The management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. The Ministry of Micro, Small and Medium enterprises has issued an office Memorandum dated 26 August 2008 which recommends that the Micro and Small enterprises should mention in their correspondence with its customers the entrepreneur's Memorandum number as allocated after filing of the Memorandum. The Company has not received any claim for interest from any supplier under the said Act.

	As at 31 March 2011	**As at 31 March 2010**
• The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period;		
Principal:	180	4,721
Interest:	-	128
• The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the period;	-	-
• The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under this Act;	-	-
• The amount of interest accrued and remaining unpaid at the end of the period	300	-
• The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

8. **Foreign exchange exposures (hedged/un-hedged positions)**

The Company's foreign currency exposures on account of receivables and payables, not hedged, are as follows:

Particulars	As at 31 March 2011		As at 31 March 2010	
	(Rs.)	(Foreign currency)	(Rs.)	(Foreign currency)
Receivables (USD)	510,553	11,435	296,562	6,570
Payables (USD)	2,763	62	-	-

9. **Commitments and contingent liabilities**

a) **Firm capital commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. 28,360 (previous year Rs Nil).

b) **Corporate guarantees provided**

The Company has given guarantees aggregating Rs. 300,000 (previous year Rs Nil) to banks on behalf of others. As at 31 March 2011, the contingent liabilities under these guarantees amounts to Rs. 300,000 (previous year Rs. Nil).

c) **Claims against the Company not acknowledged as debts in respect of**

Income tax matters, under dispute

The Additional Commissioner of Income Tax, Bhiwani ('the Assessing Officer') had raised an additional demand of Rs. 849 for the Assessment Year 1995-96 and interest thereon of Rs. 2,223. The Company filed an appeal against the order passed by the Assessing Officer with the Commissioner of Income Tax (Appeals), Karnal. The Commissioner of Income Tax (Appeals) decided the matter in favour of the Company by setting aside the order passed by the Assessing Officer. Subsequently the Income Tax Department filed an appeal against the order of CIT (Appeals) in the Income Tax Appellate Tribunal ('the ITAT'), New Delhi which was accepted by the ITAT. Aggrieved by the order of ITAT, the Company has filed an appeal with the Hon'ble High Court of Punjab & Haryana ('the Hon'ble High Court'). The matter is currently pending before the Hon'ble High Court.

10. **Disclosure pursuant to Accounting Standard 15 on "Employee benefits"**

The Company has a defined benefit gratuity plan. Gratuity is payable to all eligible employees of the company on retirement or separation from the Company.

	For the year ended 31 March 2011	For the year ended 31 March 2010
a. Changes in Defined Benefit Obligation		
Liability at the beginning of the year	**2,820**	**2,553**
Interest cost	227	191
Current service cost	780	415
Benefits paid	-	-
Actuarial (gain)/loss	1,819	(339)
Liability at the end of the year	**5,646**	**2,820**
	As at 31 March 2011	**As at 31 March 2010**
b. Amount recognised in the balance sheet		
Liability at the beginning of the year	**2,820**	**2,553**
Expense for the year	2,826	267
Benefits paid	-	-
Liability at the end of the year	**5,646**	**2,820**

		For the year ended 31 March 2011	For the year ended 31 March 2010
c.	**Expenses recognised in the Profit and Loss Account**		
	Current service cost	780	415
	Interest cost	227	191
	Settlement cost/credit	-	-
	Net actuarial gain/(loss) recognised in the year	1,819	(339)
	Net benefit expense	**2,826**	**267**

		For the year ended 31 March 2008	For the year ended 31 March 2009	For the year ended 31 March 2010	For the year ended 31 March 2011
d.	**Experience adjustments**				
	Defined benefit obligation	1,181	2,553	2,820	5,646
	Plan assets	-	-	-	-
	(Deficit)	1,181	2,553	2,820	5,646
	Experience adjustment on plan liabilities	(463)	141	123	(438)
	Experience adjustment on plan assets	-	-	-	-

e. **The principal assumptions used in determining the gratuity benefit obligation are as given below:**

	As at 31 March 2011	As at 31 March 2010
Discount rate	8.00%	7.50%
Salary escalation rate (p.a.)	8.00%	5.50%
Expected average remaining working life of employees (years)	28.02	27.19

The discount rate is based on the market yields of Government bonds as at the balance sheet date for the estimated term of the obligation.

