

VIKAS WSP LIMITED

B-86/87, Udyog Vihar, RIICO, Industrial Area

Sriganganagar - 335 002 / INDIA

E-mail : vikasvegan@yahoo.com , vikaswsp Ltd@gmail.com

Telephone : 91(154)2494512/2494552 Fax : 91(154)2494361/2475376

**FORM A**

Sr. NO	PARTICULARS	DISCRIPTION
1.	NAME OF THE COMPANY	VIKAS WSP LIMITED
2.	ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED	31 ST MARCH, 2014
3.	TYPE OF AUDIT OBSERVATION	UNQUALIFIED
4.	FREQUENCY OF OBSERVATIONS	NOT APPLICABLE
5.	TO BE SIGNED BY	
	CEO/ MANAGING DIRECTOR	
	DIRECTOR	
	AUDITOR OF THE COMPANY	
	AUDIT COMMITTEE CHAIRMAN	



The World of Water Soluble Polymers

No Question about quality....

26th
ANNUAL REPORT
2013-14

VIKAS WSP LIMITED



BOARD OF DIRECTORS

Mr. B.D. Aggarwal
Chairman & Managing Director
Mrs. Bimla Devi Jindal
Director
Mrs. Kamini Jindal
Director
Mr. Neeraj Chhabra
Independent Director
Mr. Kishan Lal
Independent Director
Mr. Vishnu Bhagwan
Independent Director
Mr. Ram Awtar Mittal
Independent Director

COMPANY SECRETARY & HEAD COMPLIANCE

Mr. Ravinder Kumar Gupta

AUDIT COMMITTEE

Mr. Ram Awtar Mittal
Chairman

Mr. Neeraj Chhabra
Mrs. Kamini Jindal

SHAREHOLDER'S/ INVESTORS' GRIEVANCE COMMITTEE

Mr. Neeraj Chhabra
Chairman

Mr. B.D. Aggarwal
Mr. R A Mittal

COMPENSATION COMMITTEE

Mr. B.D. Aggarwal
Chairman

Mr. Neeraj Chhabra
Mr. R A Mittal

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Mr. B D Agarwal
Mrs. Bimla Devi Jindal
Mr. Neeraj Chhabra

AUDITORS

Arun K Agarwal & Associates
New Delhi

COST AUDITOR

Baghuguna & Company
Noida

BANKERS

Punjab National Bank
Union Bank of India
Bank of India

REGISTERED OFFICE

Railway Road
Siwani,
Haryana-127046

ADMINISTRATIVE OFFICE

B-86/87, Udyog Vihar
RIICO Industrial Area
Sri Ganganagar-335002

PLANTS

Sri Ganganagar (Rajasthan)
Siwani (Haryana)

Website: www.vikaswsp Ltd.in

C O N T E N T S

Notice	1
Director's Report	4
Corporate Governance and Management Discussion & Analysis	8
Auditor's Report	16
Balance Sheet	19
Statement of Profit and Loss	20
Cash Flow Statement	21
Notes to Financial Statements	23

ANNUAL GENERAL MEETING

On Tuesday, September 30, 2014 at 10.00 a.m.

Members are requested to kindly bring their copies of the Annual Report to the meeting.

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Company will be held on Tuesday 30 September 2014 at 10.00 A.M. in the manufacturing unit located at Registered Office of the Company at Railway Road, Siwani-127046, Haryana, to transact the following business: -

ORDINARY BUSINESS

1. To receive and adopt the audited statement of Profit & Loss for the financial year ended 31st March 2014, and the Balance Sheet as on the date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Bimla Devi Jindal who retires by rotation and being eligible offers herself for re-appointment.
3. To re-appoint M/s. Arun K Agarwal & Associate, Chartered Accountants, New Delhi, as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the sixth Annual General Meeting to be held in 2019 on a remuneration as may be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. R A Mittal (DIN: 2303734), Independent Director of the Company whose period of office is liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto 31st March, 2019.”

5. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies

(Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. Vishnu Bhagwan (DIN: 605506), Independent Director of the Company whose period of office is liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto 31st March, 2019.”

6. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. Neeraj Chhabra (DIN: 6467189), Independent Director of the Company whose period of office is liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto 31st March, 2019.”

7. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. Kishan Lal (DIN: 1878703), Independent Director of the Company whose period of office is liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice

in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto 31st March, 2019.”

By Order of the Board of Director
For VIKAS WSP LIMITED

Sd/-

Date : 04.09.2014

(B. D. Agarwal)

Place : Sri Ganganagar

Managing Director

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint one or more persons as proxies to attend and vote on a poll only instead of himself and a proxy need not be a member of the Company.
2. Proxies, in order to effective, must be received at the Regd. Office of the Company, not less than forty eight hours before the commencement of the Annual General meeting.
3. Additional information, pursuant to clause 49 of the Listing Agreement with Stock Exchange, on Directors recommended for appointment/ reappointment at the Annual General meeting, is appearing in the Report and Accounts.
4. Members are requested to bring the admission slips along with their copy of the Report and accounts to the meeting.
5. Members holding shares in physical form are requested to notify/send the change in their address at the Regd. Office of the Company and holding shares in the electronic form are advised to send the same information to their respective Depository Participant.
6. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the company, as permitted under Section 109A of the Companies Act, 1956 & Section 72 of Company Act, 2013, are requested to submit at the Regd. Office of the Company the prescribed form in physical form.
7. The Register of Members of the Company shall remain closed from 17th September to 25th September 2014 (both days inclusive) for the purpose of Annual Book Closure.
8. 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	1020306.25
2	2008-09	16.09.2009	2131312.50
3	2009-10	16.09.2010	1930601.00
4	2010-11	16.09.2011	1117869.15
5	2011-12	17.09.2012	2614300.00

Invitation to participate in the Green Initiative launched by the Ministry of Corporate Affairs

The Ministry of Corporate Affairs (MCA) has permitted paperless compliances by companies; vide its circulars No. 17/2011 and No. 18/2011 dated April 21, 2011 and April 29, 2011 respectively. MCA has clarified that services of documents to Members through e-mail will constitute sufficient compliances with Section 53 of The Companies Act, provided the Members are given an advance opportunity to register their e-mail ids or changes if any therein with the company.

Pursuant thereto, we invite our Members to participate in the Green Initiatives by registering their e-mail ids with the Company to enable it to send documents required to be sent under section 219 of the Companies Act viz. Annual Report and other documents such as Notices of General Meetings, Postal Ballot Notices, ECS Credits etc. by email.

ADDITIONAL INFORMATION: -

(In pursuance of Clause 49 of The Listing Agreement)

1. **Brief profile of Sh. Neeraj Chhabra :** - Sh. Neeraj Chhabra who retires by rotation and being eligible offers herself for re-appointment.
Sh. Neeraj Chhabra has been appointed by the Board as an Additional Director w.e.f. 04.01.2013. Sh. Neeraj Chhabra is a person with excellent academic background and possesses good educational qualifications. He is post graduate in Pharmacy. Considering and seeking the managerial capabilities, your Directors recommend appointment of Sh. Neeraj Chhabra as Director of the Company.
2. **Brief profile of Mr. Kishan Lal**
Mr. Kishan Lal, Independent Director of the company

has been appointed by the Board as an additional Director w.e.f. 27.10.2007. He holds a Master Degree in science. He is the former Director General of Police, Government of Rajasthan. Mr. Kishan Lal is having a long term experience to enforce the law & orders. A highly disciplined personality with vast knowledge of legal aspects ultimately results in value addition to the efficiency and effectiveness of the Board.

3 Brief profile of Mr. Ram Awtar Mittal

Mr. Ram Awtar Mittal, Independent Director of the company has been appointed by the Board as an additional Director w.e.f. 11.08.2008. He has retired from Indian Revenue Services and having long experience in Accounts, Audit and taxation. Presently, he is chairman of the audit committee in the company. A keen observer of minute details of facts and figures, his observations is helping in growth and expansion of the company.

4 Brief profile of Mr. Vishnu Bhagwan

Mr. Vishnu Bhagwan, Independent Director of the company has been appointed by the board as an additional Director w.e.f. 27.10.2010. He was a member of the Indian Administration Service (IAS). Also he is master in arts and philosophy. Moreover he is a graduate in LLB. Having vast knowledge of legal aspect his professionalism is being reflected in company decisions.

5. Brief profile of Mrs. Bimla Devi Jindal: -Smt. Bimla Devi Jindal, Director of the company, who retires by rotation and being eligible, offers herself for reappointment. Smt. Bimla Devi Jindal has been appointed by the Board as an additional Director w.e.f. 10.06.2005. Smt. Bimla Devi holds a Bachelor's Degree in Commerce from the University of Haryana. She belongs to a leading Guar Gum Industrialist family. Keeping in view her long experience in the Guar Gum Industry, your Directors recommend re-appointing of Smt. Bimla Devi Jindal as Director of the Company.

