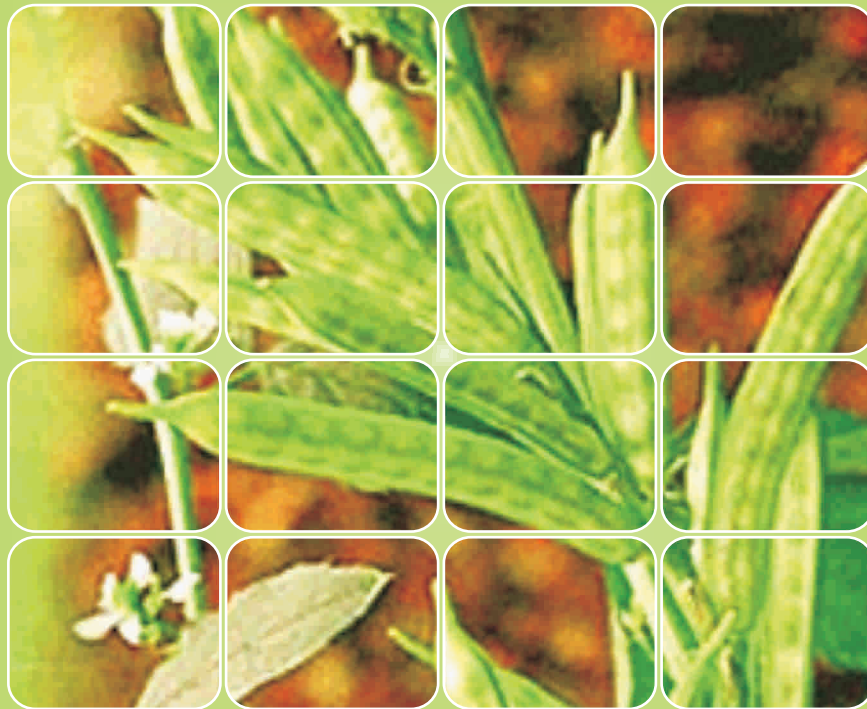




The World of Water Soluble Polymers

No Question about quality....



**24th
ANNUAL
REPORT
2011-12**



Board of Directors

B.D. Agarwal	Chairman cum Managing Director
Kamini 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
Kamini Jindal	Member

Auditors

Arun K Agarwal & Associates
New Delhi

Bankers

Punjab National Bank
Sri Ganganagar

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)

C O N T E N T S

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NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Company will be held on Saturday the 29th day of September, 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 2012, 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 Sh. Ravi Sharma who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Director in place of Sh. Rakesh Jindal who retires by rotation and being eligible offers himself for re-appointment
5. To appoint Ms. Kamini Jindal as regular director.
6. 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

7. **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 Sh. 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. 7, 50,000/- per annum.

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 Sh. 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. 7, 50,000/- 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 Sh. 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. 7, 50,000/- 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 Ms. Kamini Jindal, designated as Director of the Company, be and is hereby appointed for a period of five years from the expiry of his present tenure in the following manner:-

Salary (Remuneration): Rs. 12, 00,000/- per annum.

11. **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 Mr. B.D. Agarwal, designated as 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. 36, 00,000/- per annum.

By Order of the Board of Director
For VIKAS WSP LIMITED

Sd/-

Date : 29.08.2012
Place : Sri Ganganagar

(B. D. Agarwal)
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 quote their folio number while making any correspondence to the company.
5. Members are requested to bring the admission slips along with their copy of the Report and accounts to the meeting.
6. 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.
7. 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.
8. The Register of Members of the Company shall remain closed from 17th September to 27th September 2012 (both days inclusive) for the purpose of Dividend and Annual Book Closure.
9. Shareholders who have not so far en-cashed the Interim/Final dividend warrant(s) for various year as per the table given below 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	29.01.2008	10,47,671
2	2008-09	16.09.2009	21,80,634
3	2009-10	16.09.2010	19,78,833
4	2010-11	16.09.2011	11,92,126

ADDITIONAL INFORMATION: -

1. Brief profile of Sh. Ravi Sharma: - Sh. Ravi Sharma, Director, who retires by rotation and being eligible, offers himself for reappointment.
Sh. Rakesh Jindal has been appointed by the Board as an additional Director w.e.f. 07.03.2006. He holds degree of Bachelor in Commerce. Keeping in view his long experience in the Guar Gum Industry, your Directors recommend to re-appoint Sh. Ravi Sharma as Director of the Company.
2. Brief profile of Sh. Rakesh Jindal: - Sh. Rakesh Jindal, Director, who retires by rotation and being eligible, offers himself for reappointment.
Sh. Rakesh Jindal has been appointed by the Board as an additional Director w.e.f. 07.03.2006. He holds degree of Bachelor in Commerce. Keeping in view his long experience in the Guar Gum Industry, your Directors recommend to re-appoint Sh. Rakesh Jindal as Director of the Company.
3. Brief profile of Ms. Kamini Jindal: -Ms. Kamini Jindal is appointed as additional director of the company and being eligible offers herself as regular director, her tenure is upto the Annual General Meeting.
Ms. Kamini Jindal has been appointed by the Board as an Additional Director w.e.f. 16.07.2012. Ms. Kamini Jindal is a person with excellent academic background and possesses good educational qualifications. She is Bachelor of Arts and Master of Philosophy. She is the youngest in the Board of the company. Considering and seeking attention and interest of youth, your Directors recommend appointment of Ms. Kamini Jindal as Director of the Company.

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

ITEM NO. 7

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. 7,50,000/- 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. 7,50,000/- for a period of five years from the date of the expiry of his present tenure. He himself is interested in the resolution.

ITEM NO. 8

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. 7,50,000/- 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. 7,50,000/- for a period of five years from the date of the expiry of his present tenure. He himself is interested in the resolution.

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. 7,50,000/- 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. 7,50,000/- for a period of five years from the date of the expiry of his present tenure. He himself is interested in the resolution.

ITEM NO. 10

By taking into consideration the increased business volume of the Company and to match the remuneration package of Ms. Kamini Jindal, proposed regular Director of the Company with the present prevailing compensation at this level in the industry, it is appropriate the remuneration package of Ms. Kamini Jindal should be at Rs. 12,00,000/- 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 Ms. Kamini Jindal is Rs. 12,00,000/- for a period of five years from the date of the expiry of his present tenure. She herself is interested in the resolution.

ITEM NO. 11

By taking into consideration the increased business volume of the Company and to match the remuneration package of Mr. B. D. Aggarwal, proposed regular Director of the Company with the present prevailing compensation at this level in the industry, it is appropriate the remuneration package of Mr. B. D. Aggarwal should be at Rs. 36,00,000/- 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 Mr. B. D. Aggarwal is Rs. 36,00,000/- for a period of five years from the date of the expiry of his present tenure. He himself is interested in the resolution.

By Order of the Board of Director
For VIKAS WSP LIMITED

Sd/-

Date : 29.08.2012

(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 2012.