The salary escalation rate takes into account inflation, seniority, promotion and other relevant factors.

Demographic Assumption

		As at 31 March 2011	As at 31 March 2010
1.	Retirement Age	60 years	60 years
2.	Mortality rate	LIC (1994-96)	LIC (1994-96)
3.	Leaving service:	Withdrawal rate	Withdrawal rate
	Upto 30 years	3%	3%
	31- 44 years	2%	2%
	Above 44 years	1%	1%

During the year the Company has recorded an expense of Rs. 1,990 (previous year Rs. 1,505) towards provident fund, a defined contribution plan.

11. Share based compensation

In accordance with the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the guidance note 18 – "Employee share Based Payment" issued by the Institute of Chartered Accountants of India the following information relates to the stock option granted by the Company in the 2008-09 and exercised in the previous year.

The Company's Employee Stock Option Schemes known as "VESOP" – Vikas Employees Stock Option Plan – 2007 ('the scheme') provides for the grant of stock options ('the Options') to eligible employees and independent directors of the

Company. The scheme is administered by the Compensation Committee ('the Committee') of the Board of Directors of the Company. The options are granted on the basis of performance and the grade of the employee. The options are granted at the discretion of the committee to select employees depending upon certain criterion.

The scheme limits the maximum grant of 52,000 options to an employee in any given year. As per the scheme the grant price or exercise price of options will be the face value of its equity shares at Re.1 each.

The Company had granted 1,450,000 shares during the year 2008-09. However, 10,000 shares lapsed during the previous year since they were not exercised prior to the expiry date which was 6 months from the vesting date in the previous year.

The stock options outstanding as at 31 March 2011 is Nil (previous year Nil)

The following table summarizes information about stock options outstanding as at 31 March 2011.

Particular	As at 31 March 2011 Stock options (numbers in '000)	As at 31 March 2010 Stock options (numbers in '000)
Outstanding, beginning of the year	-	1,450
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	1,440
Expired during the year	-	10
Outstanding at the end of the year	**-**	**-**
Exercisable at the end of the year	-	-

Description of the method and significant assumptions used during the previous year to estimate the fair value of the options:

Risk-free interest rate	-	7.51%
Expected life	-	12 months to 18 months
Expected volatility	-	57.06%
Expected dividends	-	0.50%

The price of the underlying share in market at the time of grant of the share options was Rs. 27.30 which has been used to compute the intrinsic value of the share.

Had the Company used fair value method to account for the employee share based payment, the profit for the year would have increased by Rs. Nil (previous year Rs. 1,084) and diluted earnings per share would have increased by Rs. Nil (previous year Rs. Nil).

12. The Company's shareholders had approved a dividend @ 50% in their meeting dated 30 September 2009. On pretext of a claim filed by one of the Company's bankers (SBBJ) with Debt Recovery Tribunal (DRT), Jaipur against the Company, an interlocutory order was passed on 6 October 2009 restricting the payment of dividend declared by the Company on 30 September 2009. The Company filed a counter-claim against the interlocutory order of the DRT claiming relief under the provisions of Uniform Customs and Practices for Documentary Credits 500 for which DRT Jaipur disposed off the original application no. 26/2009 and gave its final order in favour of the Company vide order dated 22 July 2010. Meanwhile, SBBJ received the entire payment and issued a 'No Objection Certificate' on 8 May 2010. The Company was ordered to pay out the dividend within two months from the date of order.

    However, the Company further filed an appeal with the DRT Delhi for claim of damages along with an application for condonation of delay in filing the appeal against the order of DRT Jaipur dated 22 July 2010. DRT Delhi passed an order dated 12 November 2010 condoning the delay and put a stay on the order of DRT Jaipur. Further, it restrained the Company from distributing any dividend till further order.