Explanatory Statement For Item 5, 6, 7 & 8 Under Section 102 Of Company Act, 2013

Mr. R A Mittal (DIN: 2303734), Mr. Vishnu Bhagwan (DIN: 605506), Neeraj Chhabra (DIN : 6467189), Kishan lal (DIN : 1878703) are Independent Directors of the Company and hold this position as per the provisions of the Company Act 1956 and Listing Agreement. As per the new provisions of company act 2013, it is proposed to appoint Mr. R A Mittal, Mr. Vishnu Bhagwan, Kishan Lal and Neeraj Chhabra as an Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to 31st March, 2019. Mr.

R A Mittal, Mr. Vishnu Bhagwan, Kishan Lal and Neeraj Chhabra are not disqualified from being appointed as Directors in terms of Section 164 of Company Act 2013 and have given their consent to act as Directors.. The Company has also received declarations from Mr. R A Mittal, Mr. Vishnu Bhagwan, Kishan Lal and Neeraj Chhabra that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Mr. R A Mittal, Mr. Vishnu Bhagwan, Kishan Lal and Neeraj Chhabra fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. R A Mittal, Mr. Vishnu Bhagwan, Kishan Lal and Neeraj Chhabra are independent of the management. Brief resume of Mr. R A Mittal, Mr. Vishnu Bhagwan, Kishan Lal and Neeraj Chhabra, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided. Copy of the letters for respective appointments of Mr. R A Mittal, Mr. Vishnu Bhagwan, Kishan Lal and Neeraj Chhabra as an Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. The directors recommend the Resolutions as stated at Item Nos. 5, 6, 7, 8 of the Notice for approval of the Members by way of Ordinary Resolutions.

By Order of the Board of Director
For VIKAS WSP LIMITED

Sd/-

(B. D. Agarwal)

Managing Director

Date : 04.09.2014

Place : Sri Ganganagar

DIRECTORS REPORT

To The Members,

The Directors take pleasure in presenting the Twenty Sixth Annual Report of the Company with the audited accounts for the financial year ended March 31, 2014.

HIGHLIGHTS OF PERFORMANCE

- Operating earnings before interest and tax was 3698.73 lakhs in the year 2014
- Revenue from financial operations was 103651.29 lakhs in the year 2014

Financial Results

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Revenue from operations	103651.29	290635.52
Other income	536.31	565.34
Total expenditure	95905.58	232329.80
Finance costs	3204.83	2611.21
Profit after finance cost but before depreciation	5077.19	56259.85
Depreciation and amortization expenses	4583.29	4543.72
Profit before tax (PBT)	493.9	51716.13
Tax expenses	190.58	17262.97
Profit for the year (PAT)	303.32	34453.16
Appropriations		
Proposed final dividend	-	1374.40
Tax on dividend	-	233.58
Transfer to General Reserve	-	3446.00
Reserves & Surplus	303.32	138348.02

DIVIDEND

The profit of the year is being used for expansion and modernization so your Board does not recommend any dividend for the year ended 31st March, 2014.

FUTURE PROSPECTS

Guar Gums main demand is increasing in the food and oil and gas segment. 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 increasing. 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. 7 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 7 as Annexure A to Directors Report.

DIRECTORS' RE-APPOINTMENT

Mr. Neeraj Chhabra independent director of the company 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. Neeraj Chhabra is given in the notice of Annual General Meeting.

Mr. Kishan Lal independent director of the company 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. Kishan Lal is given in the notice of Annual General Meeting.

Mr. Vishnu Bhagwan independent director of the company 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. Vishnu Bhagwan is given in the notice of Annual General Meeting.

Mr. R A Mittal independent director of the company 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. R A Mittal is given in the notice of Annual General Meeting.

Mrs. Bimla Devi 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 Mrs. Bimla Devi Jindal is given in the notice of Annual General Meeting.

STATUTORY AUDITORS' APPOINTMENT

The Company's Auditors M/s Arun K Agarwal & Associates., Chartered Accountants, New Delhi, who retire at the ensuing Annual General Meeting of the company, are eligible for re-appointment. They have confirmed their eligibility, for re-appointment as Auditors of the Company. Consent U/S 139 of company act, 2013 has been taken from the auditor in this regard.

COST AUDITORS' APPOINTMENT

As per the requirement of the Central Government, and in pursuance of Section 233B of The Companies Act, 1956, your company carries out an audit of cost records. Subject to the approval of the Central Government, your Directors have appointed M/s Baghuguna & Company, to audit the cost accounts of the company for the financial year 2014-15.

SECRETARIAL AUDITOR

As per the new provisions of company Act, 2013 your company u/s 204 is required to appoint secretarial auditor. The Company is under the process of appointment of secretarial auditor for the year 2014-15

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.

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.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In this financial year your company has due dates for transferring the unclaimed dividend amount of 1st and 2nd Interim dividend declared in 2007-08 in Investor Education and Protection Fund on 24.10.2014 and 29.01.2015. All the shareholders are requested to claim their dividend before 24.10.2014 and 29.01.2015.

DIRECTORS RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the Annual Accounts, the applicable accounting standard 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 8 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 14.

CORPORATE SOCIAL RESPONSIBILITY

The Company's CSR activities build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals and strategy. These activities focus on the following domain: As part of its Corporate Social Responsibility, your company undertakes a range of activities to improve the living conditions of the weaker sections living near its plants. These include education, healthcare, vocational guidance and rural development.

During the year under review, Skill development training programmes were imparted to unemployed youth in partnership with specialized NGO's.

On the health and nutritional front, your company took various initiatives for better health.

Your company also distributed free Guar Seeds to various farmers of Rajasthan.

OCCUPATIONAL HEALTH & SAFETY

Your Company engages different programmes targeting critical areas across all the units to address risk associated with operations. Effectiveness of these programmes is being constantly assessed by the top management.

A behavior based safety training programme was launched in May 2012. The programme trains people so that they can prevent injuries at the workplace and at the home.

Our line managers are provided with different types of risk assessment tools to help them identify risk and decide on appropriate control measures. Hazard identification and Risk Assessment workshops are being continued at sites to refine anticipation capability amongst the employees by enhancing their hazard observation skills.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control system of the company is commensurate

with the size, scale and complexity of its operations. It is being constantly assessed and strengthened with new/ revised standard operating procedures and robust internal and information technology controls.

The formalized systems of control facilitate effective compliances as per Clause 49 of the Listing agreement with the stock exchange.

The Company's internal audit department objectively and independently tests the design and operating effectiveness of the internal control system to provide a credible assurance to the Board and Audit Committee regarding the adequacy and effectiveness of the internal control system. The internal audit function monitors the effectiveness of controls, and also provides an independent and objective assessment of the overall governance processes in the Company, including the application of a systematic risk management framework.

Internal audit plays a key role by providing an assurance to the Board of Directors, and value adding consultancy service to the business operations.

ENHANCING SHAREHOLDERS VALUE

Your company believes that its Members are among its most important stakeholders. Accordingly your company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive assets and resource base and nurturing overall corporate reputation. The company is also committed in creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions for the society for sustainable growth and development.

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, regulatory and government authorities, and Stock Exchanges for their continued support. Your Directors also acknowledge with thanks, the support extended by Financial Institutions. The Board also places on record their appreciation to all employees for their commitment and wholehearted co-operation towards company.

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

Date : 04.09.2014
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:

Year 2013-14

Electricity

Purchased units	KWH	26893110
Total amount	Rs. (in millions)	175.35
Rate/Unit	Rs.	6.53
Rate per MT	Rs.	6989

HSD Oil

Quantity of HSD	KL	1662
Total Cost	Rs. (in millions)	94.97
Average Rate/Liter	Rs.	57.14
Rate per MT	Rs.	3786

LPG

Quantity	Cylinders	16382
Total Cost	Rs. (in millions)	63.21
Average Rate/Cylinder	Rs.	3858.24
Rate per MT	Rs.	2519

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	80692.61
Total foreign exchange used during the year	202.38
Net foreign exchange earned during the year	<u>80490.23</u>

CORPORATE GOVERNANCE

The Directors of the company are pleased to present the Company's report on Corporate Governance for the year ended March 31, 2014.

COMPANY'S PHILOSOPHY

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

Vikas WSP Limited would like to be known as an 'excellent' Company in terms of the quality of governance, the products it manufactures and trades in, in Customer Services, in fair dealings with its stakeholders and in the standards of individual and Company performance. The company has a strong legacy of fair, transparent and ethical governance practices. 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.

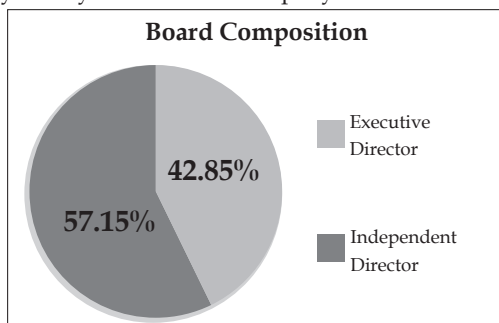
The company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to corporate governance.

VIKAS is led by a strong, efficient 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 for long-term shareholders value.

For us good governance and good business is not a destination but a continuing journey which is lead by strong, efficient and competent board.