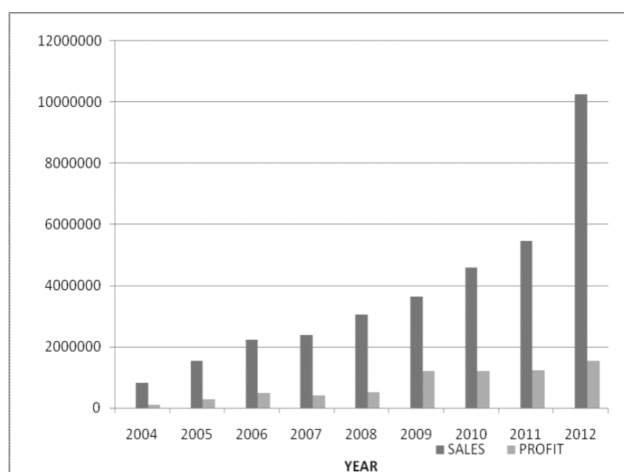
Financial Performance

Key aspects of your Company's Financial Performance for the financial years 2011-2012 and 2010-2011 are tabulated below:

ITEMS	(Rs. In Millions)	
	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
1. Revenue from operations	10635.73	5460.14
2. Other Income	20.30	23.83
3. Total Expenditure	7662.41	3602.42
4. Interest	258.77	162.92
5. Gross Profit/Loss after Interest but before depreciation	2734.85	1718.63
6. Depreciation	448.38	407.46
7. Net Profit/Loss before tax	2286.47	1311.17
8. Tax Expenses	739.71	88.89
9. Net Profit/Loss after tax	1546.76	1222.28
10. Extra Ordinary Items	-	-
11. Net Profit for the period	1546.76	1222.28
12. Appropriations		
(a) Proposed/Interim Dividend	137.44	34.36
(b) Corporate Tax on distributed dividend	22.30	5.71
(c) Transfer to General Reserve		
	154.80	122.23
14. Reserves & Surplus	10550.28	9163.26
15. Book value/share	77.76	67.67

SALES VS PROFIT (IN THOUSANDS)

YEAR	2004	2005	2006	2007	2008	2009	2010	2011	2012
SALES	815768	1547775	2236659	2396268	3052945	3651108	4589774	5460139	10,253,060.00
PROFIT	97743	278361	495932	419687	503191	1215807	1199527	1222284	1,546,756.00



Operations

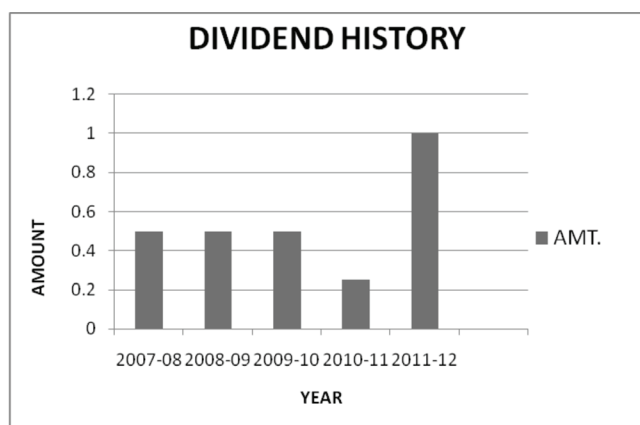
During this period, your company has achieved a total turnover of Rs. 10635.73 million as compared to that of Rs. 5460.14 millions in the previous year. So, our sales for the current year grew by 94.79% over the previous year. During the year under review the company has earned a net profit of Rs 1546.76 million as compared to net profit of Rs.1222.28 millions in previous year. Therefore, our net profit for the current year grew by 26.55% over the previous year.

Dividend

Your Directors proposed final dividend of 100% per equity share of Rs. 1/- each for the financial year 2011-12 for your approval, if approved then the record date for the purpose of payment of dividend is fix on 14th September 2012 as register of members will be closed from 17th September, 2012 to 27th September, 2012 (both dates inclusive) and payable to its shareholders who were on the register of members of our company as at the closing hours of record date. Dividend paid by your company for last five years.

DIVIDEND HISTORY

YEAR	2007-08	2008-09	2009-10	2010-11	2011-12	2012
AMT.	0.5	0.5	0.5	0.25	1	1



Future prospects

The 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. 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 Norwegian 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 (MNC's) food producers viz. Nestle (Friskies), Mars (Master Food), Heinz, Sara lee, Unilever, and CSM. To source their key raw materials, these MNC's 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. 6 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 no. 6 of the annual report.

Directors' re-appointment

Mr. Ravi Sharma retires by rotation and being eligible offer himself 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. Ravi Sharma is given in the notice of Annual General Meeting.

Mr. Rakesh Jindal retires by rotation and being eligible offer himself 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. Rakesh Jindal is given in the notice of Annual General Meeting.

Ms. Kamini Jindal being eligible offers herself for appointment at this Annual General Meeting as a regular director. The Board Governance Committee has recommended their appointment for consideration of the shareholders. A brief profile of Ms. Kamini Jindal is given in the notice of Annual General Meeting.

Auditors' Appointment

M/s Arun K Agarwal & Associates., Chartered Accountants, New Delhi, Statutory Auditor of the company, being eligible, offers himself for re-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 no. 7 of the Annual Report. We have obtained a certification from a Statutory Auditor's of the company on compliance with clause 49 of the listing agreement with Indian Stock Exchanges. The certificate is given at page no. 10

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.

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 : 29.08.2012
Place : Sri Ganganagar

(B. D. Agarwal)
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:

Electricity			
Purchased			
Unit	KWH		28531490
Total Amount	Rs.(in million)		151.89
Rate/Unit	Rs.		5.32
HSD oil			
Quantity of HSD	KL:		1933
Total cost	Rs.(in million)		77.55
Average rate/KL	Rs.		40147.90
LPG			
Quantity	Kgs.		22590
Total cost	Rs.(in million)		67.13
Average rate/Kg.	Rs.		2972.23

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-	81829.18
Total foreign exchange used during the year	4620.45
Net foreign exchange earned during the year	<u>77208.73</u>

REPORT ON CORPORATE GOVERNANCE 2011-12

COMPANY'S PHILOSOPHY

Our name and logo reflects our philosophy and policy. Vikas means blowing, expending, progress and development in terms of manufacturing and exporting Guar Gum Powder. The company believes in developing and maintaining close working relationship with its customers and to create successful business partnerships and to achieve common goals and objectives.

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 Director of the Ship	Total no. of membership Director 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	
1 Sh. B.D.Agarwal	CMD	2	1	1	Nil	1
2. Sh. Megh. Raj*	Director	3	Nil	Nil	Nil	Nil
3. Smt. Bimla Devi	Director	4	2	1	Nil	1
4. Ms. Kamini Jindal	Director	1	1	Nil	Nil	Nil
5. Sh. Ravi Sharma	Ind. Director	2	4	2	2	Nil
6. Sh. Rakesh Jindal	Ind. Director	2	4	1	2	Nil
7. Sh. Kishan Lal	Ind. Director	1	Nil	Nil	Nil	Nil
8. Sh. Vishanu Bhagwan	Ind. Director	2	Nil	Nil	Nil	Nil
9. Sh. R.A. Mittal	Ind. Director	1	Nil	Nil	Nil	Nil

*Sh. Megh Raj Jindal retired from dictatorship on 16.07.2012.

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 2011-12.

During the financial year 2011-12, the Board of Directors of the company met 19 (Nineteen) times on 28.04.2011, 30.05.2011, 1.07.2011, 4.07.2011, 20.07.2011, 20.08.2011, 9.09.2011, 30.09.11, 1.11.11, 4.11.11, 16.12.2011, 29.12.2011, 16.1.2012, 30.01.2012, 10.02.2012, 12.02.12, 28.02.12, 27.03.12 and 29.03.12 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 Feb.12
Sh. B. D. Aggarwal	19	YES
Sh. Megh Raj Jindal	18	YES
Smt. Bimla Devi	18	YES
Sh. Ravi Sharma	12	NO
Sh. Rakesh Jindal	15	NO
Sh. Kishan Lal	10	YES
Sh. Vishnu Bhagwan	10	YES
Sh. R.A. Mittal	08	YES

