



**VIKAS GRANARIES LIMITED**

( formerly known as Adarsh Derivatives Limited )

**14<sup>th</sup>**

ANNUAL REPORT

2007-2008



# 14<sup>th</sup> ANNUAL REPORT 2007 2008

## BOARD OF DIRECTORS

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

Company Secretary  
Shailesh Jain

## AUDITORS

S. Prakash Aggarwal & Co.  
4-A-6, Jawahar Nagar  
Sri Ganganagar (Raj.)  
Pin. 335001

## BANKERS

Axis Bank Ltd.

## REGISTERED OFFICE

Hisar Road, Siwani  
127046 (Harayana)

## PLANT

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

## CONTENTS

Directors' Report	1
Corporate Governance Report	3
Auditors' Report	6
Balance Sheet	9
Profit & Loss Account	10
Schedule to Accounts	11
Cash Flow Statement	19
Balance Sheet Abstract	20

## PAGE NO.

## DIRECTORS' REPORT

### Dear Shareholders,

Your Directors are presenting the 14<sup>th</sup> Annual Report along with the audited statement of accounts for the year ended on 31<sup>st</sup> March 2008, of your company.

### FINANCIAL RESULTS:

(Rs. In Millions)

Sr. No.		YEAR ENDED 31.03.2008	YEAR ENDED 31.03.2007
1.	Net Sales	165.73	26.17
2.	Other Income	0.51	0.00
3.	Total Expenditure	137.38	22.91
4.	Interest	0.56	0.09
5.	Gross Profit/(loss) after Interest But before depreciation	28.30	3.17
6.	Depreciation	3.00	2.88
7.	Net profit/(loss) before tax	25.30	0.30
8.	Tax expenses	1.07	0.00
9.	Net profit/(loss) after tax	24.23	0.30

### OPERATION

During the current year under review your company has achieved a total turnover of Rs.165.73 million as Compare to that of Rs. 26.17 million in the previous year. During the year under review the company have a net profit Rs. 24.23 million as compare to net profit of Rs. 0.30 million in Previous Year. Therefore, our profit for the current year grew by 797.67% over the previous year.

### DIVIDEND:

The profit of the year used for expansion and modernization so, your Board does not recommend any dividend for the year ended on 31<sup>st</sup> March, 2008.

### DEPOSITS:

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

### DIRECTORS:

Mr. B. D. Agarwal and Mr. Rakesh Jindal, who retire by rotation in accordance with the provisions of the companies Act, 1956, and being eligible, offer themselves for re-appointment.

### AUDITORS:

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

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

### CHANGE OF NAME:

The present management proposes to align the operations of the Group under one common identity, "VIKAS" and to gain through the synergies of the common management. Therefore, Company passed a special resolution in extra-ordinary general meeting of the company which was held on January 11, 2008 regarding change of name of the company from ADARSH DERIVATIVES LIMITED to VIKAS GRANARIES LIMITED. The Registrar of Companies, Delhi & Haryana confirmed the name change on 4<sup>th</sup> July, 2008.

### CONSERVATION OF ENERGY

The information on Conservation of Energy required under Section 217(l)(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 2 of the annual report.

### FOREIGN EXCHANGE EARNING AND OUTGOINGS

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

### DIRECTOR'S RESPONSIBILITY STATEMENT:

Your directors state that the audited accounts containing financial statement for 2007-08 are in full conformity with the requirements of the Companies Act and are audited by its statutory auditors. Your directors further state that: -

- In the preparation of the annual accounts, the applicable accounting standards have been followed:
- The appropriate accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the company as at March 31, 2008.
- The proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities: and



d the annual accounts have been prepared on a going concern basis.

#### INDUSTRIAL RELATIONS

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

#### CORPORATE GOVERNANCE:

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

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

#### APPRECIATION

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

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

By Order of the Board,  
Sd/-

Date: 12.07.2008  
Place: Siwani

**Bimla Devi Jindal**  
Managing Director

## ANNEXURE TO THE DIRECTORS' REPORT

### TECHNOLOGY ABSORPTION AND RESEARCH AND DEVELOPMENT

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

#### A. (a) Conservation of Energy:-

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

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

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

By Order of the Board,  
Sd/-

Date: 12.07.2008  
Place: Siwani

**Bimla Devi Jindal**  
Managing Director

## CORPORATE GOVERNANCE

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

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

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

### 1. Board of Directors :-

#### a. Composition

As on the year ended 31<sup>st</sup> March 2008, the Board of Director consists of 6 members including 3 independent directors.