1. BOARD OF DIRECTORS

The current policy of the Company is to have an executive Chairman who is also the Managing Director. There are a total of seven directors in the board of which independent directors consists of 57.15%. All Directors except Non-executive Directors have long experience in the Guar Gum Industry. None of the Non-executive Directors is responsible for day-to-day affairs of the company.



The Composition and category of Directors in the Board of the Company are: -

Name of the Director	category	Total Director	Total no. of membership of the Committees of		Total No. of Chairmanship of the Committees of Board		
			Ship	Board	Member-ship in audit/Investor grievance committees	Member-ship in other committees	Chairman-ship in audit/investor grievance committees
Sh. B.D. Agarwal	Chairman cum Managing Director	4	1	2	-	1	
Smt. Bimla Devi	Executive Director	4	-	1	-	-	
Smt. Kamini Jindal	Executive Director	2	1	-	-	-	
Smt. Deepika Aggarwal	Independent Director	2	1	1	-	-	
Sh. Neeraj Chhabra	Independent Director	2	2	2	1	-	
Sh. Kishan Lal	Independent Director	1	-	-	-	-	
Sh. Vishnu Bhagwan	Independent Director	1	-	-	-	-	
Sh. R.A. Mittal	Independent Director	1	2	-	1	-	

*Sh. Smt. Deepika Aggarwal resigned from directorship on 14.02.2014.

Notes :-

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

Details of Board meeting held during the financial year 2013-14.

During the financial year 2013-14, 10 (ten) board meetings were held and the gap between two meetings did not exceed four months. The dates on which said meetings were held are as follows:

28.05.2013, 29.05.2013, 04.08.2013, 14.08.2013, 15.11.2013, 26.12.2013, 07.02.2014, 14.02.2014, 26.03.2014, 30.03.2014.

Detailed Agenda notes and the informations required to be given in terms of Companies Act, 1956 and Listing Agreement were circulated to the Board.

The necessary quorum was present for all the meetings.

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 September 27, 2013
Sh. B.D. Aggarwal	10	No
Smt. Kamini Jindal	8	No
Smt. Bimla Devi	9	No
Sh. Kishan Lal	8	No
Sh. Vishnu Bhagwan	9	Yes
Sh. R.A. Mittal	9	Yes
Sh. Neeraj Chhabra#	10	Yes
Smt. Deepika Aggarwal	7	Yes

* Smt. Deepika Aggarwal resigned from directorship on 12.02.2014.

BRIEF PROFILE OF DIRECTORS

The Board of Directors comprises of highly renowned professionals drawn from diverse fields. They bring with them wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process.

Brief profile of the Company's Board of directors is as under:

- **Mr. B.D. Aggarwal (Managing Director & Chairman)**
Mr. B.D. Aggarwal is a well known and trusted name for Guar Gum Industry. He is one of the most respected business personalities in India. Not only for guar crop harvesting farmers he is a helping hand but also to others, may it be on farming end or educational end. He has introduced new standards in management, efficiency and corporate social responsibility to an industry he has helped transform.
Mr. Aggarwal is the Founder-Promoter and current Chairman and Managing Director of the company. In the year 1988 VIKAS WSP LIMITED was formed out his efforts. Entire journey of VIKAS has reached high peaks all because of dedicated and sincere efforts of Mr. Aggarwal. It is because of his efforts only that today, VIKAS WSP LIMITED is the largest guar gum exporting industry in India.
Under his leadership, VIKAS has achieved significant improvements in the areas of guar gum manufacturing may be it at organic end or quality end.
- **Mrs. Bimla Devi Jindal (Whole Time Director)**
Mrs. Bimla Devi Jindal, wife of Mr. B.D. Aggarwal belonging to the promoter group is a Whole Time Director in the company. She has been appointed by the Board in 2005. She holds a Bachelor's Degree in Commerce from the University of Haryana. She belongs to a leading Guar Gum Industrialist family. Her long term experience and association with Guar Gum industry is helping and enlightening the glory paths of VIKAS.
- **Mrs. Kamini Jindal (Executive Director)**
Mrs. Kamini Jindal, belonging to promoter group is an Executive Director in the company. She has been appointed by the Board in 2012. Ms. Kamini Jindal is a person with excellent academic background and possesses good educational qualifications. She is Master of Art and Master of Philosophy. She is the youth diva in the board of the company. She is the daughter of Mr. B.D. Aggarwal and Bimla Devi Jindal, from her childhood she has taken keen interest in the working of the VIKAS. Her long term association with Guar Gum Industry has brought immense value to the board.
- **Mr. Kishan Lal (Independent Director)**
Mr. Kishan Lal, Independent Director of the company has been appointed by the Board as an additional

Director w.e.f. 27.10.2007. He holds a Master Degree in science. He is the former Director General of Police, Government of Rajasthan. Mr. Kishan Lal is having a long term experience to enforce the law & orders. A highly disciplined personality with vast knowledge of legal aspects ultimately results in value addition to the efficiency and effectiveness of the Board.

- **Mr. Ram Awtar Mittal (Independent Director)**
Mr. Ram Awtar Mittal, Independent Director of the company has been appointed by the Board as an additional Director w.e.f. 11.08.2008. He has retired from Indian Revenue Services and having long experience in Accounts, Audit and taxation. Presently, he is chairman of the audit committee in the company. A keen observer of minute details of facts and figures, his observations is helping in growth and expansion of the company.
- **Mr. Vishnu Bhagwan (Independent Director)**
Mr. Vishnu Bhagwan, Independent Director of the company has been appointed by the board as an additional Director w.e.f. 27.10.2010. He was a member of the Indian Administration Service (IAS). Also he is master in arts and philosophy. Moreover he is a graduate in LLB. Having vast knowledge of legal aspect his professionalism is being reflected in company decisions.
- **Mr. Neeraj Chhabra (Independent Director)**
Mr. Neeraj Chhabra, Independent Director of the company has been appointed by the Board as an Additional Director w.e.f. 04.01.2013. Mr. Neeraj Chhabra is a person with excellent academic background and possesses good educational qualifications. He is post graduate in Pharmacy. Having vast knowledge about chemical aspects, his expertise is leading company on high quality manufacturing guar gum powder.

REMUNERATION POLICY

(a) Remuneration Policy for Executive Director:

Subject to the approval of the Members and other approvals as may be required under the Companies Act, 1956, the remuneration of Managing Director is decided by the Board of Directors on the recommendation of the Compensation Committee. In determining the remuneration, the compensation committee takes into consideration the size of the Company's operations and the onerous responsibility required to be shouldered by the incumbent, the remuneration paid by comparable concerns and the performance of the company. Their respective annual salaries are as under:

S. No.	Name of the Director	Salary (Rs.)
1	Mr. B.D. Aggarwal	21,00,000
2	Mrs. Bimla Devi Jindal	3,00,000
3	Mrs. Kamini Jindal	6,00,000

(b) Remuneration policy of Independent Director:

In recognition of the contribution and the time spent on the company's business and taking into consideration the size and the complexity of the Company's operation the remuneration of Independent directors is fixed after the approval duly taken from shareholders in the Annual General Meeting. Their respective annual remuneration will be not more than as under:

S. No.	Name of the Director	Remuneration (Including sitting fees and disbursement of expenses to be not more than) (Rs.)
1	Ram Awtar Mittal	7,50,000
2	Vishnu Bhagwan	7,50,000
3	Kishan Lal	7,50,000
4	Deepika Aggarwal*	3,60,000
5	Neeraj Chhabra	5,40,000

*Deepika Agarwal resigned from the directorship on 12.02.2014.

CODE OF CONDUCT

The Board of Directors has approved a Code of Business Conduct and Ethics which is applicable to the Members of the Board and all employees in the Management grade. The code has been posted on the company's website www.vikaswsp Ltd.in.

The code lays down the standard of conduct which is expected to be followed by the concerned Directors and the designated employees in their business dealings and in particular on matters relating to conflict of interests, bribery and corruption, integrity of accounting and financial reporting, fair competition, Corporate Social Responsibility, concern for sustainable development, concern for occupational health and safety, use of licensed software, email and internet and corporate communications.

All the board members and senior management personnel have confirmed compliance with the code.

BOARD COMMITTEES

The Board of Directors has constituted four Board Committees viz. Audit Committee, Remuneration Committee, Investor Grievance Committee, and CSR Committee. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committees are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided below.

1. AUDIT COMMITTEE

The Company has set up its Audit Committee in compliance with the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges read with Section 292A of the Companies

Act, 1956 not only in letters but in spirit also.

The committee is reconstituted on 10.06.2005, 07.03.2006, 27.04.2009, 04.01.2013 & 28.02.2013.

Sh. Ram Awtar Mittal has been appointed as chairman of this committee. He has sound knowledge in finance, taxation and accounts and has long experience in this industry.

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 ;
- * to review Company's financial and risk management policies;
- * 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.

