

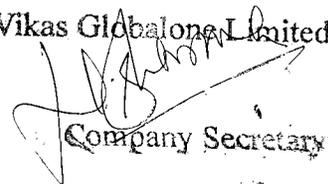


**PLANTING THE SEEDS OF SUCCESS**

**24th ANNUAL REPORT**



For Vikas Globalone Limited



Company Secretary

**Vikas Global  ne Ltd.**



*inspires growth*

**BOARD OF DIRECTORS**

<b>Dr. Nand Kishore Garg</b>	Chairman & Managing Director
<b>Brij Behari Tandon</b>	Director
<b>Pardip Kumar Banerji</b>	Director
<b>Purshottam Dass Bhoot</b>	Director
<b>Sumer Chand Tayal</b>	Director
<b>Mukesh Aggarwal</b>	Director
<b>Vikas Garg</b>	Director
<b>Vivek Garg</b>	Director
<b>Namrata Sharma</b>	Company Secretary
<b>Registered Office of the Company</b>	34/1, Vikas House East Punjabi Bagh, New Delhi-110026
<b>Manufacturing Plants</b>	<b>Jammu &amp; Kashmir</b> SIDCO Industrial Complex, IGC, Phase-I, Samba, Jammu-184 121  <b>Rajasthan</b> G-30, Vigyan Nagar, RIICO Indl. Area, Shahjahanpur, Teh. Behror, Distt. Alwar, Rajasthan
<b>Statutory Auditors</b>	M/s R. K. Batra & Company (Chartered Accountants) 906, Vikram Tower, Rajendra Place, New Delhi-110008
<b>Share Transfer Agents</b>	M/s. Alankit Assignment Limited Alankit House 2E/21, Jhandewalan Extension New Delhi - 110 015
<b>Bankers</b>	The Karnataka Bank Limited Oriental Bank of Commerce
<b>Stock Exchange Listing</b>	The Delhi Stock Exchange Limited The Stock Exchange, Mumbai
<b>Email</b>	info@vikasglobal.in

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## **NOTICE**

NOTICE is hereby given that the **TWENTY FOURTH Annual General Meeting of the Members of VIKAS GLOBALONE LIMITED** will be held on Tuesday, the 25<sup>th</sup> day of August, 2009 at 11:30 A.M. at Haryana Maitri Bhawan, Pitampura, New Delhi - 110 034 to transact the following business:

### **ORDINARY BUSINESS**

#### **ITEM NO. 1**

To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2009 and the Profit & Loss Account of the Company for the year ended on that date together with reports of Directors and Auditors.

#### **ITEM NO. 2**

To appoint a Director in place of Shri. Brij Behari Tandon who retires by rotation and being eligible offers himself for re-appointment.

#### **ITEM NO. 3**

To appoint a Director in place of Shri. Pradip Kumar Banerji who retires by rotation and being eligible offers himself for re-appointment.

#### **ITEM NO. 4**

To appoint a Director in place of Shri. Mukesh Aggarwal who retires by rotation and being eligible offers himself for re-appointment.

#### **ITEM NO. 5**

To appoint the Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration and for that purpose to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**.

**“RESOLVED THAT M/s R K Batra & Company, Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company and the Board of Directors be and is**

hereby authorized to fix their remuneration for the said period.”

### **SPECIAL BUSINESS**

#### **ITEM NO. 6**

#### **REAPPOINTMENT OF SHRI NAND KISHORE GARG AS MANAGING DIRECTOR OF THE COMPANY**

To consider and if thought fit to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of section 198, 269, 309 and schedule XIII and other applicable provisions if any, of the Companies Act, 1956 the approval of the Company be and is hereby accorded for reappointment of Shri Nand Kishore Garg as the Managing Director of the Company for a period of five years with effect from 30<sup>th</sup> June, 2009.