#### b. Attendance of each director upto 31<sup>st</sup> March, 2008 at the Board meetings and at last Annual General Meeting:

S.no.	Name of the Director	Category	Attendance Particulars	
			Board meetings	Last AGM
1.	Mr. R.C.Jindal*	Managing Director	4	--
2.	Mrs. Bimla Devi Jindal**	Managing Director	9	Yes
3.	Mr.B.D.Agarwal	Director	11	Yes
4.	Mr. Megh Raj Jindal	Director	10	Yes
5.	Mr. Ravi Sharma	Independent Director	9	Yes
6.	Mr. Mahesh Batra	Independent Director	10	Yes
7.	Mr. Rakesh Jindal	Independent Director	9	Yes

\* Resigned from Managing directorship of the Company w.e.f. 21.08.2007 due to family liabilities and pre-occupations.

\*\* Appointed as additional director and Managing Director of the Company w.e.f.21.08.2007.

c. None of the directors of the company holds membership of more than 10 board committees or hold chairmanship of more than 5 board committees.

d. The company has held 15 Board Meetings during the year. The meetings were held on 02.04.2007, 30.06.2007, 25.07.2007, 30.07.2007, 21.08.2007, 30.08.2007, 02.09.2007, 29.09.2007, 26.10.2007, 30.11.2007, 12.12.2007, 29.12.2007, 19.01.2008, 12.03.2008 and 28.03.2008.

e. No payments were made during the year to Non Executive Directors towards sitting fees.

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

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

(a) Name of the Non-Executive Director heading the Committee: Sh. Mahesh Batra

(b) Name and Designation of Compliance officer: Sh. Shailesh Jain (Company Secretary)

3. The company's shares are traded in dematerialised form at all Stock Exchanges where it is listed. To expedite the transfer in physical mode, share transfer committee has been delegated with necessary powers.

### 4. Audit Committee :-

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

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

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

- (a) To investigate any activity within its terms of reference.
- (b) To seek information from any employee.
- (c) To obtain outside legal or other professional advice.
- (d) To secure attendance of outsiders with relevant expertise, if it considers necessary
- (e) Oversight of the company's financial reporting

process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- (f) Recommending the appointment and removal of external auditor and fixation of audit fee.
- (g) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  1. Any change in accounting policies and practices.
  2. Major accounting entries based on exercise of prudence judgment by Management.

During the year, the Committee has met four times. The meetings were held on 29<sup>th</sup> June 2007, 28<sup>th</sup> July 2007, 25<sup>th</sup> October 2007 and 18<sup>th</sup> January 2008. All the committee members were present at all the meetings.

#### 5. Remuneration Committee

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

The remuneration given to Managing Director and Executive director in the f.y.2007-08 is as under:

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

#### 6. General Body Meetings

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

Year	Location	Date	Time
2004-2005	229, GIDC, Chandisar	05 <sup>th</sup> Sept., 2005	10.00 a.m
2005-2006	Hisar Road, Siwani	28 <sup>th</sup> Sept., 2006	10.00 a.m
2006-2007	Hisar Road, Siwani	27 <sup>th</sup> Sept., 2007	10.00 a.m

#### 7. Means of Communication

- (a) Half-Yearly results: As the results of the company are published in the Newspapers.
- (b) Quarterly results: Quarterly results are published in Western Times, English and Gujarati edition and Financial Express.
- (c) Website: www. Adarshderivatives.com
- (d) Shareholder's information section forms part of the Annual Report.
- (e) There is no separate annexure in addition to Directors' report on Management's discussion and Analysis except incorporated in the Directors

report itself.