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	ATTENDED				
		20.05.2011	20.08.2011	18.11.2011	16.01.2012	12.02.12
Sh. Ravi Sharma	Chairman	Yes	Yes	Yes	Yes	Yes
Sh. Rakesh Jindal	Member	No	Yes	Yes	Yes	Yes
Sh. B.D.Agarwal	Member	Yes	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
30.09.09	In the local area of Regd. Office of the company at Railway Road, Siwani - 127046 (Haryana)	10.00 A.M.	Three
28.09.10	- do -	10.00 A.M.	None
28.02.11	- do -	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 29th September, 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 2011 to 31st March 2012.
- (III) Date of Book Closure from 17th Sep. 2012 to 27th Sep. 2012 (both days inclusive) for the purpose of Annual Book Closure and payment of dividend.
- (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, 2012, 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.	Up to - 2500	43681	22668544	16.49
2	2501-5000	2082	7805266	5.68
3	5001-10000	992	7563970	5.50
4	10001-20000	485	7060943	5.14
5	20001-30000	164	4005317	2.91
6	30001-40000	80	2850331	2.07
7	40001-50000	53	2443459	1.79
8	50001-100000	110	8143061	5.92
9	100001 & above	94	74898709	54.50
	TOTAL	47741	137439600	100

Shareholding pattern as on 31st March 2012

Category	Nos. of shares held	% to Total
Promoters	20168608	14.67
Financial Institutions / Nationalized Banks & Mutual Fund	3576600	2.60
Non-Resident Individuals/OCBs/ FII's/Foreign Nationals	7461217	5.43
Bodies Corporate	32058423	23.33
Resident Individuals	74174752	53.97
TOTAL	137439600	100

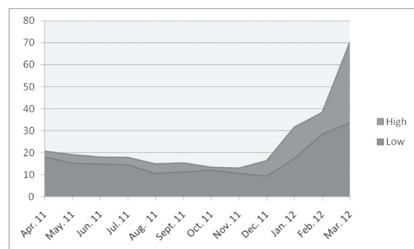
(viii) Dematerialization of shares

Over 98% 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.11	May.11	Jun.11	Jul.11	Aug.11	Sept.11	Oct.11	Nov.11	Dec.11	Jan.12	Feb.12	Mar.12
High	20.8	19.2	18.15	17.95	15	15.48	13.5	13.1	16.44	31.7	38.3	70.25
Low	18.1	15.25	14.85	14.55	10.6	11.21	12.1	10.66	9.36	17.3	28.4	33.55



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: ravindergupta@vikaswsppltd.in	
Website: www.vikaswsppltd.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, 2012.

For VIKAS WSP LIMITED

Sd/-

Date : 29.08.2012
Place : Sri Ganganagar

(B. D. Agarwal)
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 2011-12 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 : 29.08.2012
Place : Sri Ganganagar

Ravi Sharma
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, 2012, as stipulated in clause - 49 of the listing agreement of the said Company with the stock exchanges.

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

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

1. The company has held five meetings of the Audit Committee during the financial year 2011-2012 on 20.05.2011, 20.08.2011, 18.11.2011, 16.01.2012 & 12.02.2012.
2. The Shareholders' Grievances Committee was functioning according to the Listing Agreement.

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

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

For Nitesh Kumar Sinha
Company Secretaries

Sd/-

Per Nitesh Kumar Sinha

Place : New Delhi

Date : 25.08.2012

Partner

Membership No. 7648

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

Chairman : The Company has an Executive Chairman & Managing Director.

Remuneration : The Board has Compensation Committee 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 abductured 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 xerophytes plant and the rain pattern of the monsoons in the Indian arid zone - mainly Western desert of Rajasthan provides ideal growing conditions. The need for just the right amount of rain at the right time leaves the guar crop heavily dependent on the annual rainfall pattern and causes occasional wide swings in guar supply and prices. With the emergence of irrigated guar seeds, dependency of guar crop on monsoon has been minimized. Now its crop is irrigated with canal water at the right time that increased its per hectare yield greatly.

COMPANY'S PERFORMANCE

During the current year under review your company has achieved a total turnover of Rs. 10635.73 million as compared to Rs.5460.14 millions in the previous year During the year under review the company has earned a net profit of Rs. 1546.76 million as compared to net profit of Rs. 1222.28 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.

Auditors' Report

To the Members of
Vikas WSP Limited

1. We have audited the attached Balance Sheet of Vikas WSP Limited ("the Company") as at 31 March 2012, Statement of Profit and Loss and also the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), 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.
4. Further to our comments in the Annexure referred to above, we report that:
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and the 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 2012, 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 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

- (f) Without qualifying our report, attention is invited to note 39 with regard to cash payment made to farmers under contract farming agreement.
- (g) 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 Balance Sheet, of the state of affairs of the Company as at 31 March 2012;
 - (ii) in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Arun K. Agarwal & Associates
Chartered Accountants
FRN:03917N

Vimal Kumar Jain

Partner

Place : Sri Ganganagar

Date : 16.07.2012

Membership No.: 086657

Annexure referred to in paragraph 3 of the Auditors' Report to the Members of Vikas WSP Limited on the accounts for the year ended 31 March 2012

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a system 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) No fixed assets were disposed off during the year.
- (ii) a) The inventory has been physically verified by the management during the year, except goods-in-transit. 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, that purchases of certain raw materials are for the Company's specialised requirements and similarly goods sold are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations. Internal control system of the company is adequate looking into the size and operations of the company except in respect of fixed assets, where no capital budget was placed before the board.
- (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 of specialised requirements of the company 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) The company has not accepted any deposits from the public.
- (vii) The Company has an internal audit system. In our opinion, the scope of work of internal audit and compliance needs 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 except there have been slight delays in 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 2012 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, dues relating to Income tax which has been deposited under protest 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, defaults in payment of loan installments and interest due to a Financial Institution for the quarter of May and August, 2011 of Rs. 8 crore and 6.18 crore respectively. However the Company has paid all overdue installments 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) Based on the information and explanations given and audit procedure performed by us, no fraud on or by the company has been noticed or reported during the course of audit.

For Arun K. Agarwal & Associates
Chartered Accountants
FRN:03917N

Vimal Kumar Jain

Partner

Place : Sri Ganganagar

Date : 16.07.2012

Membership No.: 086657

VIKAS WSP LIMITED

Amended Balance Sheet as at 31 March 2012

(All amounts in Rs. thousands)

	Notes	As at 31 March 2012	As at 31 March 2011
Equity and liabilities			
Shareholders' funds			
Share capital	2	1,374.40	1,374.40
Reserves and surplus	3	105,502.84	91,632.65
Non-current liabilities			
Long-term borrowing	4	2,000.00	-
Deferred tax liability (net)	5	2,981.30	2,495.22
Long-term provisions	6	68.64	54.26
Current liabilities			
Short-term borrowings	7	7,317.90	9,505.13
Trade payables	8	14,535.76	1,565.57
Other current liabilities	9	15,041.80	1,119.45
Short-term provisions	10	2,167.74	1,202.25
Total		150,990.38	108,948.93
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	90,861.84	90,100.33
Capital work in progress		175.42	172.87
		91,037.26	90,273.20
Long term loans and advances	12	511.80	194.21
Other non-current assets	13	104.17	97.64
Current assets			
Inventories	14	26,596.35	3,782.63
Trade receivables	15	12,159.06	5,520.15
Short term loans and advances	16	16,404.58	8,886.61
Cash and bank balances	17	4,177.16	194.49
		59,337.15	18,383.87
Total		150,990.38	108,948.93

Significant accounting policies

1

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

2-43

As per our report attached

For Arun K Agarwal & Associates
Chartered Accountants
Firm Registration No. 003917N

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

Sd/-
Vimal Kumar Jain
Partner
Membership no: 086657

Sd/-
B.D. Agarwal
Managing Director

Sd/-
Bimla Devi Jindal
Director

Sd/-
Ravinder K. Gupta
Company Secretary

Place : Sri Ganganagar
Date : 16.07.2012

Place : Sri Ganganagar
Date : 16.07.2012

Place : Sri Ganganagar
Date : 16.07.2012

Place : Sri Ganganagar
Date : 16.07.2012

VIKAS WSP LIMITED

Amended Profit and Loss Account for the year ended 31 March 2012

(All amounts in Rs. thousands)