The composition of the Audit Committee and the details of meetings attended by its members are given below:

S. No.	Name of Director	Designation	Attended			
			28.05.2013	14.08.2013	15.11.2013	14.02.2014
1.	Sh. R.A. Mittal#	Chairman	Yes	Yes	Yes	Yes
2.	Smt. Kamini Jindal	Member	Yes	Yes	Yes	Yes
3.	Sh. Neeraj Chhabra	Member	Yes	Yes	Yes	Yes

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

2. COMPENSATION COMMITTEE

Company has constituted a compensation committee in the chairmanship of Mr. B. D. Agarwal and two Independent Directors namely Sh. Neeraj Chhabra and Smt. Deepika Aggarwal were the members of this committee. The Secretary of the committee is Mr. Ravinder Kumar Gupta.

Smt. Deepika Agarwal resigned from the post of Director on 12.02.2014, so she ceases to be a member of compensation Committee. The Committee was reconstituted after her resignation and Sh. R. A. Mittal is appointed as a member of the Committee.

3. 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.

Smt. Deepika Agarwal resigned from the post of Director on 12.02.2014, so she ceases to be a member of compensation Committee. Committee was reconstituted after her resignation and Sh. R. A. Mittal is appointed as a member of the Committee.

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

- | | |
|-----------------------|----------|
| 1. Sh. Neeraj Chhabra | Chairman |
| 2. Sh. R. A. Mittal | Member |
| 3. Sh. B.D. Agarwal | Member |

4. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company is required u/s 135 of Company Act, 2013, to spend atleast 2% of the average net profit made by the company during the three preceding Financial year on CSR matters provided in schedule VI and constitute Corporate Social Responsibility (CSR) Committee for this purpose. In compliance with the above provision company Constituted the CSR Committee on 28.05.2014.

The Committee Consist of three members Sh. BD Agarwal, Sh. Neeraj Chhabra, Sh. R. A. Mittal . Sh. Ravinder k Gupta Company Secretary of the company acts as a Secretary of the committee.

5. CEO/CFO CERTIFICATION

As required under Clause 49 (V) of the Listing Agreement with the Stock Exchanges, the Chairman & Managing Director and the Group Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended March 31, 2014 which is annexed to this Report.

5. DATE, VENUE & TIME FOR THE LAST THREE

ANNUAL GENERAL MEETING

Date	Venue	Time	No. of Special Resolution
28.02.2012	In the local area of Regd. Office of the company at Railway Road, Siwani - 127046 (Haryana)	10.00 A.M.	None
29.09.2012		10.00 A.M.	Three
27.09.2013		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: -

- As indicated in the notice to our shareholders, the Annual General Meeting of the Company will be held on 30th September, 2014 in the local area of Regd. Office of the Company at 10.00 a.m.
- The financial year of the Company is 1st April 2013 to 31st March 2014.
- Date of Book Closure from 17th Sep. 2014 to 24th Sep. 2014 (both days inclusive) for the purpose of Annual Book Closure.
- Company is Listed on Bombay Stock Exchange and listing fees for the Stock Exchanges have been paid.
- In respect of transfer of physical shares, shareholders are advised to contact the Share Transfer Agent of the Company.
- Shares received for physical transfer are generally registered within a period of 15 days from the date of receipt.

As on March 31, 2014, the Distribution of our shareholding was as following: -

Share or Debenture holding of nominal value	Share / Debenture Holders		Share / Debenture Amount	
	Rs.	Number	% to total	% to total
(1)	(2)	(3)	(4)	(5)
Upto 2,500	42276	90.5	22443635	16.33
2,501 - 5,000	2249	4.814	8418373	6.125
5,001 - 10,000	1077	2.306	8072112	5.873
10,001 - 20,000	535	1.145	7801433	5.676
20,001 - 30,000	205	0.439	5131725	3.734
30,001 - 40,000	101	0.216	3582935	2.607
40,001 - 50,000	68	0.146	3117635	2.268
50,001 - 1,00,000	111	0.238	8115178	5.905
1,00,001 & Above	92	0.197	70756574	51.482
Total	46714	100	137439600	100

Category	Nos. of shares held	% to Total
Promoters	34214781	24.89
Financial Institutions / Nationalized Banks & Mutual Fund	837341	0.61
Non-Resident Individuals/ OCBs/ FI's/ Foreign Nationals	1636322	1.19
Bodies Corporate	28508813	20.74
Resident Individuals	72242343	52.57
TOTAL	137439600	100

Shareholding of persons having more than 1% of Shares

S. No.	Name of shareholder	No. of shares held	% of shares
1	Bajrang Dass Aggarwal	23903432	17.39
2	Bimla Devi Jindal	4274832	3.11
3	Megh Raj	6036517	4.39
4	Foresight Holdings Private Limited	1854000	1.35
5	KCP Sugar and Industrial Corporation	1588721	1.16
6	Pace Stock Broking Services Pvt. Ltd	1566084	1.14
7	Vision Millenium Exports Private Limited	1776011	1.29
8	Moebius Credit & Capital Private limited	1486588	1.08

S. No.	Name of shareholder	No. of shares held	% of shares
9	Aventis Biofeeds Private Limited	2651627	1.93
10	Shreyans Credit and Capital Private Limited	1619839	1.18
11	Sunmate Trade Private Limited	3016488	2.19
12	Suresh Kumar Gupta	1426841	1.04

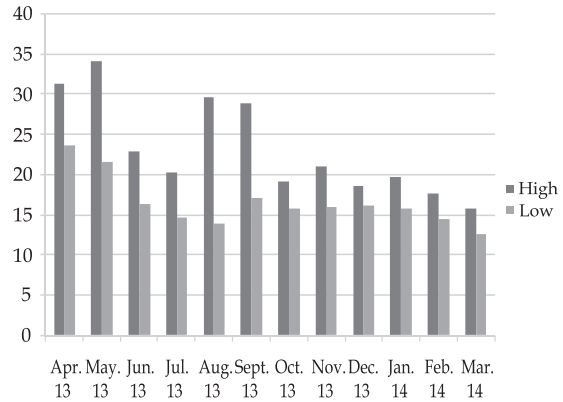
(viii) Dematerialization of shares

Over 98.20% 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. 13	May. 13	Jun. 13	Jul. 13	Aug. 13	Sept. 13	Oct. 13	Nov. 13	Dec. 13	Jan. 14	Feb. 14	Mar. 14
High	31.30	34.25	23.00	20.20	29.70	28.90	19.10	21.10	18.65	19.80	17.60	15.70
Low	23.75	21.60	16.35	14.65	13.81	17.00	15.85	16.05	16.10	15.75	14.50	12.49



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

(xi) Share Transfer System/ Dividend and other related matters

- SHARE TRANSFER**

Share transfer in physical form are processed and the share certificates are generally returned to the transferees within a period of 15 days from the date of receipt of transfer provided the transfer documents lodged with the company are complete in all respects.

- NOMINATION FACILITY FOR SHAREHOLDING**

As per the provisions of the Companies Act, 1956, facility for making nomination is available for members in respect of shares held by them. Members holding shares in physical form may obtain nomination form on request. Members holding shares in dematerialized form should

contact their Depository participants (DP) in this regard.

- **PERMANENT ACCOUNT NUMBER (PAN)**

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee(s), members, surviving joint holders/legal heirs be furnished to the company while obtaining the services of transfer, transportation, transmission and issue of duplicate shares.

- **PAYMENT OF DIVIDEND THROUGH ELECTRONIC CLEARING SERVICE (NECS)**

The company provides the facility for remittance of dividend to the members through NECS. To facilitate dividend payment through NECS. Members who hold shares in Demat mode should inform their Depository Participants and such of the members holding shares in physical form should inform company of the core banking account number allotted to them by their bankers. In case where the core banking account number is not intimated to the company/Depository Participant, the company will issue dividend warrants to the members.

- **PENDING INVESTOR'S GRIEVANCES**

Any member/investor whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary on ravindergupta@vikaswsp Ltd.in or in physical form at the administration office of the company with a copy of the earlier correspondence.

- **RECONCILIATION OF SHARE CAPITAL AUDIT**

As required by the Securities and Exchange Board of India (SEBI) quarterly audit of the company's share capital is being carried out by an independent external practicing company secretary with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CSDL) and held in physical form, with the issued and listed capital. The Auditors certificate in regard to the same is submitted to BSE Limited is also placed before the Shareholder's/Investor's Grievance Committee and the Board of Directors.

(xii) Address for correspondence: -

Admn. Office	Regd. Office
B-86/87, Udyog Vihar	Railway Road, Siwani
RIICO Industrial Area,	127046 (Haryana)
Sri Ganganagar- 335002	
E-mail: ravindergupta@vikaswsp Ltd.in	
vikaswsp Ltd@gmail.com	
Website: www.vikaswsp Ltd.in	

(xii) Registrar & Transfer Agent

LINK INTIME INDIA PRIVATE LIMITED
44 Community Centre,
2nd Floor, Naraina Industrial Area,
Phase-I, Near PVR, Naraina
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, 2014.