8. No banker or Financial Institutions have direct or indirect role in appointment of the Directors of the Company.

#### 9. Disclosures

- (a) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large.- None
- (b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, on any matter related to capital markets, during the last three years: - None

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

#### 11. General Share holders' Information

##### 1. Annual General Meeting

- Date And Time : 12<sup>th</sup> August, 2008 at 10.00 a.m  
 Venue : Hisar Road, Siwani (Hararyana)
2. Book closure date : 5<sup>th</sup> August, 2008 to 9<sup>th</sup> August, 2008
3. Dividend payment date : N.A
4. Registered Office : Hisar Road, Siwani (Hararyana)
5. a. Equity shares Listed : 1. The Stock exchange, Mumbai, on stock Exchanges at (code No.31518)  
 : 2. The Jaipur Stock Exchange, Jaipur (code No. 767)
- b. Demat ISIN Numbers in NSDL & CDSL : ISIN 767BO1014

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

	Apr'07	May'07	Jun'07	JAN07	Aug'07	Sep'07	Oct'07	Nov'07	Dec'07	Jan'08	Feb'08	Mar'08
High	8.99	8.99	8.00	10.20	27.80	29.30	21.40	20.25	27.90	24.30	29.40	22.40
Low	8.00	7.00	8.91	8.89	15.80	20.75	16.40	13.25	16.20	25.40	20.70	11.70

##### 7. Registrar and : Pinnacle Share Registry Pvt. Limited.

Transfer Agents Near Ashok Mill, Naroda Road Ahmedabad-25

##### 8. Distribution of shareholding Pattern as on 31<sup>st</sup> March 2008

No. of equity shares held	No. of folios	%	No. of Shares	%
Upto 500	4583	78.60	877618	14.71
501-1000	562	9.68	477195	8.00
1001-2000	326	5.62	518090	8.68
2001-3000	117	2.02	300848	5.04
3001-4000	39	0.67	135675	2.28
4001-5000	67	1.15	320417	5.37
5001-10000	57	0.98	418624	7.02
10001 and above	74	1.27	2918833	48.91
<b>Total</b>	<b>5806</b>	<b>100.00</b>	<b>59,67,500</b>	<b>100.00</b>



9. **Dematerialisation of Share** : Approximately 86.19% of the equity shares have been dematerialized upto 31<sup>st</sup> March 2008.
10. **Outstanding GDRs/ ADRs/ Warrants or any convertible** : The company has not issued any GDRs/ ADRs/ Warrants instruments, conversion date and likely impact on equity of any convertible instrument.
11. **Buy Back of shares** : The Company has no plan to buy-back its equity shares.
12. **Plant location** : 229, G.I.D.C., Chandisar ( B.K.) 385510, Gujarat
13. **Address for Correspondence** : Hisar Road ,Siwani (Harayana)

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of VIKAS GRANARIES Limited

We have examined the report of Corporate Governance presented by the Board of Directors of VIKAS GRANARIES Limited for the year ended on 31<sup>st</sup> March, 2008 as stipulated in clause 49 of the listing agreement of the company with the Stock Exchanges.

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

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

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

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

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

Place: Sriganganagar  
Date : 12.07.2008

**Sd/-  
Proprietor**

## Auditor's Report

To

### The Members of Adarsh Derivatives Limited

1. We have audited the attached Balance Sheet of Adarsh Derivatives Limited, (the 'Company') as at March 31, 2008, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto (collectively referred as the 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') (as amended), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
4. Further to our comments in the Annexure referred to above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c. The financial statements dealt with by this report are in agreement with the books of account;
  - d. On the basis of written representations received from the directors, as on March 31, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of

clause (g) of sub-section (1) of section 274 of the Act;

- e. In our opinion and to the best of our information and according to the explanations given to us, the financial statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act and the Rules framed there under and give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:
  - i) the Balance Sheet, of the state of affairs of the Company as at March 31, 2008;
  - ii) the Profit and Loss Account, of the profit for the year ended on that date; and
  - iii) the Cash Flow Statement, of the cash flows for the year ended on that date;