	Notes	For the year ended 31 March 2012	For the year ended 31 March 2011
Income		-	-
Revenue from operation	18	106,357.26	54,601.39
Other income	19	202.99	238.33
Total (I)		106,560.25	54,839.72
EXPENDITURE		-	-
Cost of materials consumed	20	61,547.48	31,716.45
(Increase)/ decrease in stock of finished goods	21	(2,985.73)	(764.94)
Purchase of stock-in-trade		10,014.74	326.03
Employee benefits expenses	22	796.94	527.83
Finance cost	23	2,587.68	1,629.20
Depreciation and amortization expenses		4,483.81	4,074.59
Other expenses	24	7,250.65	4,218.85
Total (II)		83,695.57	41,728.01
Profit/(loss) before tax		22,864.68	13,111.71
Tax expenses		-	-
- current tax		6,910.77	2,644.11
- wealth tax		0.27	-
- MAT credit entitlement		-	(1,909.35)
- MAT credit entitlement in respect of earlier years		-	(163.95)
- deferred tax		486.08	318.06
Total Tax expenses		7,397.12	888.87
Profit/(loss) for the year		15,467.56	12,222.84
Earnings per share (basic and diluted) - Rs.	25	11.25	8.89

Significant accounting policies

1

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

2-43

As per our report attached

For Arun K Agarwal & Associates

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

Chartered Accountants

Firm Registration No. 003917N

Sd/-

Vimal Kumar Jain

Partner

Membership no: 086657

Sd/-

B.D. Agarwal

Managing Director

Sd/-

Bimla Devi Jindal

Director

Sd/-

Ravinder K. Gupta

Company Secretary

Place : Sri Ganganagar

Date : 16.07.2012

Place : Sri Ganganagar

Date : 16.07.2012

Place : Sri Ganganagar

Date : 16.07.2012

Place : Sri Ganganagar

Date : 16.07.2012

VIKAS WSP LIMITED
Cash flow statement for the year ended 31 March 2012

(All amounts in Rs. thousands)

Particulars	As at 31 March 2012	As at 31 March 2011
Cash Flow From operating activities		
Profit before tax from operations	22,864.67	13,112.73
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	4,483.81	4,075.09
Provision for loans and advances	-	150.00
Unrealised foreign exchange loss/(gain)	(40.00)	37.53
Interest expenses	1,680.50	1,629.20
Interest income	(105.22)	(14.75)
Operating profit before working capital changes	28,883.76	18,989.80
Movements in working capital		
Increase/(decrease) in trade payables	12,971.09	376.12
Increase/(decrease) in long term provisions	14.00	-
Increase/(decrease) in short term provisions	0.33	28.25
Increase/(decrease) in other current liabilities	14,267.70	494.57
Increase/(decrease) in other long term liabilities	-	-
Decrease/(increase) in trade receivables	(6,620.91)	(2,395.20)
Decrease/(increase) in inventories	(22,813.49)	(1,092.29)
Decrease/(increase) in other non current assets	(6.53)	(97.64)
Decrease/(increase) in long term loans and advances	(317.60)	(103.72)
Decrease/(increase) in short term loans and advances	(9,804.03)	1,519.27
Cash generated from / (used in) operations	16,574.32	17,719.17
Direct taxes paid (net of refunds)	(4,170.35)	(2,702.91)
Net cash flow from / (used in) operating activities (A)	12,403.97	15,016.00
Cash flows from investing activities		
Purchase of fixed assets, CWIP and capital advance	(5,247.50)	(13,876.25)
Proceeds from sale of fixed assets	-	128.00
Redemption / (investments) in bank deposits (having maturity of more than 3 month)	(525.63)	213.65
Interest received	105.46	14.75
Net cash flow from / (used in) investing activities (B)	(5,667.66)	(13,519.84)
Cash flows from financing activities		
Proceeds from issuance of share capital	-	-
Proceeds from long term borrowings	2,000.00	-
Proceeds from short term borrowings	5,650.76	1,650.35
Repayment of short term borrowing	(7,837.99)	(1,123.16)
Interest paid	(2,003.86)	(1,160.12)
Dividends paid on equity shares	(1,030.80)	(687.25)
Tax on equity dividend paid	(57.07)	(233.59)
Net cash flow from / (used in) in financing activities (C)	(3,278.96)	(1,553.77)

Net increase / (decrease) in cash and cash equivalents (A+B+C)	3,457.35	(57.62)
Cash and cash equivalents at the beginning of the year	159.01	216.68
Cash and cash equivalents at the end of the year	<u>3,616.37</u>	<u>159.06</u>
Components of cash and cash equivalents		
Cash on hand	10.64	0.43
With banks on current account		
-on deposit account	2,504.28	9.07
- unpaid dividend accounts	90.85	35.52
With banks fixed deposit	1,010.29	114.00
Total cash and cash equivalents	<u>3,616.37</u>	<u>159.01</u>

As per our report attached

For Arun K Agarwal & Associates
Chartered Accountants
Firm Registration No. 003917N

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

Sd/-
Vimal Kumar Jain
Partner
Membership no: 086657

Sd/-
B.D. Agarwal
Managing Director

Sd/-
Bimla Devi Jindal
Director

Sd/-
Ravinder K. Gupta
Company Secretary

Place : Sri Ganganagar
Date : 16.07.2012

Place : Sri Ganganagar
Date : 16.07.2012

Place : Sri Ganganagar
Date : 16.07.2012

Place : Sri Ganganagar
Date : 16.07.2012

(All amounts in Rs. thousands)

Particulars	As at 31 March 2012	As at 31 March 2011
Cash Flow From operating activities		
Profit before tax from operations	22,864.68	13,111.71
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	4,483.81	4,074.59
Provision for loans and advances	-	150.00
Unrealised foreign exchange loss/(gain)	(40.00)	37.53
Interest expenses	1,680.50	1,629.20
Interest income	(105.22)	(14.75)
Operating profit before working capital changes	28,883.77	18,988.28
Movements in working capital		
Increase/(decrease) in trade payables	12,971.09	376.12
Increase/(decrease) in long term provisions	14.00	-
Increase/(decrease) in short term provisions	0.33	28.25
Increase/(decrease) in other current liabilities	14,267.70	494.57
Increase/(decrease) in other long term liabilities	-	-
Decrease/(increase) in trade receivables	(6,620.91)	(2,395.20)
Decrease/(increase) in inventories	(22,813.49)	(1,092.29)
Decrease/(increase) in other non current assets	(6.53)	(97.72)
Decrease/(increase) in long term loans and advances	(317.60)	(103.72)
Decrease/(increase) in short term loans and advances	(9,804.33)	1,518.27
Cash generated from / (used in) operations	16,574.03	17,716.56
Direct taxes paid (net of refunds)	(4,170.35)	(2,702.61)
Net cash flow from / (used in) operating activities (A)	12,403.68	15,013.95
Cash flows from investing activities		
Purchase of fixed assets, CWIP and capital advance	(5,247.50)	(13,876.25)
Proceeds from sale of fixed assets	-	128.00
Redemption / (investments) in bank deposits (having maturity of more than 3 month)	(525.63)	213.65
Interest received	105.46	14.75
Net cash flow from / (used in) investing activities (B)	(5,667.67)	(13,519.85)
Cash flows from financing activities		
Proceeds from issuance of share capital	-	-
Proceeds from long term borrowings	2,000.00	-
Proceeds from short term borrowings	5,650.76	1,651.35
Repayment of short term borrowing	(7,837.99)	(1,122.16)
Interest paid	(2,003.86)	(1,160.12)
Dividends paid on equity shares	(1,030.80)	(687.25)
Tax on equity dividend paid	(57.07)	(233.59)
Net cash flow from / (used in) in financing activities (C)	(3,278.96)	(1,551.77)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	3,457.05	(57.67)