For VIKAS WSP LIMITED

Sd/-

Date : 04.09.2014
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 2013-14 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

For VIKAS WSP LIMITED

Sd/-

Date : 04.09.2014
Place : Sri Ganganagar

Ram Awtar Mittal
Chairman, Audit Committee

11. CERTIFICATION BY CEO/CFO UNDER CLAUSE 49 (V) OF THE LISTING AGREEMENT

The Board of Directors,
VIKAS WSP LTD.

We have reviewed the financial statements and the cash flow statement of Vikas WSP Ltd. for the year ended March 31, 2014 and to the best of our knowledge and belief:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date : 04.09.2014
Place : Sri Ganganagar

Sd/-
B D Agarwal
(Managing Director/ Chief
Financial Officer)

12. CERTIFICATE ON CORPORATE GOVERNANCE

Certificate of Practicing Company Secretary 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

1. We have examined the compliance of conditions of Corporate Governance by Vikas WSP Limited, for the year ended on March 31, 2014, as stipulated in clause - 49 of the listing agreement of the said Company with the stock exchanges.
2. 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.
3. 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:-
4. The company has held four meetings of the Audit Committee during the financial year 2013-2014 on 28.05.2013, 14.08.2013, 15.11.2013, 14.02.2014.
5. The Shareholders' Grievances Committee was functioning according to the Listing Agreement.
6. As per the records maintained by the company, no Investor's Grievances were pending for a period exceeding one month as on 31.03.2014.
7. 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 Aviral & Associate
Company Secretaries
Sd/-
Aviral Goyal
Proprietor
C P No. 13292

Place : Sri Ganganagar
Date : 04.09.2014

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

- Chairman : The Company has an Executive Chairman & Managing Director.
- Remuneration Committee : The Board has a Compensation Committee comprising majority of the independent director.
- 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 58800 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. 103651.29 lakhs as compared to Rs.290635.52 lakhs in the previous year During the year under review the company has earned a net profit of Rs. 303.32 lakhs as compared to net profit of Rs. 34453.16 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.

INDEPENDENT AUDITORS' REPORT

To the Members of
Vikas WSP Limited

Report on the Financial Statements

We have audited the accompanying financial statements of VIKAS WSP LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an

opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply

with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and

- (e) On the basis of the written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Vimal Kumar Jain

Partner

Place : Sri Ganganagar

Date : 29.05.2014

Membership No.:086657

Annexure to Independent Auditors' Report to the Members of Vikas WSP Limited

Referred to Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- (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) We have broadly reviewed the books of account maintained by the company in pursuant to the rules prescribed by the Central Government for the maintenance of cost records under clause (d) of sub-

section (1) of section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (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 infew cases in respect of tax deducted at source.

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 2014 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 and service 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
Service tax Act	Service Tax	4,90,00,499	2006-07 to 2010-11	Custom, Excise and service tax Appellate Tribunal

- (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 any financial institution or bank. 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 company has not given any loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the term loans availed by the company, were prima facie, 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 financial statement of the Company, funds raised on short-term basis have, prima facie, not been used for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to companies or firm or parties covered 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 year.

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

Vimal Kumar Jain
Partner

Place : Sri Ganganagar
Date : 29.05.2014

Membership No.:086657

VIKAS WSP LIMITED

Balance Sheet as at 31 March, 2014

(All amounts are in Indian Rupees Lakhs, except if otherwise stated)

	Notes	As at 31 March 2014	As at 31 March 2013
Equity and liabilities			
Shareholders' funds			
Share capital	2	1,374.40	1,374.40
Reserves and surplus	3	140,259.32	138,348.02
Non-current liabilities			
Long-term borrowing	4	-	400.00
Deferred tax liability (net)	5	3,562.54	3,457.18
Long-term provisions	6	143.84	74.27
Current liabilities			
Short-term borrowings	7	21,026.12	14,587.78
Trade payables	8	11,065.06	26,749.27
Other current liabilities	9	1,969.40	19,703.48
Short-term provisions	10	5.15	9,846.27
Total		179,405.83	214,540.67
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11A	84,166.80	88,592.53
Intangible assets	11B	1.15	1.47
Capital work in progress		1,747.49	1,273.53
		85,915.44	89,867.53
Long term loans and advances	12	592.74	621.02
Other non-current assets	13	638.52	111.14
Current assets			
Inventories	14	25,214.16	37,544.52
Trade receivables	15	17,737.31	21,637.19
Short term loans and advances	16	49,156.68	61,514.95
Cash and bank balances	17	150.98	3,244.32
		92,259.13	123,940.98
Total		179,405.83	214,540.67
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.	2-38		

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

Vimal Kumar Jain

Partner

Membership no: 086657

B.D. Agarwal

Managing Director

Bimla Devi Jindal

Director

Ravinder K. Gupta

Company Secretary

Place : Sri Ganganagar

Date: 29.05.2014

Place : Sri Ganganagar

Date: 29.05.2014

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Place : Sri Ganganagar

Date: 29.05.2014

VIKAS WSP LIMITED

Statement of profit and loss for the year ended 31 March, 2014

(All amounts are in Indian Rupees Lakhs, except if otherwise stated)

	Notes	For the year ended 31 March 2014	For the year ended 31 March 2013
Income			
Revenue from operation	18	103,651.29	290,635.52
Other income	19	536.31	565.34
Total (I)		104,187.60	291,200.86
EXPENDITURE			
Cost of materials consumed	20	75,823.55	220,765.93
(Increase)/ decrease in stock of finished goods	21	9,417.77	(7,718.89)
Purchase of stock-in-trade		525.46	6,043.87
Employee benefits expenses	22	1,595.00	1,169.32
Finance cost	23	3,204.83	2,611.21
Depreciation and amortization expenses		4,583.29	4,543.72
Other expenses	24	8,543.80	12,069.87
Total (II)		103,693.70	239,485.03
Profit/(loss) before tax		493.90	51,715.83
Tax expenses			
- current tax		85.21	16,788.12
- tax provision no longer required		-	(1.33)
- deferred tax		105.37	475.88
Total Tax expenses		190.58	17,262.67
Profit/(loss) for the year		303.32	34,453.16
Earnings per share (basic and diluted) - Rs.	25	0.22	25.07

Significant accounting policies

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

1

2-38

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

Vimal Kumar Jain
Partner
Membership no: 086657

B.D. Agarwal
Managing Director

Bimla Devi Jindal
Director

Ravinder K. Gupta
Company Secretary

Place : Sri Ganganagar
Date: 29.05.2014

Place : Sri Ganganagar
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Place : Sri Ganganagar
Date: 29.05.2014

Place : Sri Ganganagar
Date: 29.05.2014

VIKAS WSP LIMITED

Cash flow statement for the year ended 31 March, 2014

(All amounts are in Indian Rupees Lakhs except if otherwise stated)

Particulars	As at 31 March 2014	As at 31 March 2013
Cash Flow From operating activities		
Profit before tax from operations	493.90	51,715.83
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	4,583.29	4,543.72
Unrealised foreign exchange loss/(gain)	19.15	(53.02)
Interest expenses	3,204.83	2,611.21
Interest income	(102.15)	(151.45)
Operating profit before working capital changes	8,199.02	58,666.29
Movements in working capital		
Increase/(decrease) in trade payables	(15,684.21)	12,213.51
Increase/(decrease) in long term provisions	69.57	5.64
Increase/(decrease) in short term provisions	1.13	(110.72)
Increase/(decrease) in other current liabilities	(16,661.35)	4,691.45
Decrease/(increase) in trade receivables	3,879.08	(9,425.11)
Decrease/(increase) in inventories	12,330.36	(10,948.17)
Decrease/(increase) in other non current assets	(527.38)	(6.97)
Decrease/(increase) in long term loans and advances	28.28	(109.22)
Decrease/(increase) in short term loans and advances	12,433.92	(47,447.93)
Cash generated from / (used in) operations	4,068.42	7,528.77
Direct taxes paid (net of refunds)	(8,395.14)	(6,669.27)
Net cash flow from / (used in) operating activities (A)	(4,326.72)	859.50
Cash flows from investing activities		
Purchase of fixed assets, CWIP and capital advance	(631.20)	(3,373.99)
Redemption / (investments) in bank deposits (having maturity of more than 3 month)	601.42	(40.33)
Interest received	102.15	151.45
Net cash flow from / (used in) investing activities (B)	72.37	(3,262.87)
Cash flows from financing activities		
Proceeds from long term borrowings	-	-
Repayment of long term borrowing	(1,480.00)	(1,600.00)
Proceeds from short term borrowings	6,438.34	8,806.58
Repayment of short term borrowing	-	(1,536.70)
Interest paid	(3,195.91)	(2,640.98)
Dividends paid on equity shares	-	(1,374.40)
Tax on equity dividend paid	-	(224.29)
Net cash flow from / (used in) in financing activities (C)	1,762.43	1,430.21

Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2,491.92)	(973.16)
Cash and cash equivalents at the beginning of the year	<u>2,642.90</u>	<u>3,616.06</u>
Cash and cash equivalents at the end of the year	<u>150.98</u>	<u>2,642.90</u>
Components of cash and cash equivalents		
Cash on hand	1.52	1.28
With banks on current account		
- on deposit account	61.13	1,478.59
- unpaid dividend accounts	88.33	89.60
With banks fixed deposit	-	1,073.43
Total cash and cash equivalents	<u><u>150.98</u></u>	<u><u>2,642.90</u></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

Vimal Kumar Jain
Partner
Membership no: 086657

B.D. Agarwal
Managing Director

Bimla Devi Jindal
Director

Ravinder K. Gupta
Company Secretary

Place : Sri Ganganagar
Date : 29.05.2014

Place : Sri Ganganagar
Date : 29.05.2014

Place : Sri Ganganagar
Date : 29.05.2014

Place : Sri Ganganagar
Date : 29.05.2014

VIKAS WSP LIMITED

Notes to financial statements for the year ended on 31 March 2014

(All amount are in Indian Rupees Lakhs, except if otherwise stated)

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of preparation

The financial statements are prepared under historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) in India, applying the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended), other relevant provisions of the Companies Act, 1956 (to the extent applicable), provisions of Companies Act, 2013 (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Revised Schedule VI to the companies Act, 1956. Company has determined its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

1.2. Use of estimates

The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expenses of the reporting period. The Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

1.3. Fixed Assets

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

1.4. Depreciation

Depreciation is provided under the straight-line method based on the estimated useful lives of the assets which are equal to the rates specified in Schedule XIV to the Companies Act, 1956 except in case of plant and machinery where depreciation is provided at the rate of 7.69%.