For S. Prakash Aggarwal & Co  
Chartered Accountants

Sd/-  
S.P. Aggarwal  
Proprietor  
Membership No. 74813

Place: Sriganganagar  
Date : 29.06.2008



**Annexure to the Auditors' report of the even date to the members of Adarsh Derivatives Limited on the financial statements for the year ended March 31, 2008**

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

- (i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) A significant portion of the fixed assets has been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets is reasonable having regards to the size of the Company and nature of its assets. The material discrepancies noticed have been properly dealt with in the books of account.
- c) In our opinion, a substantial part of fixed assets have not been disposed off during the year.
- (ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to (d) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. The Company is not providing any services.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) The Company has an internal audit system, commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. We have not observed any continuing failure to correct major weakness in internal control during the course of audit.
- (viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act, in respect of Company's products. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.
- (ix) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have been regularly deposited with the appropriate authorities. No undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.
- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) In our opinion, the Company has not defaulted in repayment of dues to a bank or financial institution. There are no debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other

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

For S. Prakash Aggarwal & Co  
Chartered Accountants

Place: Sriganaganagar  
Date: June 29, 2008

Sd/-  
S.P. Aggarwal  
Proprietor  
Membership No. 74813

**VIKAS GRANARIES LIMITED**  
(formerly known as Adarsh Derivatives Limited)  
Balance Sheet as at March 31, 2008

	Schedule		March 31, 2008 Rs.		March 31, 2007 Rs.
<b>SOURCE OF FUNDS</b>					
<b>Shareholder's Fund:</b>			60,785,727		59,854,844
Share capital	1	59,675,000		59,675,000	
Reserves and surplus	2	1,110,727		179,844	
<b>Loan funds:</b>			17,366,400		-
Unsecured loans	3	17,366,400		-	
<b>Deferred tax liability:</b>			1,036,588		-
Deferred tax liability (net)	4	1,036,588		-	
<b>TOTAL:</b>			<b>79,188,715</b>		<b>59,854,844</b>
<b>APPLICATIONS OF FUNDS</b>					
<b>Fixed Assets:</b>	5		42,322,240		18,494,073
Gross block		74,050,921		47,225,879	
Less: Depreciation		(31,728,681)		(28,731,806)	
		42,322,240		18,494,073	
<b>Investments:</b>	6		13,384		13,384
<b>Current Assets Loans &amp; Advances:</b>			35,893,091		18,047,534
Inventories	7	19,090,023		16,269,560	
Sundry debtors	8	32,072,861		7,858,283	
Cash and bank balances	9	215,151		491,943	
Other current assets	10	2,543,392		769,996	
		53,921,427		25,389,782	
<b>Less : Current liabilities &amp; Provisions</b>					
Liabilities	11	15,478,223		7,171,632	
Provisions	11	2,550,113		170,616	
		18,028,336		7,342,248	
<b>Miscellaneous expenditure</b> (to the extent not written off)	12		960,000		-
<b>Profit and loss account</b>	13		-		23,299,853
<b>TOTAL</b>			<b>79,188,715</b>		<b>59,854,844</b>
Significant accounting policies	21				
Notes to the financial statements	22				

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

For and on behalf of the board of directors

Sd/-  
Bimla Devi Jindal  
Managing Director

Sd/-  
B.D. Agarwal  
Director

Sd/-  
Shailesh Jain  
Company Secretary

This is the Balance Sheet referred to in our report of even date.

For S. Prakash Aggarwal & Co  
Chartered Accountants

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

Place : Sri Ganganagar  
Dated : June 29, 2008





**VIKAS GRANARIES LIMITED**  
(formerly known as Adarsh Derivatives Limited)  
Profit and Loss Account for the year ended March 31, 2008