    In the final hearing held on 8 December 2010, DRT Delhi ordered the Company to pay off the dividend which it eventually paid out in three tranches on 22 December 2010, 23 December 2010 and 1 January 2011.

    The Company had also declared dividend for the financial year 2009-10 in its Annual General Meeting held on 28 September 2010. This dividend was outstanding as at the balance sheet date which the Company has paid out in four tranches on 5 April 2011, 6 April 2011, 27 May 2011 and 30 May 2011.

13. Payment to statutory auditors (included under legal and professional expenses exclusive of service tax)

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Statutory audit	1,800	2,300
Limited review	1,400	1,895*
	3,200	4,195

* Limited review for various quarters for the year ended 31 March 2010 were done by another firm of Chartered Accountants.

14. Managerial remuneration

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Basic salary to Managing director*	600	600
Basic salaries to Executive directors*	600	600
	1,200	1,200

* Does not include provision for gratuity, since the amounts have been ascertained for the Company as a whole.

15. The Company has given a corporate guarantee in respect of a loan of Rs. 100,000 taken by a public company during the current year from the bank, in which directors of the Company were interested as directors. Based on an evaluation by management, it appears that management inadvertently did not obtain the requisite approval of Central Government before entering into such transactions as required under section 295 of the Companies Act, 1956. The Company is in the process of taking necessary corrective action in this regard.

16. On 15 May 2009, the Company entered into a term loan agreement with IFCI Limited ("the lender") for a term loan amount of Rs 800,000 (sanctioned amount). As per the loan agreement, the loan was repayable in 20 equal quarterly instalments along with interest. The loan was secured against assets of the Company situated at plot E 255-257 and F 92 in the RIICO Industrial Area in Sri Ganganagar ("pledged assets").

The Company defaulted in repayment of its dues starting from the instalment due on 15 August 2010. The table below summarises the amounts due along with the dates of repayment made by the Company.

Principal and interest amount due	Payment date	Principal and interest amount repaid
41,625 (due from 16 May 2010 to 15 August 2010)	15 December 2010	4,523
	31 December 2010	18,580
	21 July 2011	8
	8 August 2011	12,318
	30 August 2011	6,197
	Total	**41,625**
63,001 (due from 16 August 2010 to 15 November 2010)	31 December 2010	11,420
	18 February 2011	10,000
	13 May 2011*	646
	30 August 2011	8,664
	7 September 2011*	935
	23 September 2011	20,000
	28 September 2011	11,336
	Total	**63,001**
62,524 (due from 16 November 2010 to 15 February 2011)	7 September 2011*	22,524
	28 September 2011	40,000
	Total	**62,524**

* proceeds from sale of promoters' pledged shares by the lender adjusted against amounts due.

The lender issued a letter dated 7 April 2011 to "Recall the loans" in view of the continuous defaults committed by the Company in payment of principal, interest and other moneys along with terms and conditions to comply with. Accordingly, the lender classified the Company's account as a non-performing asset on 7 April 2011. Further, the lender took symbolic possession of the assets of the Company under section 13(2) of Chapter III of "The Securitisation and Reconstruction of Financial Assets and Enforcements of Security Interest Act, 2002" on 27 June 2011.

As part of the recovery proceedings, the lender officials sought possession of the fixed assets of the Company situated at E 255-257 and F 92 in the RIICO Industrial Area in Sri Ganganagar, which were pledged against the loan, vide a possession notice dated 27 June 2011. Additionally, the lender published a sale notice, dated 7 July 2011 in a local newspaper, in respect of the fixed assets of the Company situated at E 255-257 and F 92 in the RIICO Industrial Area in Sri Ganganagar, which were pledged against the loan.

In response to the actions of the lender, the Company filed an application against the lender in the Debt Recovery Tribunal - II, Delhi ("DRT") on 6 July 2011 stating that the Company will clear all dues with interest by 30 September 2011 and requested to reclassify the account as 'standard'. DRT vide its order dated 8 August 2011, set aside the proceedings initiated by the lender and directed the

management to clear the overdues along with interest, as per the original repayment schedule by 30 September 2011.