Cash and cash equivalents at the beginning of the year	159.01	216.68
Cash and cash equivalents at the end of the year	3,616.06	159.01
Components of cash and cash equivalents		
Cash on hand	10.64	0.43
With banks on current account		
-on deposit account	2,504.28	9.07
- unpaid dividend accounts	90.85	35.51
With banks fixed deposit	1,010.29	114.00
Total cash and cash equivalents	3,616.06	159.01

As per our report attached

For Arun K Agarwal & Associates

Chartered Accountants

Firm Registration No. 003917N

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

Sd/-

Vimal Kumar Jain

Partner

Membership no: 086657

Sd/-

B.D. Agarwal

Managing Director

Sd/-

Bimla Devi Jindal

Director

Sd/-

Ravinder K. Gupta

Company Secretary

Place : Sri Ganganagar

Date : 16.07.2012

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Date : 16.07.2012

Place : Sri Ganganagar

Date : 16.07.2012

VIKAS WSP LIMITED

Schedules forming part of the amended financial statements

(All amounts in Rs. thousands)

2. Share capital	As at 31 March 2012	As at 31 March 2011
Share capital		
Authorised capital		
287,500,000 (previous year 287,500,000) equity shares of Re. 1 each	2,875.00	2,875.00
	2,875.00	2,875.00
Issued, subscribed and paid up capital		
137,439,600 (previous year 137,439,600) equity shares of Re. 1 each fully paid up	1,374.40	1,374.40
	1,374.40	1,374.40

2a. Reconciliation of the number of shares:

Equity Shares	As at 31 March 2012		As at 31 March 2011	
	Numbers	Amount	Numbers	Amount
Balance at the beginning of the year	137,439,600	1,374.40	137,439,600	1,374.40
Issued during the year	-	-	-	-
Balance at the end of the year	137,439,600	1,374.40	137,439,600	1,374.40

2b. Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

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

2c. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company#

	As at 31 March 2012		As at 31 March 2011	
	Numbers	% Holding	Numbers	% Holding
Equity shares of Rs. 1 each fully paid				
B D Agarwal	9,857,259	7.17%	7,585,000	5.52%
Sharbati Devi	-	-	17,950,000	13.06%

As per the records of the company, including its register of members

2d. Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, Aggregate number and class of shares allotted as fully paid up by way of bonus shares, and aggregate number of shares and class of shares bought back, during the period of five year immediately preceding the reporting date.

	31 March 2012	31 March 2011	31 March 2010	31 March 2009	31 March 2008	31 March 2007
Equity shares allotted as fully paid up pursuant to contracts for consideration other than cash	-	-	-	-	-	-
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	-	-	-	-	-	-
Equity shares bought back by the company	-	-	-	-	-	-

3. Reserves and surplus

	As at 31 March 2012	As at 31 March 2011
Capital reserve	101.72	101.72
Securities premium reserve	29,963.22	29,963.22
General reserve		
Balance as at the beginning of the year	20,132.75	18,910.47
Add: transferred from surplus in the statement of profit and loss	1,548.00	1,222.28
Balance as at the end of the year	21,680.75	20,132.75
Surplus/(deficit) in the statement of profit and loss		
Balance as at the beginning of the year	41,434.95	30,835.07
Profit for the year	15,467.56	12,222.84
Less: Appropriations		
Proposed dividend on equity shares for the year	(1,374.40)	(343.60)
Dividend distribution tax on Proposed dividend on equity shares	(222.96)	(57.07)
Transfer to general reserve	(1,548.00)	(1,222.28)
Balance as at the end of the year	53,757.15	41,434.95
Total Reserves and Surplus	105,502.84	91,632.65

4. Long-term borrowings

Secured loans

Term loan from financial institution	2,000.00	-
Total	2,000.00	-

4a. Nature of security, terms of repayment and defaults made for secured borrowings

Nature of Security

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. 8,000 (sanctioned amount) from IFCI Limited secured by exclusive charge and mortgage on all moveable and immovable 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 Ganganagar. Mr. B. D. Agarwal, Mrs. Bimla Devi Jindal and Mr. Megh Raj Jindal, the promoters and directors of the Company have pledged their shareholding aggregating to 17,859,018 (previous year 20,346,000) equity shares of Re 1 each and have also provided their personal guarantees. All the promoters and their associates have pledged their entire shareholding in Vikas Granaries Limited (Companies under the same management) aggregating 12,340,000 equity shares of Rs. 10 each. (previous year 12,340,000 equity shares of Rs. 10 each).

Terms of repayment

The loan is repayable in installments of Rs. 400 lakhs per quarter.

Defaults made during the year

There is no continuing default in repayment of loans and interest as on 31.03.2012. During the previous year, the company defaulted in repayment of its dues starting from the instalment due on 15 August 2010.

Principal	-	985.85
Interest	-	240.42
Total amount of default	-	1,226.27

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'.

5. Deferred tax liabilities (net)

	As at 31 March 2012	As at 31 March 2011
Deferred tax liability		
Difference in written down value of tax books and accounting books	2,985.98	2,562.21
Deferred tax asset		
Provision for gratuity and doubtful advances	(4.68)	(66.99)
Total	2,981.30	2,495.22

6. Long term provisions

Provision for employee benefits:

Provision for gratuity (refer to note 34)	68.64	54.26
Total	68.64	54.26

7. Short-term borrowings

Secured:

From bank

Export packing credit (refer to note (i) below)	4,371.10	1,498.81
Bill discounting (refer to note (i) below)	1,410.10	168.33
Demand loans (refer to note (ii) below)	-	33.99
Bank overdraft	-	9.13

From financial institution

Export packing credit	-	1,609.64
Term loan (also refer to note 4)	-	6,185.23

From others

Hypothecation of stock (refer to note (iii) below)	1,536.70	-
Total	7,317.90	9,505.13

7a. Nature of security and terms of repayment for secured borrowings

- (i) The Company has obtained a packing credit limit and foreign documentary bill purchase/ discounting facility of Rs. 1,500 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 immovable assets of the Company at B-86/87 Udyog Vihar, RIICO Industrial Area, Sri Ganga Nagar and lien on fixed deposits of Rs. 1,571.38 (previous year Nil)

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.

The Company has obtained additional packing credit limit and foreign documentary bill purchase/ discounting facility of Rs. 3,000 which is interchangeable from Bank of India secured by hypothecation of inventory, demand bill accompanied by invoice and bill of lading evidencing shipment of goods and first charge over land, building, plant and machinery situated at SP-241 and second charge over land, building, plant and machinery situated 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.

- (ii) The demand loan of Rs. Nil (previous year Rs. 34) obtained from Union Bank of India is secured against the fixed deposits (pledged) with the bank.
- (iii) The Company has obtained funds by pledging its stock with third party.

8. Trade payables

	As at 31 March 2012	As at 31 March 2011
Trade payables (refer to note 32)	14,535.76	1,565.57
Total	14,535.76	1,565.57

9. Other current liabilities

Current maturities of long-term borrowings (also refer to note 4)	1,600.00	-
Interest accrued but not due on borrowings	64.13	146.44
Interest accrued and due on borrowings	-	241.04
Unclaimed dividend [refer to note (a) below]	90.60	35.52
Advances from customers	12,154.57	228.71
Salary and bonus payable	84.92	89.59
Book overdraft	-	0.95
Amount due to promoter (refer to note b)	395.22	-
Statutory dues including Provident Fund and Tax deducted at source	88.77	27.19
Other payables	563.59	350.01
	15,041.80	1,119.45

- (a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.
- (b) The company has defaulted in payment of dues to IFICI Limited (refer to note 4). Out of total dues, Rs. 395.21 was adjusted against proceeds from sale of 2,487,499 equity shares of the promoters.