	Schedule	March 31, 2008 Rs.	March 31, 2007 Rs.
<b>INCOME</b>			
Sales	14	165,728,880	26,171,430
Other income	15	511,867	-
Increase / ( Decrease In Stock)	16	(4,443,710)	803,810
		<u>161,797,037</u>	<u>26,975,240</u>
<b>EXPENDITURE</b>			
Raw material consumed	17	126,751,477	18,289,125
Manufacturing overheads	18	4,695,045	4,169,351
Administrative expenses	19	1,253,987	1,181,832
Financial charges	20	562,953	102,483
Depreciation	5	2,996,875	2,877,822
Miscellaneous expenses written off		240,000	-
		<u>136,500,337</u>	<u>26,620,613</u>
<b>Net Profit Before Tax</b>		<b>25,296,700</b>	<b>354,627</b>
<b>Provision For Tax</b>			
- Current tax		1,747,430	-
- Fringe benefit tax		29,376	59,673
- MAT credit		(1,747,430)	-
- Deferred tax		1,036,588	-
<b>Net Profit After Tax</b>		<b>24,230,736</b>	<b>294,954</b>
Balance brought forward		(23,299,853)	(23,594,807)
<b>Balance carried forward</b>		<u><b>930,883</b></u>	<u><b>(23,299,853)</b></u>
<b>Earning per share (basic and diluted)</b>		<b>4.06</b>	<b>0.05</b>

Significant accounting policies 21  
Notes to the financial statements 22

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

For and on behalf of the board of directors

Sd/-  
Bimla Devi Jindal  
Managing Director

Sd/-  
B.D. Aggarwal  
Director

Sd/-  
Shailesh Jain  
Company Secretary

This is the Profit and Loss Account referred to in our report of even date.

For S. Prakash Aggarwal & Co  
Chartered Accountants

Place : Sri Ganganagar  
Dated : June 29, 2008

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

**VIKAS GRANARIES LIMITED**  
 (formerly known as Adarsh Derivatives Limited)  
 Schedules forming part of the financial statements as at March 31, 2008

	Current Year <u>2007-08</u>	Previous Year <u>2006-07</u>
<b>SCHEDULE : 1</b>		
Authorised Capital		
31,000,000 Equity shares of Rs. 10 each	310,000,000	70,000,000
Issued, Subscribed & paid up capital		
5,967,500 Equity shares of Rs.10 each fully paid up	59,675,000	59,675,000
	<u>59,675,000</u>	<u>59,675,000</u>
<b>SCHEDULE : 2</b>		
Reserves and Surplus		
Subsidy	179,844	179,844
Profit and loss account	930,883	-
	<u>1,110,727</u>	<u>179,844</u>
<b>SCHEDULE : 3</b>		
Unsecured loans		
- Loan from directors	15,016,400	-
- Loan from others	2,350,000	-
	<u>17,366,400</u>	<u>-</u>
<b>SCHEDULE : 4</b>		
Deferred tax liability (net)	1,036,588	-
	<u>1,036,588</u>	<u>-</u>

**VIKAS GRANARIES LIMITED**

(formerly known as Adarsh Derivatives Limited)

Schedule forming part of the financial statements as at March 31, 2008

**SCHEDULE - 5**

Fixed Assets

Particulars	Gross block		Accumulated depreciation		Net block	
	31.03.2007	Addition	Up To 31.03.2007	During The Year	Up to 31.03.2008	As On 31.03.2008
Vehicles	1,884,911	-	968,509	179,066	1,147,575	737,336
Furniture	577,668	-	375,244	36,566	411,810	165,858
Office Equipment	785,748	-	263,725	37,323	301,048	484,700
Plant & Machinery	29,628,402	15,016,400	22,572,416	2,317,480	24,889,896	19,754,906
Land	1,455,377	11,808,642	-	-	-	13,264,019
Office Building	246,300	-	45,165	4,015	49,180	197,120
Building	12,647,473	-	4,506,747	422,425	4,929,172	7,718,301
<b>Total</b>	<b>47,225,879</b>	<b>26,825,042</b>	<b>28,731,806</b>	<b>2,996,875</b>	<b>31,728,681</b>	<b>42,322,240</b>



**SCHEDULE : 6**

## Investments

National Saving Certificate	13,384	13,384
	<u>13,384</u>	<u>13,384</u>

**SCHEDULE : 7**

## Inventories

Finished goods	4,227,300	8,671,010
Raw material	14,535,053	7,246,600
Packing materials	294,400	351,750
Consumables	33,270	-
	<u>18,090,023</u>	<u>16,269,560</u>