Assets costing below Rs. 5,000 are depreciated fully in the year of purchase.

1.5. Inventories

Inventories are valued as follows:

Raw materials, stores and spares and packing materials

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

Work in progress and finished goods

Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads.

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

1.6. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

1.7. Sale of goods

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

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

1.8. Foreign exchange transactions

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

1.9. Employee benefits

Short-term employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

1.10. Borrowing costs

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

1.11. Segment Reporting

Segment accounting policies are in line with the accounting policies of the company. In addition, the following specific accounting policies have been followed for segment reporting:

- Segment revenue includes sales and other income directly identifiable with/ allocable to the segment.
- Expenses that are directly identifiable with/ allocable to segments are considered for determining the segment result. Expenses which relate to the company as a whole and not allocable to segments are included under "Unallocable expenditure".
- Income which relates to the company as a whole and not allocable to segment is included in "Unallocable income"
- Segment assets and liabilities include those directly identifiable with the respective segments.

1.12. Leases

Assets leased by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are recognized as operating lease. Lease payments under operating leases are recognized in the statement of profit and loss on a straight line basis.

1.13. Earnings per share

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

1.14. Taxation

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

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

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

1.15. Impairment of assets

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

1.16. Contingencies

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

2. Share capital

	As at 31 March 2014	As at 31 March 2013
Share capital		
Authorised capital		
287,500,000 (previous year 287,500,000) equity shares of Re. 1 each	2,875.00	2,875.00
	<u>2,875.00</u>	<u>2,875.00</u>
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
	<u>1,374.40</u>	<u>1,374.40</u>

2a. Reconciliation of the number of shares:

Equity Shares	As at 31 March 2014		As at 31 March 2013	
	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	<u>137,439,600</u>	<u>1,374.40</u>	<u>137,439,600</u>	<u>1,374.40</u>

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 2014		As at 31 March 2013	
	Numbers	% Holding	Numbers	% Holding
Equity shares of Rs. 1 each fully paid				
B D Agarwal	23,903,432	17.39%	23,903,432	17.39%

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 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009
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 2014	As at 31 March 2013
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	25,126.75	21,680.75
Add: transferred from surplus in the statement of profit and loss	-	3,446.00
Balance as at the end of the year	25,126.75	25,126.75
Surplus/(deficit) in the statement of profit and loss		
Balance as at the beginning of the year	83,156.33	53,757.15
Profit for the year	303.32	34,453.16
Less: Appropriations		
Proposed dividend on equity shares for the year *	1,374.40	(1,374.40)
Dividend distribution tax on Proposed dividend on equity shares*	233.58	(233.58)
Transfer to general reserve	-	(3,446.00)
Balance as at the end of the year	85,067.63	83,156.33
Total Reserves and Surplus	140,259.32	138,348.02

* Proposed dividend of Rs. 1374.40 was not approved by the shareholders in the annual general meeting for the year 2012-2013, hence Proposed dividend of Rs. 1374.40 and dividend distribution tax of Rs. 233.58 has been reversed in the current financial year 2013-2014.

4. Long-term borrowings

Secured loans

Term loan from financial institution	-	400.00
Total	-	400.00

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 being director and shareholders of the company and Mr. Megh Raj Jindal, shareholder of the Company have pledged their shareholding aggregating to 17,859,018 (previous year 17,859,018) 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.

5. Deferred tax liabilities (net)

Deferred tax liability

Difference in written down value of tax books and accounting books	3,659.29	3,531.14
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Deferred tax asset

Provision for gratuity and doubtful advances	(96.75)	(73.96)
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Total	3,562.54	3,457.18
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6. Long term provisions

	As at 31 March 2014	As at 31 March 2013
Provision for employee benefits:		
Provision for gratuity (refer to note 33)	143.84	74.27
Total	143.84	74.27

7. Short-term borrowings

Secured:

From bank

Export packing credit (refer to note 7a (i) below)	13,986.31	8,964.10
Bill discounting (refer to note 7a (i) below)	6,950.86	5,604.47
Bank overdraft	88.95	19.21
Total	21,026.12	14,587.78

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. 3,000 each from Punjab National Bank secured by pari passu charge on inventory including stores and spares not relating to plant & machinery, bills receivable and book debts and all other movables, both present and future and mortgage of immovable assets of the Company at SP-241 and B-86/87 Udyog Vihar, RIICO Industrial Area, Sriganganagar and hypothecation of plant & machinery installed at SP-241 and B-86/87 Udyog Vihar, RIICO Industrial Area, Sriganganagar

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

The company has provided additional security by way of mortgage of land and building of the company situated at F-88/89, Udyog Vihar, RIICO Industrial Area, Sriganganagar.

The Company has obtained packing credit limit and foreign documentary bill purchase/discounting facility of Rs. 6,000

which is interchangeable from Bank of India secured by pari passu charge on inventory including stores and spares not relating to plant & machinery, bills receivable and book debts and all other movables, both present and future and mortgage of immoveable assets of the Company at SP-241 and B-86/87 Udyog Vihar, RIICO Industrial Area, Sriganaganagar and hypothecation of plant & machinery installed at SP-241 and B-86/87 Udyog Vihar, RIICO Industrial Area, Sriganaganagar. Mrs. Bimla Devi Jindal, Mr. B.D. Agarwal and Mrs. Kamini Jindal, directors of the Company have also provided their personal guarantees.

The Company has obtained packing credit limit and foreign documentary bill purchase/ discounting facility of Rs. 5,000 each from Union Bank of India secured by pari passu charge on inventory including stores and spares not relating to plant & machinery, bills receivable and book debts and all other movables, both present and future and mortgage of immoveable assets of the Company at SP-241 and B-86/87 Udyog Vihar, RIICO Industrial Area, Sriganaganagar and hypothecation of plant & machinery installed at SP-241 and B-86/87 Udyog Vihar, RIICO Industrial Area, Sriganaganagar.

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

The company has provided additional security by way of mortgage of land and building of the company situated at G-1-237, F-90 and B-85, Udyog Vihar, RIICO Industrial Area, Sriganaganagar and G-229 to G-238, F-239 to F-248, Boranada Industrial Area, Jodhpur.

8. Trade payables

	As at 31 March 2014	As at 31 March 2013
Trade payables (refer to note 31)	11,065.06	26,749.27
Total	11,065.06	26,749.27

9. Other current liabilities

Current maturities of long-term borrowings (also refer to note 4)	520.00	1,600.00
Interest accrued but not due on borrowings	7.13	34.36
Unclaimed dividend [refer to note (a) below]	87.93	89.60
Advances from customers	123.38	17,025.79
Salary and bonus payable	227.52	136.52
Statutory dues including Provident Fund and Tax deducted at source	92.39	77.10
Other payables	911.05	740.11
	1,969.40	19,703.48

(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.