9. Other current liabilities

Provision for employee benefits:		
Provision for gratuity (refer to note 34)	2.26	2.20
	2.26	2.20
Other provisions		
Provision for Tax (net of MAT availment of Rs.2,286.06, advance tax of Rs. 4,156.55 and TDS of Rs. 13.80)	454.36	-
Provision for wealth tax	0.27	-
Provision for proposed dividend on equity shares	1,374.40	343.60
Provision for dividend distribution tax on proposed dividend on equity shares	224.29	57.07
Final dividend for 2009-10 (refer to note (a) below)	-	687.20
Provision for interest on dividend	112.18	112.18
	2,165.49	1,200.05
	2,167.74	1,202.25

- (a) 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 31 March 2011 and the the Company has paid out the outstanding amount in four tranches on 5 April 2011, 6 April 2011, 27 May 2011 and 30 May 2011.

12. Long term loans and advances

	As at 31 March 2012	As at 31 March 2011
Unsecured, considered good (unless otherwise stated):		
Capital advances	368.22	119.03
Security Deposits	143.58	75.18
Total	511.80	194.21

13. Other non-current assets

Long term deposits with banks with maturity period more than 12 months (refer to note (a) below)	104.17	97.64
Total	104.17	97.64

(a) Held as lien by bank against bank gurantees.

14. Inventories*

(At lower of cost and net realisable value)

Raw Materials	20,756.17	1,056.64
Finished goods		
- in stores	3,510.99	789.98
- in transit	1,960.49	1,695.77
Consumables , stores and spares	297.08	178.91
Packing materials	71.62	61.32
	26,596.35	3,782.63

14a. Details of Raw Material

Guar	11,109.39	368.77
Guar Split	9,546.53	615.47
Other	100.25	72.40
Total	20,756.17	1,056.64

14b. Details of Finished Goods

(i) Goods Manufactured

Guar Gum Powder - in store	3,510.99	789.98
Guar Gum Powder - in transit	1,960.49	1,695.77
Total	5,471.48	2,485.75

* refer to note 38 regarding change in accounting policy

15. Trade receivables

(i) Goods Manufactured

Guar Gum Powder - in store	3,510.99	789.98
Guar Gum Powder - in transit	1,960.49	1,695.77
Total	5,471.48	2,485.75

	As at 31 March 2012	As at 31 March 2011
15a. Trade receivable includes		
Receivable from Vegan Colloids Limited	7,441.16	0.69
Receivable from Vikas Granaries Limited	1,363.01	-
Total	8,804.17	0.69
16. Short term loans and advances		
Unsecured considered good, unless otherwise stated		
Loans and advances to related parties		
- considered good	9,025.73	1,887.76
Others loans and advances		
Advance recoverable in cash or kind (unsecured considered good)	2,341.44	324.10
Advance income-tax (net of provision for taxation)	140.40	140.39
VAT credit receivable	34.82	22.31
MAT credit receivable	2,337.56	4,623.63
Advance to suppliers	2,524.63	232.42
Advance to farmers	-	1,656.00
Doubtful loans and advances		
Advance to suppliers	150.00	150.00
Less: Provision for doubtful	(150.00)	(150.00)
Total	16,404.58	8,886.61
17. Cash and bank balances		
Cash and cash equivalents		
Balances with banks:		
In current accounts	2,504.28	9.07
Unclaimed dividend account	90.85	35.52
Demand deposit (less than 3 months maturity)*	1,010.29	114.00
Cash in hand	10.64	0.43
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months*	561.10	35.47
Total	4,177.16	194.49
*Held as lien against packing credit limit and foreign documentary bill purchase/discounting facility		
	For the Year Ended 31 March 2012	For the Year Ended 31 March 2011
18. Revenue from operations		
Sale of goods (gross)		
- exports	88,918.28	54,479.72
- domestic	13,613.15	135.70
	102,531.43	54,615.42
Less: excise duty	0.83	14.03
Sale of goods (net)	102,530.60	54,601.39
Other operating income		
Export Incentives	3,826.66	-
Total	106,357.26	54,601.39

	For the Year Ended 31 March 2012	For the Year Ended 31 March 2011
18a. Details of sales		
Guar gum powder	88,927.19	54,615.42
Guar split	13,604.24	-
	<u>102,531.43</u>	<u>54,615.42</u>
18b. Details of export sales		
Direct Export	82,803.88	51,821.91
Export through EOU/Others	6,114.41	2,657.81
	<u>88,918.29</u>	<u>54,479.72</u>
19. Other income		
Foreign exchange gain	-	223.58
Interest on fixed deposits	105.22	14.75
Miscellaneous Income	97.77	-
Total	<u>202.99</u>	<u>238.33</u>
20. Cost of material consumed*		
Raw material consumed		
Opening Stock	1,056.64	825.03
Add: Purchases	80,955.23	31,688.41
	82,011.87	32,513.44
Less: Closing Stock	20,756.17	1,056.64
Cost of Raw Material Consumed	<u>61,255.70</u>	<u>31,456.80</u>
Packing material consumed		
Opening Stock	61.32	27.91
Add: Purchases	302.08	293.06
	363.40	320.97
Less: Closing Stock	71.62	61.32
Cost of Packing Material Consumed	<u>291.78</u>	<u>259.65</u>
Total Cost of Materials Consumed	<u>61,547.48</u>	<u>31,716.45</u>
20a. Details of raw material consumed		
Guar	34,000.96	8,275.96
Guar split	25,000.11	21,928.58
Other	2,254.63	1,252.26
	<u>61,255.70</u>	<u>31,456.80</u>
* refer to note 38 regarding change in accounting policy		
21. (Increase)/decrease in stock*		
Opening stock		
Finished goods of Guar Gum Powder		
- in stores	789.98	727.47
- in transit	1,695.77	993.34
Closing stock		
Finished goods of Guar Gum Powder		
- in stores	3,510.99	789.98
- in transit	1,960.49	1,695.77
	<u>5,471.48</u>	<u>2,485.75</u>
(Increase)/ decrease in stock	<u>(2,985.73)</u>	<u>(764.94)</u>
*refer to note 38 regarding change in accounting policy		

22. Employee benefits expenses

	For the Year Ended 31 March 2012	For the Year Ended 31 March 2011
Salaries, wages and bonus	707.42	452.98
Contribution to provident and other funds (refer to note 34)	40.06	48.15
Staff welfare	49.46	26.70
Total	796.94	527.83

23. Finance cost

Interest		
- Bank borrowing	1,631.77	1,286.64
- Supplier	907.19	230.38
- Others	48.72	112.18
Total	2,587.68	1,629.20

24. Other expenses

Store and spares consumed	429.78	111.03
Power and fuel	2,976.17	1,961.52
Lease rent	9.14	9.77
Bank Charges	66.74	55.62
Repair and maintenance		-
- plant and machinery	83.28	22.98
- building	17.48	8.07
- others	26.29	19.50
Insurance	121.65	52.46
Rates and taxes	13.74	26.24
Other manufacturing expenses	280.83	144.08
Travelling expenses	101.66	51.40
Legal and professional	170.66	61.52
Research and development	126.67	119.03
Foreign exchange loss	360.82	-
Port handling charges	325.82	303.82
Freight outward	1,885.13	1,020.53
Provision for doubtful advances	-	150.00
Miscellaneous	254.79	101.28
Total	7,250.65	4,218.85

Legal and professional expenses include payment to auditor*

As auditor:

Audit fee	100.00**	18.00
Limited review	25.00	14.00

*exclusive of service tax

**includes fee of Rs. 60 related to previous year.

25. Earning per share (EPS)

Profit attributable to equity shareholders' (for basic and diluted earning)	15,467.56	12,222.84
Weighted average number of equity shares for basic and diluted earnings per share (face value of Re. 1 each (previous year Re. 1))	1,374.40	1,374.40
Basic and diluted (Rs.)	11.25	8.89

26. Value of imports calculated on CIF basis

	For the Year Ended 31 March 2012	For the Year Ended 31 March 2011
Chemicals	236.92	40.23
Plant and machinery	4,383.53	12,903.22
	4,620.45	12,943.45

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

	For the year ended 31 March 2012		For the year ended 31 March 2011	
	%	Amount	%	Amount
1) Raw material				
Indigenous	100%	61,255.70	100%	31,456.80
ii) Stores and spare parts				
Indigenous	68%	296.11	78%	86.87
Imported	32%	139.94	22%	24.16
	100%	436.05	100%	111.03

28. 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 Para II, para 3(i) (a), 3(ii)(a) and 3(ii)(b) and 3(ii)(d) of Schedule VI to the Companies Act, 1956 are not required to be disclosed.