**SCHEDULE : 8**

## Sundry Debtors : ( Unsecured , considered good , unless stated otherwise)

Outstanding for a period exceeding six months	938,523	938,522
Outstanding less than six months	31,134,338	6,919,761
	<u>32,072,861</u>	<u>7,858,283</u>

**SCHEDULE : 9**

## Cash and Bank Balances

Cash in hand	1,388	18,067
Foreign exchange in hand	131,400	131,400
Bank balance in current accounts	82,365	342,476
	<u>215,151</u>	<u>491,943</u>

**SCHEDULE : 10**

## Current Assets

MAT Credit	1,747,430	-
TDS receivable	37,662	8,081
Other current assets	-	3,615
Security With GSEB	758,300	758,300
	<u>2,543,392</u>	<u>769,996</u>

**SCHEDULE : 11**

## Current Liabilities

Sundry creditors	15,378,811	7,171,632
Tax deducted at source	61,830	-
Provision for Income Tax	1,747,430	-
Provision for expenses	802,683	135,616
Salary payable	37,582	35,000
	<u>18,028,336</u>	<u>7,342,248</u>

**SCHEDULE : 12**

Miscellaneous expenditure		
Fee paid to registrar of companies	960,000	-
	<u>960,000</u>	<u>-</u>

**SCHEDULE : 13**

Profit and Loss account		
Profit and Loss account	-	(23,299,853)
	<u>-</u>	<u>(23,299,853)</u>

**SCHEDULE : 14**

Sales		
Guar Gum Powder & Splits	165,728,880	26,171,430
	<u>165,728,880</u>	<u>26,171,430</u>

**SCHEDULE : 15**

Other Income		
Scrap sales	511,867	-
	<u>511,867</u>	<u>-</u>

**SCHEDULE : 16**

Increase / Decrease in stock		
Closing stock of finished goods	4,227,300	8,671,010
Less : Opening stock of finished goods	(8,671,010)	(7,867,200)
	<u>(4,443,710)</u>	<u>803,810</u>

**SCHEDULE : 17**

Raw Material Consumed		
Opening stock of raw material	7,246,800	5,083,525
Raw material purchase	134,039,730	20,452,400
Less : Closing stock	(14,535,053)	(7,246,800)
	<u>126,751,477</u>	<u>18,289,125</u>

**SCHEDULE : 18**

Manufacturing overheads		
Chemicals	40,620	85,554
Contribution to provident fund	32,986	-
Freight Inward & Outward	489,092	293,848
Grading & Sorting expenses	228,639	474,619
Packing Material	263,167	290,531
Power & Fuel	2,539,040	2,117,912
Repair & Maintenance	42,708	45,326
Stores & Spares Consumed	63,869	43,255
Wages, Salaries & allowances	1,014,924	818,306
	<u>4,895,045</u>	<u>4,189,351</u>

**SCHEDULE : 19**

Administrative expenses

Advertisement expenses	18,190	16,754
Brokerage	-	36,208
Corporate expenses	561,839	383,930
Insurance expenses	146,906	212,769
Legal & Professional Charges	5,920	39,950
Licence fee	-	53,752
Motor Car expenses	152,898	61,230
Office expenses	172,099	156,663
Rates & Taxes	27,206	88,273
Remuneration to Auditors	18,000	18,000
Telephone, Postage & Stationary	87,727	74,192
Travelling expenses	22,302	40,111
Vehicle running expenses	40,900	-
	<u>1,253,987</u>	<u>1,181,832</u>

**SCHEDULE : 20**

Financial Charges

Bank Charges	41,326	13,856
Interest	521,627	88,627
	<u>562,953</u>	<u>102,483</u>



**Schedules forming part of the financial statements for the year ended March 31, 2008****Schedule: 21****Significant accounting policies****1) Basis of preparation of financial statements**

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

**2) Use of estimates**

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period; actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods

**3) Fixed Assets**

- i. Fixed Assets are stated at cost less accumulated depreciation and impairment losses if any.
- ii. Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use.
- iii. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Profit and Loss account.
- iv. Self fabricated fixed assets include material cost and appropriate share of attributable expenses.