10. Short term provision

Provision for employee benefits:		
Provision for gratuity (refer to note 33)	4.35	3.71
	4.35	3.71
Other provisions		
Provision for Tax	-	8,234.28
Provision for wealth tax	0.80	0.30
Provision for proposed dividend on equity shares	-	1,374.40
Provision for dividend distribution tax on proposed dividend on equity shares	-	233.58
	0.80	9,842.56
	5.15	9,846.27

Note 11 : Fixed assets

(figure in lacs)

Particulars	Gross Block			Depreciation			Net Block		
	As at 1 April 2013	Additions during the year	Deletions/ adjustments	As at 31 March 2014	As at 1 April 2013	For the year	Deletions/ adjustments	As at 31 March 2014	As at 31 March 2013
A) Tangible assets									
Land									
- Freehold*	42,312.89	-	-	42,312.89	-	-	-	42,312.89	42,312.89
- Leasehold	2,175.85	-	-	2,175.85	-	-	-	2,175.85	2,175.85
Buildings	1,152.66	3.00	-	1,155.66	376.11	36.46	-	743.09	776.55
Plant and equipment	70,125.59	141.26	-	70,266.85	27,063.99	4,517.33	-	31,581.32	43,061.60
Furniture and fixtures	61.30	4.21	-	65.51	2.27	3.86	-	59.38	59.03
Vehicles	238.99	-	-	238.99	86.07	19.89	-	133.03	152.92
Office equipments	77.65	8.77	-	86.42	23.96	5.43	-	57.03	53.69
Total (A)	116,144.93	157.24	-	116,302.17	27,552.40	4,582.97	-	84,166.80	88,592.53
B) Intangible assets									
Computer Softwares	1.58	-	-	1.58	0.11	0.32	-	1.15	1.47
Total (B)	1.58	-	-	1.58	0.11	0.32	-	1.15	1.47
Total (A+B)	116,146.51	157.24	-	116,303.75	27,552.51	4,583.29	-	84,167.95	88,594.00
Previous year	113,870.63	2,275.88	-	116,146.51	23,008.79	4,543.72	-	88,594.00	90,861.84

*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.

12. Long term loans and advances

	As at 31 March 2014	As at 31 March 2013
Unsecured, considered good (unless otherwise stated):		
Capital advances	337.70	381.97
Security Deposits	255.04	239.05
Total	592.74	621.02

13. Other non-current assets

Long term deposits with banks with maturity period more than 12 months (refer to note (a) below)	-	111.14
Term deposits with banks (refer to note (a) below)	638.52	-
Total	638.52	111.14

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

14. Inventories

(At lower of cost or net realisable value)

Raw Materials	20,733.01	23,897.14
Finished goods		
- in stores	3,146.67	7,363.54
- in transit	625.93	5,826.83
Consumables , stores and spares	662.67	394.77
Packing materials	45.88	62.24
Total	25,214.16	37,544.52

14a. Details of Raw Material

Guar	1,206.09	11,182.18
Guar Split	19,503.59	12,683.68
Other	23.33	31.28
Total	20,733.01	23,897.14

14b. Details of Finished Goods

(i) Goods Manufactured

Guar Gum Powder - in store	3,146.67	7,363.54
Guar Gum Powder - in transit	490.65	5,826.83
Guar Split - in transit	135.28	-
Total	3,772.60	13,190.37

15. Trade receivables

Unsecured, considered goods unless otherwise stated

Outstanding for a period exceeding 6 months from the date they are due for payment	89.70	-
Others	17,647.61	21,637.19
Total	17,737.31	21,637.19

16. Short term loans and advances

	As at 31 March 2014	As at 31 March 2013
Unsecured considered good, unless otherwise stated		
Others loans and advances		
Advance recoverable in cash or kind (unsecured considered good)	3,104.87	3,053.70
Income tax refundable earlier years	140.40	140.40
Advance tax and TDS (net of Income tax provision of Rs. 85.21)	75.65	-
VAT credit receivable	30.74	45.53
Advance to suppliers	43,768.48	56,238.78
Receivable for seed distribution	2,036.54	2,036.54
Doubtful loans and advances		
Advance to suppliers	150.00	150.00
Less: Provision for doubtful	(150.00)	(150.00)
Total	49,156.68	61,514.95

17. Cash and bank balances
Cash and cash equivalents
Balances with banks:

In current accounts	36.13	1,478.59
Margin money account #	25.00	-
Unclaimed dividend account	88.33	89.60
Demand deposit (less than 3 months maturity)*	-	1,073.43

Cash in hand

	1.52	1.28
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Other bank balances

Deposits with original maturity for more than 3 months but less than 12 months*	-	601.42
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Total	150.98	3,244.32
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Held as lien against foreign bill purchase/discounting facility

* Held as lien against packing credit limit and foreign documentary bill purchase/discounting facility

	For the Year Ended 31 March 2014	For the Year Ended 31 March 2013
18. Revenue from operations		
Sale of goods (gross)		
- exports	83,944.63	229,347.01
- domestic	18,224.06	55,794.16
	102,168.69	285,141.17
Less: excise duty	8.25	43.27
Sale of goods (net)	102,160.44	285,097.90
Other operating income		
Export Incentives	1,490.85	5,537.62
Total	103,651.29	290,635.52
18a. Details of sales		
Guar gum powder	77,288.79	227,212.94
Guar split	24,879.90	57,928.23
	102,168.69	285,141.17

	For the Year Ended 31 March 2014	For the Year Ended 31 March 2013
18b. Details of export sales		
Direct Export	82,208.71	212,098.66
Export through EOU/Others	1,735.92	17,248.35
	83,944.63	229,347.01
19. Other income		
Interest on fixed deposits and securities	102.15	151.45
Foreign exchange gain	187.04	-
Miscellaneous Income	247.12	413.89
Total	536.31	565.34
20. Cost of material consumed		
Raw material consumed		
Opening Stock	23,897.14	20,756.17
Add: Purchases	72,361.53	223,575.98
	96,258.67	244,332.15
Less: Closing Stock	20,733.01	23,897.14
Cost of Raw Material Consumed	75,525.66	220,435.01
Packing material consumed		
Opening Stock	62.24	71.62
Add: Purchases	281.53	321.54
	343.77	393.16
Less: Closing Stock	45.88	62.24
Cost of Packing Material Consumed	297.89	330.92
Total Cost of Materials Consumed	75,823.55	220,765.93
20a. Details of raw material consumed		
Guar	1,206.09	72,191.77
Guar split	19,503.59	144,096.63
Other	23.33	4,146.61
	20,733.01	220,435.01
21. (Increase)/decrease in stock		
Opening stock		
Finished goods of Guar Gum Powder and Guar Split		
- in stores	7,363.54	3,510.99
- in transit	5,826.83	1,960.49
	13,190.37	5,471.48
Closing stock		
Finished goods of Guar Gum Powder and Guar Split		
- in stores	3,146.67	7,363.54
- in transit	625.93	5,826.83
	3,772.60	13,190.37
(Increase)/ decrease in stock	9,417.77	(7,718.89)

22. Employee benefits expenses

	For the Year Ended 31 March 2014	For the Year Ended 31 March 2013
Salaries, wages and bonus	1,352.61	1,042.34
Contribution to provident and other funds (refer to note 33)	138.99	41.41
Staff welfare	103.40	85.57
Total	1,595.00	1,169.32

23. Finance cost

Interest		
- Bank borrowing	2,087.80	1,603.60
- Supplier	978.89	924.10
- Others	138.14	83.51
Total	3,204.83	2,611.21

24. Other expenses

Store and spares consumed	960.36	2,670.53
Power and fuel	3,342.62	3,827.18
Lease rent	2.40	2.40
Bank Charges	98.54	70.97
Repair and maintenance		
- plant and machinery	68.11	100.93
- building	16.64	10.21
- others	44.56	38.77
Insurance	265.54	244.43
Rates and taxes	38.50	33.04
Other manufacturing expenses	176.63	201.03
Travelling expenses	139.88	180.35
Legal and professional	101.39	142.84
Laboratory & testing expenses	91.27	72.19
Foreign exchange loss	-	1,320.68
Port handling charges	379.00	350.60
Freight	2,220.38	2,288.27
Seed distribution expense	72.88	-
Miscellaneous	525.10	515.45
Total	8,543.80	12,069.87

Legal and professional expenses include payment to auditor

As auditor: *

Audit fee	30.00	60.00
Limited review	18.00	18.00

*exclusive of service tax

25. Earning per share (EPS)

Profit attributable to equity shareholders' (for basic and diluted earning)	303.32	34,453.16
Weighted average number of equity shares for basic and diluted earnings per share (face value of Re. 1 each (previous year Re. 1))	137,439,600	137,439,600
Basic and diluted (Rs.)	0.22	25.07

26. Value of imports calculated on CIF basis

	For the Year Ended 31 March 2014	For the Year Ended 31 March 2013
Chemicals	1,064.92	2,413.27
	1,064.92	2,413.27

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

	For the year ended 31 March 2014		For the year ended 31 March 2013	
	%	Amount	%	Amount
1) Raw material				
Indigenous	100%	75,525.66	100%	220,435.01
ii) Stores and spare parts				
Indigenous	13%	126.04	12%	309.57
Imported	87%	834.64	88%	2360.96
	100%	960.68	100%	2670.53

28. Expenditure in foreign currency (accrual basis)

Bank charges	46.53	9.49
Clearing & forwarding expenses	82.13	-
Sales commission	70.75	-
Travel	2.97	1.12
	202.38	10.61

29. Earning in foreign currency (accrual basis)

FOB value of exports	80,692.61	210,684.26
	80,692.61	210,684.26

30. 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 2014		As at 31 March 2013	
	Rs.	Foreign Currency (in lakhs)	Rs.	Foreign Currency (in lakhs)
Receivables (USD)	1,132.04	18.84	13,193.55	242.58
Receivables (Euro)	-	-	-	-

31. 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 2014	As at 31 March 2013
- The principal amount and The interest due thereon remaining unpaid to any supplier as at the end of each accounting period, Principal:	-	-
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	-	-
- 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	-	-

32. 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. 63.19 (previous year Rs. 78.18).

b) Other commitments

Pending contracts for guar seeds and splits net of advance and not provided for is Rs. 535.53 (previous year Rs. 2,187.84)

c) Corporate guarantees provided

The Company has given corporate guarantees aggregating Rs. Nil (previous year Rs.3,500) 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.

e) Claims against the Company not acknowledged as debts in respect of Service tax matters, under dispute

The Commissioner of Central Excise, Jaipur (the Assessing Officer) has raised a demand of Rs. 490.00 for the period 2006-07 to 2010-11. The Company filed an appeal against the order passed by the Assessing Officer with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), New Dehi and have deposited the amount of Rs. 490.00. The matter is currently pending before CESTAT.