29. Expenditure in foreign currency (accrual basis)

Travel	1.31	-
	1.31	-

30. Earning in foreign currency (accrual basis)

FOB value of exports	81,829.18	51,821.91
	81,829.18	51,821.91

31. 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 2012		As at 31 March 2011	
	Rs.	Foreign Currency	Rs.	Foreign Currency
Receivables (USD)	1,688.05	33.00	5,105.53	114.35
Receivables (Euro)	53.03	0.78	-	-
Payables (USD)	-	-	27.63	0.62

30. Earning in foreign currency (accrual basis)
32. Detail of dues to micro and small enterprises defined under the MSMED Act 2006

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 filling of the Memorandum. The Company has not received any claim for interest from any supplier under the said Act.

	As at 31 March 2012	As at 31 March 2011
- The principal amount and The interest due thereon remaining unpaid to any supplier as at the end of each accounting period,;		
Principal:	-	1.80
Interest:	-	-
- 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	-	3.00
- 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.	-	-

33. 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. 371.02 (previous year Rs. 283.60).

b) Other commitments

Pending contracts for guar seeds and splits net of advance and not provided for is Rs. 6,922.54 (previous year Rs. Nil)

c) Corporate guarantees provided

The Company has given corporate guarantees aggregating Rs. 3,500 (previous year Rs. 3,000) to banks on behalf of others.

d) 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) has raised an additional demand of Rs. 8.49 for the Assessment Year 1995-96 and interest thereon Rs. 22.23. 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.

34. Gratuity and other post-employment benefit plans

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.

	Year Ended 31 March 2012	Year Ended 31 March 2011
a. Changes in Defined Benefit Obligation		
Liability at the beginning of the year	56.46	28.20
Interest cost	4.80	2.27
Current service cost	9.67	7.80
Benefits paid	-	-
Actuarial (gain)/loss	(0.02)	18.19
Liability at the end of the year	70.90	56.46

	As at 31 March 2012	As at 31 March 2011
b. Amount recognised in the balance sheet		
Liability at the beginning of the year	56.46	28.20
Expenses for the year	14.44	28.26
Benefit paid	-	-
Liability at the end of the year	70.90	56.46

	For the Year Ended 31 March 2012	For the Year Ended 31 March 2011
c. Expenses recognised in the Profit and Loss Account		
Current service cost	9.67	7.80
Interest cost	4.80	2.27
Settlement cost/credit	-	-
Net actuarial gain/(loss) recognised in the year	(0.02)	18.19
Net benefit expenses	14.44	28.26

	For the year ended		For the year ended	
	31 March 2010	31 March 2009	31 March 2012	31 March 2011
d. Experience adjustments				
Defined benefit obligation	28.20	25.53	70.90	56.46
Plan assets	-	-	-	-
(Deficit)	28.20	25.53	70.90	56.46
Experience adjustment on plan liabilities	1.23	1.41	(0.26)	(4.38)
Experience adjustment on plan assets	-	-	-	-

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

	As at 31 March 2012	As at 31 March 2011
Discount rate	8.50%	8.00%
Salary escalation rate (p.a.)	8.50%	8.00%
Expected average remaining working life of employees (years)	27.71	28.02

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

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

During the year the Company has recorded as expense of Rs 25.62 (previous year Rs. 19.90) towards provident fund, a defined contribution plan.

Leaves are encashed at the end of the year and not carried forwarded.

Note 11 : Fixed assets

Particulars	Gross Block			Depreciation			Net Block	
	As at 1 April 2011	Additions during the year	As at 31 March 2012	For the year	Deletions/ adjustments	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011
i) Tangible assets								
Land								
- Freehold*	42,312.89	-	42,312.89	-	-	-	42,312.89	42,312.89
- Leasehold	968.02	46.83	1,014.85	-	-	-	1,014.85	968.02
Buildings	906.24	148.27	1,054.50	32.20	-	341.19	713.31	597.25
Plant and equipment	64,283.19	5,001.19	69,284.38	4,437.50	-	22,577.68	46,706.70	46,143.02
Furniture and fixtures	2.09	5.18	7.27	0.89	-	1.04	6.23	1.94
Vehicles	115.00	27.66	142.66	10.75	-	68.81	73.85	56.94
Office equipments	37.88	16.20	54.08	2.47	-	20.07	34.01	20.28
Total	108,625.30	5,245.33	113,870.63	4,483.81	-	23,008.79	90,861.84	90,100.33
Previous year	91,861.33	17,169.85	108,625.31	4,074.59	279.10	18,524.98	90,100.33	77,131.84

*There are restrictions on transferability of freehold land having an original cost of Rs. 27,857.47 (previous year Rs. 27,857.47) 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. 11,407.80 (previous year Rs. 11,407.80) for 10 years from the date of acquisition i.e. 15 March 2010.

35. Segment information

As per Accounting Standard 17 Segment Reporting as specified in Rule 3 of Companies (Accounting standard) Rules, 2006, the the primary segment reporting i.e. business segments is not applicable since the Company primarily operates within single primary segment of manufacture and export of guar gum powder. Accordingly, primary segmental reporting is performed on the basis of geographical location of customer.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income in individual segments. These are set out in the note on significant accounting policies.

Geographical segments at the company primarily comprise customers located in US, Europe and others. Income in relation to segments is categorized based on items that are individually identified to those segments while expenditure is categorized in relation to associated turnover of the segment. Expenses are not specifically allocable to specific segments as the underlying services are used interchangeably. These expenses are separately disclosed as unallocated and adjusted only against the total income of the company. Fixed assets or liabilities have not been identified to any reportable segments, as these are used interchangeably between segments.

All direct cost are identified to its respective geographies on the basis of revenue from respective geographies.