Management has repaid all overdue installments along with interest by 30 September 2011 in accordance with the directives of the DRT and accordingly, the lender has reclassified the Company's account as a 'standard account'.

17. In accordance with the terms of settlement with financial institution as discussed in note 16 above, the reschedulement arrangements have also been reached with the financial institution for its export packing credit facilities. As per the reschedulement arrangement, an understanding has been reached to make the payment to the said financial institution of its dues in 12 monthly instalments commencing 10 September 2011.

18. The Company has given a corporate guarantee in respect of loans aggregating Rs 100,000 disbursed by public sector bank as per the "scheme of crop loan under tie up arrangement with the Company". The Company acts as business facilitator in disbursement of the credit facilities sanctioned to the farmers so that it is able to procure and purchase organic guar from such farmers.

    Under this scheme, the Company is required to identify eligible farmers, who are represented collectively in groups designated as joint liability group (JLG). JLGs receive the loan amount from bank which is transferred to an escrow account of the Company maintained with the bank for further disbursal to the farmers.

    During the year, funds aggregating to Rs. 99,520, obtained under the said scheme were transferred to the Company's account. These funds, during the year itself, were subsequently paid to the JLG's accounts.

    The Company believes that such arrangement has not resulted in any non compliance with any of the provisions of the Companies Act, 1956. Further, the individual group leaders have agreed to indemnify the Company in all respect against any liability.

19. Previous year figures have been regrouped or rearranged wherever considered necessary to make them comparable with those of the current year.

For B S R and Co	For and on behalf of the Board of Directors of Vikas WSP Limited		
Chartered Accountants			
Firm Registration No. 128510W			
Sd/-	Sd/-	Sd/-	Sd/-
Rajesh Arora	B.D. Agarwal	Bimla Devi Jindal	Ravinder K. Gupta
Partner	**Managing Director**	**Director**	**Company Secretary**
Membership no: 076124			
Place: Sriganganagar	Place: Sriganganagar	Place: Sriganganagar	Place: Sriganganagar
Date: 16 January 2012	Date: 16 January 2012	Date: 16 January 2012	Date: 16 January 2012

VIKAS WSP LIMITED

Amended Cash Flow Statement for the year ended 31 March 2011

(All amounts in Rs. thousands)

	For the year ended 31 March 2011	For the year ended 31 March 2010
Cash flows from operating activities		
Profit before tax	**1,311,171**	1,326,598
Adjustments for		
Depreciation	**407,459**	303,640
Deferred employees compensation	**-**	6,093
Interest received on fixed deposits	**(1,475)**	(989)
Finance charges	**164,511**	48,409
Provision for loans and advances	**15,000**	-
Unrealised foreign exchange loss/(gain)	**3,753**	1,797
Operating profit before working capital changes	**1,900,419**	1,685,548
Adjustments for changes in working capital		
(Increase) / decrease in sundry debtors	**(239,520)**	(126,445)
(Increase) / decrease in inventory	**(109,229)**	120,597
(Increase) / decrease in loans and advances	**152,216**	(58,302)
Increase/ (decrease) in current liabilities and provisions	**87,442**	(34,930)
Net cash generated from operating activities before tax	**1,791,328**	1,586,468
Direct taxes paid	**(270,261)**	(238,955)
Net cash inflow from operating activities	**1,521,067**	1,347,513
Cash flows from investing activities		
Purchase of fixed assets/capital work in progress	**(1,398,285)**	(1,806,474)
Proceeds from sale of fixed assets	**12,677**	-
Interest received on fixed deposits	**1,475**	989
Net cash used in investing activities	**(1,384,133)**	(1,805,485)
Cash flows from financing activities		
Proceeds from allotment of shares on exercise of employee stock options	**-**	1,440
Dividend paid	**(68,725)**	1
Dividend tax paid	**(23,359)**	-
Payment of finance charges	**(117,603)**	(32,650)
Repayment of short term loans	**(8,232)**	(411,109)
Proceeds from short term loans	**167,627**	150,674
Proceeds from long term loan	**-**	725,000
Repayment of long term loan	**(106,477)**	-
Net cash (used in)/from from financing activities	**(156,769)**	433,356
Decrease in cash and cash equivalents	**(19,835)**	(24,616)
Cash and cash equivalents at the beginning of the year	**45,496**	70,112
Cash and cash equivalents at the end of the year	**25,661**	45,496
Change in cash and cash equivalents	**(19,835)**	(24,616)
Components of cash and cash equivalents as at the end of the year		
Cash in hand	**43**	46
Balances with banks in		
- in current accounts [excluding unclaimed dividend account Rs. 3,552 (previous year Rs. 1,085)]	**907**	20,537
- fixed deposits*	**24,711**	24,913
	25,661	45,496