**4) Depreciation:**

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

**5) Employee benefits:****i. Provident fund**

The Company makes contribution to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

**ii. Other short term benefits**

Expenses in respect of other short term benefits including performance bonus is recognized on the basis of amount paid or payable for the period during which services are rendered by the employee.

**6) Taxation**

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

Provision for current taxation is ascertained on the basis of the assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

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

#### 7) Contingent liabilities and provisions

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. A disclosure is made for possible future obligations that may but probably will not require outflow of resources or where a reliable estimate cannot be made, as a contingent liability in the financial statements.

#### 8) Earnings per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split.

#### 9) Revenue recognition

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

##### Sale of goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer. In case of export sales, revenue is recognized after shipment.

##### Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

#### 10) Inventories

##### Inventories are valued as follows:

Raw materials, stores and spares and packaging materials	Lower of cost and net realizable value. Cost is determined on a weighted average basis.
Work in progress and finished goods	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

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

#### 11) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

#### 12) Miscellaneous expenditure

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

**Schedules forming part of the financial statements for the year ended March 31, 2008**

**Schedule: 22**

**Notes to the financial statements**

1. Adarsh Derivatives Limited was incorporated in the year 1994. The shares of the Company were listed on Bombay Stock Exchange Limited ("the stock exchange") and other stock exchanges in India in 1996. The Company is an agro based industry manufacturer of Guar Gum Powder and its derivatives.
2. During the year the Company has raised its authorized share capital from 70,000,000 equity shares of Rs.10 each to 310,000,000 equity shares of Rs.10 each.
3. The Company is engaged in the business of manufacturing of guar gum and its derivatives which as per Accounting Standard 17 on "Segment Reporting" is considered to be the only reportable business segment.
4. Information pursuant to paragraph 3, 4C & 4D of part II of Schedule VI of the Companies Act, 1956.

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

Quantitative details	March 31, 2008	March 31, 2007
	Metric tones per annum	Metric tones per annum
Licensed and installed capacity per annum		
- Guar Gum Splits	6,000	6,000
- Guar Gum Powder	4,050	4,050

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

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

Quantitative details	March 31, 2008		March 31, 2007	
	Quantity in MT	Amount (Rs. in lacs)	Quantity in MT	Amount (Rs. in lacs)
<b>Raw material consumed</b>				
- Guar split and others	2,979.76	1267.51	463.80	182.89
<b>Finished Goods (Guar Gum Pulverized/Refined Guar Gum)</b>				
Opening stock	208.94	86.71	219.74	78.67
Production	2,979.76	-	463.80	-
Sales	3,063.39	1,657.29	453.00	261.71
Closing stock	90.00	42.27	208.94	86.71

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

	March 31, 2008		March 31, 2007	
	Percentage	Value (Rs. in lacs)	Percentage	Value (Rs. in lacs)
i) Raw material Indigenous	100%	1,267.51	100%	182.89
ii) Stores and spare parts Indigenous	100%	Rs. 1.04	100%	0.42
Imported	-	-	-	-

5. Information required as per the Micro, Small and Medium Enterprises Development Act, 2006  
The Company has identified Micro, Small and Medium Enterprises on the basis of information made available. As at March 31, 2008 there are no dues to Micro, Small and Medium Enterprises that are reportable under the MSMED Act, 2006.

**6. Commitments and contingent liabilities**

**Firm capital commitments**

Estimated amount of contracts remaining to be executed on capital account Rs 316.48 lacs (Previous year Nil).

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

Place: Sriganganagar  
Date : June 29, 2008

Sd/-  
Bimla Devi Jindal  
Managing Director

Sd/-  
B.D. Agarwal  
Director

Sd/-  
Shailesh Jain  
Company Secretary



**VIKAS GRANARIES LIMITED**  
(formerly known as Adarsh Derivatives Limited)  
**CASH FLOW STATEMENT FOR YEAR ENDED 31st MARCH, 2008**