(Rs. In Lakhs)

Particulars	U.S.	Europe	Others	Total
Revenue from sales	53,459.38	27,113.22	21,958.83	102,531.43
Cost of Material Consumed	35,627.00	17,814.00	15,073.00	68,514.00
Segment operating profit	17,832.38	9,299.22	6,885.83	34,017.43
Other operating Income	-	-	-	3,827.00
Unallocable expenses	-	-	-	15,120.00
Profit before tax	-	-	-	22,927.43
Tax expenses	-	-	-	7,397.12
Profit for the year	-	-	-	15,530.31
Assets (Trade Receivables)	435.11	2,575.26	140.82	3,151.19

Year ended 31 March 2011

Particulars	U.S.	Europe	Others	Total
Revenue from sales	14,283.58	29,289.82	11,028.60	54,602.00
Cost of Material Consumed	8,132.00	16,890.00	6,256.00	31,278.00
Segment operating profit	6,151.58	12,399.82	4,772.60	23,324.00
Other operating Income	-	-	-	-
Unallocable expenses	-	-	-	10,450.00
Other income	-	-	-	238.00
Profit before tax	-	-	-	13,112.00
Tax expenses	-	-	-	889.00
Profit for the year	-	-	-	12,223.00
Assets (Trade Receivables)	269.67	4,864.84	139.38	5,273.89

36. Related party disclosure

a. Transactions with related parties are summarised below :

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

1) Key management persnnel and their relatives (KMP)

Mr. B. D. Agarwal - Managing Direcor

Mr. Megh Raj Jindal - Director

Mrs. Bimla Devi Jindal - Director

- 2) Entities controlled by KMPs
 Vikas Granaries Limited
 Vikas Chemi Gums (India) Limited
 Vikas Dall and General Mills (Partnership firm)
- 3) Entities over which significant influence is exercised by the KMPs
 Vegan Colloids Limited

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-Mar-12	For the year ended 31-Mar-11	For the year ended 31-Mar-12	For the year ended 31-Mar-11	For the year ended 31-Mar-12	For the year ended 31-Mar-11
Sales						
- Vikas Granaries Limited	-	-	2,571.24	120.11	-	-
- Vegan Colloids Limited	-	-	-	-	17,147.41	2,537.69
- Vikas Chemi Gums (India) Limited	-	-	30.27	5.78	-	-
Purchases of raw materials and finished goods						
- Vikas Granaries Limited	-	-	1,733.74	208.10	-	-
- Vegan Colloids Limited	-	-	-	-	8,281.00	18,950.30
- Vikas Chemi Gums (India) Limited	-	-	11,546.00	117.93	-	-
Lease rent paid						
- Vikas Chemi Gums (India) Limited	-	-	2.40	2.40	-	-
Sale of fixed assets						
- Vegan Colloids Limited	-	-	-	-	-	126.77
Payment made by others on behalf of the Company						
- Vegan Colloids Limited	-	-	-	-	194.60	-
- Vikas Chemi Gums (India) Limited	-	-	41.50	-	-	-
Payment received by the Company on behalf of others						
- Vikas Chemi Gums (India) Limited	-	-	35.68	-	-	-
Salary paid to						
- Mr. B D Agarwal	6.00	6.00	-	-	-	-
- Mr. Megh Raj Jindal	3.00	3.00	-	-	-	-
- Mrs. Bimla Devi Jindal	3.00	3.00	-	-	-	-
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	-	-	-	1,000.00	-	-
Corporate guarantee given on behalf of the Company by others						
- Vikas Granaries Limited	-	-	-	1,500.00	-	-
Corporate guarantees given on behalf of others by the Company						
- Vikas Granaries Limited	-	-	3,500.00	-	-	-

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-Mar-12	For the year ended 31-Mar-11	For the year ended 31-Mar-12	For the year ended 31-Mar-11	For the year ended 31-Mar-12	For the year ended 31-Mar-11
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	-	-	9,025.73	1,887.76		
Trade payable						
- Vikas Granaries Limited	-	-	-	57.85		
Trade receivable						
- Vegan Colloids Limited	-	-	-	-	7,441.16	0.69
- Vikas Granaries Limited			1,363.01	-		
Other payable						
- Mr. B.D. Agarwal	8.32	-	-	-	-	-
- Mr. Megh Raj Jindal	-	-	-	-	-	-
- Mrs. Bimla Devi Jindal	386.90	-	-	-	-	-

* 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. 8,000 (Previous Year Rs. 8,000)

37. Leases

a. The company has taken certain Assets like Plant & Machinery & Factory building on an operating lease basis. The lease rentals are payable by the company on a monthly basis.

b. Future minimum lease rentals payable as at 31st march 2012, as per the lease agreements:

	Year ended 31 March 2012	Year ended 31 March 2011
i) Not later than one year	2.40	2.40
ii) Later than one year and not later than five years	1.60	4.00
iii) Later than five years		
Total	4.00	6.40

c. Lease payments recognised in the Statement of Profit & Loss for the period are Rs. 2.40. (Previous year Rs. 2.40)

38. Change in Accounting Policy

During the year, the company changed its accounting policy of determining the cost of inventory from yearly weighted average method to quarterly weighted average method. Management considers that due to huge demand, the prices of guar increased abruptly, hence the change would result in a more appropriate preparation and presentation of the financial statements of the company. Had the company continued to use the earlier basis of determining cost of inventory, the statement of profit and loss for the current period would have been lower by Rs 6,636.06 and correspondingly, the closing inventory would have been valued lower by that amount.

39. Contract Farming

The company have entered into contract farming agreement with farmers in 2010-11 for purchase of guar seed and had made advance payment of Rs. 1,656.00 through bank. During the current year, company has received guar seed worth Rs. 1,681.58 from the farmers, the balance payment of Rs. 25.58 due to farmers were paid in cash.

40. Crop Loan

The Company has given a corporate guarantee in respect of loans aggregating Rs Nil (previous year Rs.1,000.00) 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. Nil (previous year Rs. 995.20), 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.

41. Income Tax

During the year, company has made provision for income tax of Rs. 6910.77 as per provision of Income tax act, 1961, whereas till last year company was eligible for deduction under section 10(B) of the Income tax act,1961, and has paid minimum alternate tax in accordance with section 115JB of the Income tax act.

42. Previous year financial statements were audited by another firm of Chartered Accountants.

43. Previous Year's Figures

The previous year's figures have been re-grouped/re-classified to conform to this year's classification which is as per Revised Schedule VI. This adoption does not impact recognition and measurement principles followed for preparation of financial statements as at 31st March 2012.

As per our report attached

For Arun K Agarwal & Associates
Chartered Accountants
Firm Registration No. 003917N

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

Sd/-
Vimal Kumar Jain
Partner
Membership no: 086657

Sd/-
B.D. Agarwal
Managing Director

Sd/-
Bimla Devi Jindal
Director

Sd/-
Ravinder K. Gupta
Company Secretary

Place : Sri Ganganagar
Date : 16.07.2012

Place : Sri Ganganagar
Date : 16.07.2012

Place : Sri Ganganagar
Date : 16.07.2012

Place : Sri Ganganagar
Date : 16.07.2012

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 Date			31 03 2012 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	150,990	Total Assets	150,990
Sources of Funds			
Paid-up-Capital	1,374	Reserves & Surplus	105,503
Secured Loans	2,000	Unsecured Loans	Nil
Deferered Tax Liability	2,981		
<i>Application of Funds</i>			
Net Fixed Assets	90,862	Investments	Nil
Net Current Assets	20,274	Misc Expenditure	Nil
Accumulated Losses	Nil		

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

Turnover	102,531	Total Expenditure	83,696
Other Income	4,030	Deferred Tax	486
Profit before Tax	22,865	Profit after Tax	15,468
Earnings per Share in Rs Basic / Diluted	11.25	Dividend Rate %	100

V. Generic names of the Principal Products of Company

Item Code No.(ITC Code)	13023230
Product Description	Manufacturing and export of Guar Gum

For and on behalf of the Board of Directors

B.D. Agarwal
Managing Director

Bimla Devi Jindal
Director

Ravinder K. Gupta
Company Secretary

Place : Sri Ganganagar
Date : 16.07.2012

Place : Sri Ganganagar
Date : 16.07.2012

Place : Sri Ganganagar
Date : 16.07.2012

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 Saturday the 29th day of September, 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.....

affix Re. 1/- Revenue Stamp

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.

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 Saturday the 29th day of September, 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



Manufacturing Facilities
(Unit-1)



Manufacturing Facilities
(Unit-2)



(Application Laboratories &
QC Facilities)



Manufacturing Facilities
(Unit-3)



Manufacturing Facilities
(Unit-4)



VIKAS WSP LIMITED

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