33. 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 2014	Year Ended 31 March 2013
a. Changes in Defined Benefit Obligation		
Liability at the beginning of the year	77.98	70.90
Interest cost	6.24	5.67
Current service cost	22.49	12.19
Benefits paid	-	-
Actuarial (gain)/loss	41.48	(10.78)
Liability at the end of the year	148.19	77.98

	As at 31 March 2014	As at 31 March 2013
b. Amount recognised in the balance sheet		
Liability at the beginning of the year	77.98	70.90
Expenses for the year	70.21	7.08
Benefit paid	-	-
Liability at the end of the year	148.19	77.98
	For the Year Ended 31 March 2014	For the Year Ended 31 March 2013
c. Expenses recognised in the Profit and Loss Account		
Current service cost	22.49	12.19
Interest cost	6.24	5.67
Settlement cost/credit	-	-
Net actuarial gain/(loss) recognised in the year	41.48	(10.78)
Net benefit expenses	70.21	7.08

	For the year ended		For the year ended	
	31 March 2012	31 March 2011	31 March 2014	31 March 2013
d. Experience adjustments				
Defined benefit obligation	70.90	56.46	148.19	77.98
Plan assets	-	-	-	-
Deficit	70.90	56.46	148.19	77.98
Experience adjustment on plan liabilities (loss)/gain	(0.26)	(4.38)	(55.13)	11.14
Experience adjustment on plan assets	-	-	-	-

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

	As at 31 March 2014	As at 31 March 2013
Discount rate	8.50%	8.00%
Salary escalation rate (p.a.)	8.00%	8.00%
Expected average remaining working life of employees (years)	28.36	29.28

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	IALM (2006-08)	
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 68.10 (previous year Rs. 34.33) towards provident fund, a defined contribution plan.

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

34. Segment information

As per Accounting Standard 17 "Segment Reporting" as specified in Rule 3 of Companies (Accounting standard) Rules, 2006, 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.

Geographical segments at the company primarily comprise customers located in US, Europe, India (Domestic) and others. Income in relation to segments is categorized based on items that are individually identified to those segments. It is not practical to identify the expenses, fixed assets used in the company's business or liabilities contracted, to any of the reportable segments, as the expenses, assets and liabilities are used interchangeably between segments. Accordingly, no disclosure relating to total segment results, total segment assets and liabilities have been made.

(Rs. In Lakhs)

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Segment Revenue		
U.S.A	60,495.30	190,958.24
Europe	14,747.07	16,574.17
Domestic	20,008.57	72,999.25
Unallocated	6,909.50	4,566.24
Total	102,160.44	285,097.90
Add :		
Unallocable Revenue	2,027.16	6,102.96
Less :		
Finance Cost	3,204.83	2,611.21
Depreciation and Amortization	4,583.29	4,543.72
Unallocable Expenditure	95,905.58	232,329.80
Profit before tax	493.90	51,716.13
Tax expenses	190.58	17,262.97
Profit after tax	303.32	34,453.16

35. 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

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

1) Key management personnel and their relatives (KMP)

Mr. B. D. Agarwal - Managing Director

Ms. Kamini Jindal - Director

Mrs. Bimla Devi Jindal - Director

Mr. Ravinder K. Gupta - Company Secretary

2) Entities controlled by KMPs

Vikas Granaries Limited

Vikas Dall and General Mills (Partnership firm)

Shree GRG Home Developers Private Limited

Kuber Warehousing Private 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-14	For the year ended 31-Mar-13	For the year ended 31-Mar-14	For the year ended 31-Mar-13	For the year ended 31-Mar-14	For the year ended 31-Mar-13
Sales						
- Vikas Granaries Limited	-	-	6,942.43	10,606.94	-	-
Purchases of raw materials and finished goods						
- Vikas Granaries Limited	-	-	403.85	1,040.15	-	-
Salary paid to						
- Mr. B D Agarwal	36.00	6.00	-	-	-	-
- Mr. Megh Raj Jindal	-	0.88	-	-	-	-
- Mrs. Bimla Devi Jindal	3.00	3.00	-	-	-	-
- Mrs. Kamini Jindal	12.00	6.00	-	-	-	-
- Mr. Ravinder K Gupta	15.00	15.00	-	-	-	-
Corporate guarantees given on behalf of others by the Company						
- Vikas Granaries Limited	-	-	-	3,500.00	-	-
Shares pledged by certain directors for term loan taken by the Company						
- B D Agarwal	*	*	-	-	-	-
- Bimla Devi Jindal	*	*	-	-	-	-
- Megh Raj Jindal	*	*	-	-	-	-
b. Outstanding balances						
Trade receivable						
- Vikas Granaries Limited			3,344.01	2,167.43		
Other payable						
- Mr. B.D. Agarwal	1.20	-	-	-	-	-
- Mrs. Bimla Devi Jindal	1.50	-	-	-	-	-
- Mrs. Kamini Jindal	3.46	-	-	-	-	-
- Mr. Ravinder K Gupta	1.15	0.80	-	-	-	-

* 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). Outstanding balance of the said loan as on 31st March 2014 is Rs. 520.00 (Previous Year Rs. 2,000)

36. Leases

- 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.
- Future minimum lease rentals payable as at 31st march 2014, as per the lease agreements:

	Year ended 31 March 2014	Year ended 31 March 2013
i) Not later than one year	2.40	1.60
ii) Later than one year and not later than five years	9.60	-
iii) Later than five years		
Total	12.00	1.60

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

37. Seed Distribution Programme

During the year the company has organised seed distribution programmes, in which 3993.00 quintal of guar seed were distributed free of cost to farmers for promotion of guar cultivation in Rajasthan. Rs.72.88 were also incurred in organising these programmes.

38. Previous Year's Figures

The pervious year's figures have been re-grouped/re-arranged wherever considered necessary.

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

Vimal Kumar Jain

Partner

Membership no: 086657

B.D. Agarwal

Managing Director

Bimla Devi Jindal

Director

Ravinder K. Gupta

Company Secretary

Place : Sri Ganganagar

Date : 29.05.2014

Place : Sri Ganganagar

Date : 29.05.2014

Place : Sri Ganganagar

Date : 29.05.2014

Place : Sri Ganganagar

Date : 29.05.2014



VIKAS WSP LIMITED

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

Attendance Slip

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 26rd Annual General Meeting of the Company at Railway Road Siwani, on Tuesday 30.09.2014.

Full name of the Member (in block letters) _____ Signature _____

Folio No.: _____ DP ID No.* _____ Client ID No.* _____

*Applicable for member holding shares in electronic form

Full name of the proxy (in block letters) _____ Signature _____



PROXY FORM - MGT-11

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN : L24139HR1988PLC030300

Name of the Company : VIKAS WSP LIMITED

Registered Office : Railway Road, Siwani

Name of the Member (s) : _____

Registered address : _____

E-mail Id: _____ DP ID No.* _____ Client ID No.* _____

I / We, being the member(s) of _____ Equity Shares of Vikas WSP Limited, hereby appoint

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

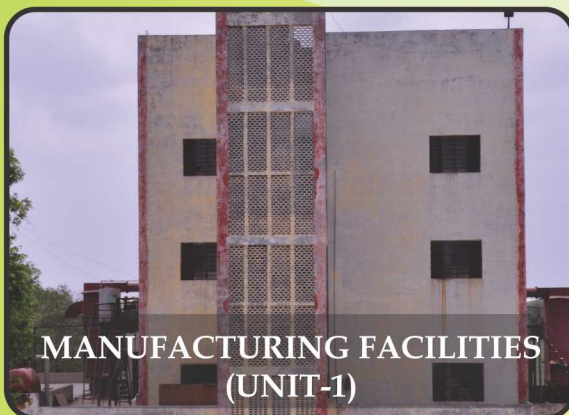
Signed this ___ day of _____, 2014

Signature of Shareholder _____

Signature of Proxy Holder (s) _____

affix
Re. 1/-
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.





VIKAS WSP LIMITED

B-86-87, Udyog Vihar, RIICO Industrial Area, Sri Ganganagar - INDIA
Phone # +91 154 2494512 / 2494552 Fax # +91 154 2494361 / 2475376
Email: vikasvegan@yahoo.com
Visit us : www.vikaswsp ltd.in