	Year Ended 31st March 2008	Year Ended 31st March 2007
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax & extra ordinary adjustments	25,296,700	354,627
<b>Adjustment for:</b>		
Depreciation	2,996,875	2,877,822
Miscellaneous expenses written off	240,000	
Interest Paid	562,953	102,483
	3,799,828	2,980,305
Operating profit before working capital changes	29,096,528	3,334,932
<b>Adjustment for:</b>		
Trade and other receivables	(24,214,578)	(1,743,115)
Inventories	(2,820,463)	(2,827,125)
Trade Payable	10,686,088	(2,323,401)
Other Current Assets	(1,773,396)	4,103,250
	(18,122,349)	(2,790,391)
Cash generated from operations	10,974,179	544,541
Fringe benefit tax	(29,376)	(59,673)
Cash Flow before extra-ordinary adjustments	10,944,803	484,868
Extra ordinary items	-	-
<b>NET CASH OPERATING ACTIVITIES</b>	10,944,803	484,868
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(26,825,042)	-
Miscellaneous expenditure not written off	(1,200,000)	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(28,025,042)	-
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Unsecured loans	17,366,400	-
Decrease in working capital loans	-	(703,008)
Interest paid	(562,953)	(102,483)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	16,803,447	(805,491)
<b>NET INCREASE IN CASH AND EQUIVALENTS</b>	(276,792)	(320,623)
<b>CASH AND CASH EQUIVALENTS AS AT 31ST MARCH</b>	491,943	812,566
(Opening Balance)		
<b>CASH AND CASH EQUIVALENTS AS AT 31ST MARCH</b>	215,151	491,943
(Closing Balance)	(276,792)	(320,623)

For and on behalf of the board of directors

Sd/-  
Bimla Devi Jindal  
Managing Director

Sd/-  
B.D. Agarwal  
Director

Sd/-  
Shailesh Jain  
Company Secretary

This is the Balance Sheet referred to in our report of even date.

For S. Prakash Aggarwal & Co  
Chartered Accountants

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

Place : Sri Ganganagar  
Dated : June 29, 2008



**PART - IV**

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

<b>Registration Details</b>				
I.	Registration No.	36433	State Code	05
	Balance Sheet	31 - 3 -	2008	
	Date	Date	Month	Year
<b>II. Capital Raised during the Year (Amount in Rs. Thousand)</b>				
	Public Issue	- NIL -	Rights Issue	- NIL -
	Bonus Issue	- NIL -	Private Placement	- NIL -
<b>III. Position of Mobilisation and Development of Funds (Amount in Rs. Thousand)</b>				
	Total Liabilities	7 9 1 8 9	Total Assets	7 9 1 8 9
<b>Source of Funds</b>	Paid-up Capital	5 9 6 7 5	Reserves & Surplus	1 1 1 1
	Unsecured Loan	1 7 3 6 6	Deferred Tax Liability	1 0 3 7
<b>Application of Funds</b>	Net Fixed Assets	4 2 3 2 2	Investment	1 3
	Net Current Assets	3 5 8 9 3	Misc. Expenditure	9 6 0
<b>IV. Performance of Company (Amount in Rs. Thousands)</b>				
	Turnover [Including Other Income]	1 6 6 2 4 1	Total Expenditure	1 4 0 9 4 4
	Profit/Loss Before Tax	2 5 2 9 7	Profit/Loss After Tax	2 4 2 3 1
	Earning Per Share in Rs.	4.06	Dividend rate %	N I L
<b>V. Generic Names of Principal Product of the Company</b>				
	<b>Product</b>		<b>Item Code No. (ITC Code)</b>	
	GUAR GUM TREATED & PULVERISED		13023203	
	GUAR GUM REFINED SPLIT		13023202	
	CATTLEFEED		23099009	

Sd/-  
Bimla Devi Jindal  
Managing Director

Sd/-  
B.D. Agarwal  
Director

Sd/-  
Shailesh Jain  
Company Secretary

This is the Balance Sheet referred to in our report of even date.

For S. Prakash Aggarwal & Co  
Chartered Accountants

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

Place : Sri Ganganagar  
Dated : June 29, 2008

**VIKAS GRANARIES LIMITED**  
( Formerly Known as  
Adarsh Derivatives Limited)





## **VIKAS GRANARIES LIMITED**

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