Notes:

The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement as prescribed under Companies (Accounting Standards) Rules, 2006.

* Cash and cash equivalents include Rs. 3,399 (Previous year Rs. 9,138) in respect of fixed deposits pledged with the Union Bank of India against demand loans which are not available for use by the Company. (refer to note 6(d) of schedule 19)

As per our report attached.

For B S R and Co
Chartered Accountants
Firm Registration No. 128510W

For and on behalf of the Board of Directors of Vikas WSP Limited

Sd/-	Sd/-	Sd/-	Sd/-
Rajesh Arora	B.D. Agarwal	Bimla Devi Jindal	Ravinder K. Gupta
Partner	**Managing Director**	**Director**	**Company Secretary**
Membership no: 076124			
Place: Sriganganagar	Place: Sriganganagar	Place: Sriganganagar	Place: Sriganganagar
Date: 16 January 2012	Date: 16 January 2012	Date: 16 January 2012	Date: 16 January 2012

VIKAS WSP LIMITED

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT,1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	Registration Details			
	Registration No.	30300	State Code	05
	Balance Sheet			31 03 2011
	Date			Date Month Year
II.	Capital Raised during the year (Amount in Rs. '000)			0
III.	Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)			
	Total Liabilities	10,524,844	Total Assets	10,524,844
	Sources of Funds			
	Paid-up-Capital	137,440	Reserves & Surplus	9,163,265
	Secured Loans	974,617	Unsecured Loans	Nil
	Defererd Tax Liability	249,522		
	Application of Funds			
	Net Fixed Assets	9,010,033	Investments	Nil
	Net Current Assets	1,485,621	Misc Expenditure	Nil
	Accumulated Losses	Nil		
IV.	Performance of Company (Amount in Rs. Thousands)			
	Turnover	5,460,139	Total Expenditure	4,172,801
	Other Income	23,833	Deferred Tax	31.81
	Profit before Tax	1,311,171	Profit after Tax	1,222,284
	Earnings per Share in Rs Basic / Diluted	8.89	Dividend Rate %	25
V.	Generic names of the Principal Products of Company			
	Item Code No.(ITC Code)		13023230	
	Product Description		Manufacuring and export of Guar Gum	

For and on behalf of the Board of Directors of Vikas WSP Limited

Sd/-	Sd/-	Sd/-
B.D. Agarwal	Bimla Devi Jindal	Ravinder K. Gupta
Managing Director	**Director**	**Company Secretary**
Place: Sriganganagar	Place: Sriganganagar	Place: Sriganganagar
Date: 16 January 2012	Date: 16 January 2012	Date: 16 January 2012

VIKAS WSP LIMITED

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

PROXY FORM

I/We, the undersigned as Equity Shareholders (s) of the company Vikas WSP 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 Tuesday the 28th day of February, 2012 at 10.00 A.M. at the Registered Office of the Company at Railway 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 WSP LIMITED