#### **ITEM NO. 7**

#### **APPOINTMENT OF SHRI VIKAS GARG AS AN EXECUTIVE DIRECTOR OF THE COMPANY**

To consider and if thought fit to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of section 198, 269, 309 and schedule XIII and other applicable provisions if any, of the Companies Act, 1956 the approval of be and is hereby accorded for appointment Mr. Vikas Garg – as an Executive Director of the company with effect from 30<sup>th</sup> June, 2009 at a remuneration of Rs.30,000/- (Rupees Thirty Thousand) per month including all allowances and perquisites.”

#### **ITEM NO. 8**

#### **APPOINTMENT OF SHRI VIVEK GARG AS AN EXECUTIVE DIRECTOR OF THE COMPANY**

To consider and if thought fit to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of section 198, 269, 309 and schedule XIII and other



applicable provisions if any, of the Companies Act, 1956 the approval of the Company be and is hereby accorded for appointment of Shri Vivek Garg as an Executive Director of the Company with effect from 30<sup>th</sup> June, 2009."

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND SUCH PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.
2. The name of the company has been change from "Vikas Profin Limited" to "Vikas Globalone Limited" with effect from 31st December 2009. Consequent to the issue of the fresh certificate of incorporation by the Registrar of the Companies, NCT of Delhi & Haryana.
3. The Register of Members and Share Transfer Books will remain closed from Wednesday, the 19th August, 2009 to Tuesday, the 25th August, 2009 (both days inclusive) for the purpose of Annual General Meeting of the company.
4. M/s Alankit Assignment Ltd., Corporate Office at 'Alankit House' 2E/21, Jhandewalan Extension, New Delhi-110015 is the Registrar and Share Transfer Agent of the Company for physical shares as well as depository interface with NSDL and CDSL.
5. Members are requested to intimate to the Company queries, if any, regarding these Accounts / Notice at least 7 days before the meeting to enable the management to keep the information ready at the meeting.
6. Members are requested to bring their copies of the Annual Report to the meeting and the Attendance Slip duly filled-in for attending the meeting.

7. Members who are holding shares in more then one folio are requested to write to the Company to enable the company to consolidate their holdings in one folio.
8. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office on all working days except Saturdays, Sundays and Holidays between 11:00 AM to 1:00 PM upto the date of Annual General meeting.
9. Members Companies / Organization are request to send a copy of the resolution authorizing their representatives to attend and vote at the Annual General Meeting.
10. Members are requested to promptly notify to the Company any change in their addresses.
11. In terms of Section 109(A) of the Companies Act 1956, the shareholder of the Company may nominate a person to whom the shares held by him shall vest in the event of his death.
12. The shares of the Company are currently listed at Delhi Stock Exchange and the Stock Exchange, Mumbai and the Annual Listing Fee including service tax has been duly paid for the financial year ending 2010.
13. Explanatory statement pursuant to section 173(2) of the Companies Act 1956 is annexed with the notice.

By order of the Board

**Dr. Nand Kishore Garg**

**Chairman & Managing Director**

Place New Delhi

Date 30<sup>th</sup> June, 2009

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**

**ITEM NO. 6**

The tenure of Shri Nand Kishore Garg as Managing Director was upto 29th June, 2009. The Board of Directors in its meeting held on 30th June, 2009 has reappointed Shri Nand Kishore Garg as Managing Director of the Company for a further period of five years. He is M.Sc, LLB, Phd and has vast experience in the trading of chemical and PVC components. He is aged about 61 years. He shall carry on such duties as entrusted by the Board from time to time. The reappointment of Shri Nand Kishore Garg as Managing Director would be in the interest of the company, so the Board of Directors has recommended for passing of the necessary ordinary resolution as mentioned in the notice.

Except Shri Nand Kishore Garg, Shri Vikas Garg and Shri Vivek Garg, none of the Directors are interested in the above said resolution.

**ITEM NO. 7**

Shri Vikas Garg is a Commerce Graduate from Delhi University and has more than 10 years of experience in the line of plastics and chemicals. He spearheaded the Group's diversification into plastics and chemicals and has been instrumental in getting distributorship rights from various global giants. He has been appointed as an Executive Director of the Company by the Board of Directors with effect from 30th June, 2009 for taking care of the finance and marketing operations of the

Company. In the interest of efficient management and further progress of your Company, your Board of Directors recommended to confirm the appointment of Shri Vikas Garg as an Executive Director of the Company with effect from 30th June 2009.

Except Shri Nand Kishore Garg, Shri Vikas Garg and Shri Vivek Garg, none of the Directors are interested in the above said resolution.

**ITEM NO. 8**

Shri Vivek Garg is a commerce graduate and has vast experience in the industry. He has also been supervising the real estate segment of the Company. In view of his in-depth knowledge of the affairs of the Company the Board considered it desirable to appoint Shri Vivek Garg as an Executive Director of the Company.

Except Shri Nand Kishore Garg, Shri Vikas Garg and Shri Vivek Garg, none of the Directors are interested in the above said resolution.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **OVERVIEW 2008-2009**

#### **VALUE CREATION**

At the last Annual General Meeting, as stated that the merger of Hulchul International Private Limited, Vikas Utilities Private Limited and South Delhi Projects Private Limited with Vikas GlobalOne Limited (formerly Vikas Profin Limited) has been duly completed with the approval of the Hon'ble High Court of Delhi and the Registrar of Companies, NCT of Delhi & Haryana. Since then the Company is fostering new opportunities every day in the polymer business.

The Company's philosophy "*inspires growth*" has truly manifested value creation for its valued customers and other stakeholders.

This focus on the growth has enabled the Company in venturing new areas and opportunities. Further, the growth has been achieved through its various large scale projects and setting global benchmarks in respect of product quality, standards and services.

Moreover, during the year 2008 the Company acquired a land through auction in Rajasthan, to establish the projects planned in near future.

Also the Company is about to commence commercial production of PVC Heat Stabilizers in Samba (J & K) in collaboration with Sino-France Hozhou Chemical Company Limited, a first of its kind facility aiming at manufacturing niche products that have been only imported in India till now. For the same the Company has imported the latest and highly sophisticated plant from leading manufacturers located globally.

#### **GLOBAL SCENARIO (PVC)**

In the context of accelerated development of the global chemical industry, China's chemical industry has played as an important element of the global industry and therefore has enjoyed rapid development. Since 2008 the importance of China's chemical industry has become more and more apparent. Also the major driver of increasing PVC and PVC Compound Output in China is the growing downstream demand. However, the impact of global financial crisis on China has inevitably intensified as a result of China's integration with the

global economy. World demand plummeted by 8% compared to 2007 with total consumption aggregating to 33m tonnes. Deteriorating economic conditions combined with destocking along the chain were the main reasons.

PVC demand growth in Asia had grown at close to 8% / year from 2003-2007 but in 2008 it shrank by 6% with most of it occurring in the last four months of the year. Over-stocking of inventory was initially blamed but in reality it was just the beginning of a global recession. Also Asia expects to show slower growth over the next couple of years and it is likely that the demand levels seen in 2007 may only be reached until 2010. Demand growth rates could reach 7%/year by 2011-2012.

In China, PVC demand contracted by nearly 1m tonnes in 2008. Most of the demand destruction occurred in the last quarter after the Beijing Olympic Games. Demand growth in China is expected to recover to GDP growth levels by 2010 and a full recovery by 2011.

PVC demand in the Indian Subcontinent region is expected to be resilient. However, it is expected that growth will accelerate around 9% year by the year 2012. It is expected that in the coming time India's growth rate will be 14% and will account for 9% of the global PVC market.

The PVC industry in the US faces an uncertain and potentially grim future in 2009. Demand for PVC construction materials is in a big slump and the global economic downturn has offered few signs that the situation will improve within a year. After the US mortgage meltdown brought a sharp downturn in new home construction in 2007, the PVC industry had hoped the housing market would recover in 2009.