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

ATTENDANCE SLIP

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

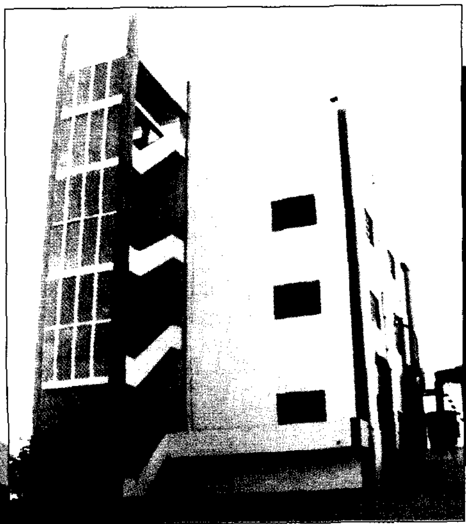
1. Full Name of Shareholder/Proxy ....
2. Registered Folio/Client ID & DP ID No. ....
3. If Proxy, Full Name of Shareholder ....

I hereby record my presence at the Annual General Meeting of the Equity Shareholders to be held on Tuesday the 28th day of February, 2012 at 10.00 A.M. at the Registered Office of the Company at Railway Road, Siwani-127046, Distt. Bhiwani, Haryana and any adjournment thereof.

....

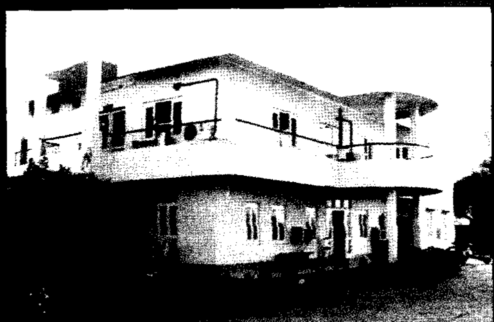
Signature of Shareholder/Proxy

VIKAS



Manufacturing Facilities
(Unit-1)

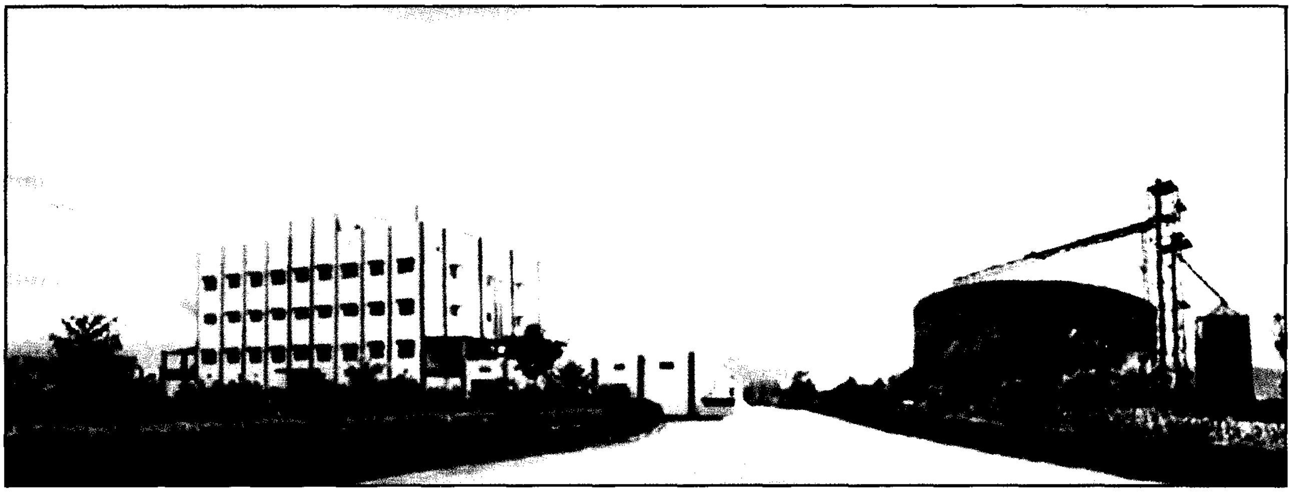
Manufacturing Facilities
(Unit-2)



(Application Laboratories &
QC Facilities)

Manufacturing Facilities
(Unit-3)

Manufacturing Facilities
(Unit-4)



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