One bright spot for US producers is that the export market has provided support for the industry but the question is whether this would continue. However, export figures from the US International Trade Commission showed US PVC exports in the first quarter of 2009 to be up by 36% from the same quarter a year earlier. The weak US dollar and growing demand overseas has encouraged US PVC exports with Egypt, China and India being the top three destinations.

The Middle East has been a bullish market for PVC. Demand is estimated to have grown by 12-13% in 2007 and 9-10% in 2008. However, growth is expected to decline once construction projects are completed and new infrastructure projects are delayed due to liquidity constraints and the economic slowdown.

**DOMESTIC POLYMER INDUSTRY SCENARIO & POLYMER GROWTH**

Polymer growth in 2008 has been downbeat - PE, PP, PVC & PS, the commodity polymers have shown lower growth in 2008 over 2007. However, there were few bright spots in the global polymer market, India appears to be one of them. Despite of global recession Indian polymer producers and processors are confident about the short and long-term demand prospects. And this is despite constant downward revisions to the country's GDP growth forecasts for 2009-2010.

Moreover, packaging is expected to be one of the key segments driving current as well as future growth of polymers as food consumption is not expected to fall during this global recession and there has been no let-up in orders for packaging of products ranging from chocolates to cooking oil, say processors. Not only is the number of food and non food products packed in plastic increasing, but new manufacturers are entering the fast-moving consumer goods (FMCG) segment.

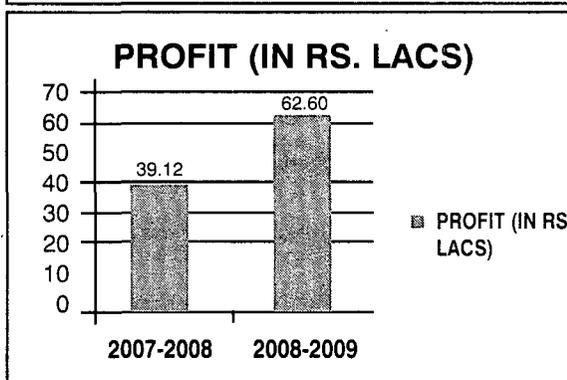
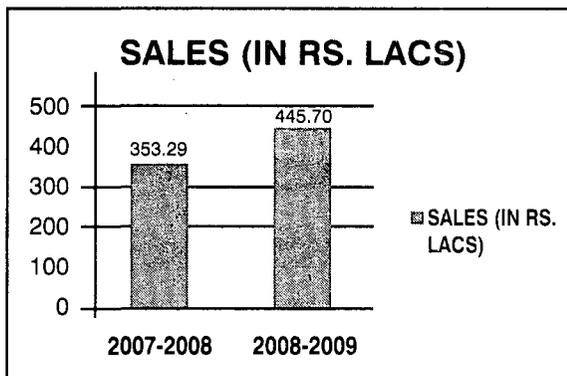
Moreover, another area is agriculture which is supporting demand for polyvinyl chloride (PVC) pipes.

**“Demand for polymers is strong, the supply is tight, and the outlook is good”**

**FINANCIAL PERFORMANCE**

Despite of global financial crisis the Company is able to maintain its increasing trend in profitability. During the year under review the Company achieved a turnover of Rs. 445.70 Lacs as compared to previous year of Rs. 353.29 Lacs. Also the profit before tax of the Company increased from Rs. 39.12 Lacs to Rs. 62.60 Lacs.

**INDIAN PLASTICS INDUSTRIES -**



**PERSPECTIVE**

Over the years, India has made significant progress in the industrial world with healthy economic growth. On purchase power parity basis, it is one of the top five global economics and is expected to be the third largest by the turn of this decade. Plastics, one of the fastest growing industries in India, have a vital role to play. Indian Plastics Industry is expanding at a phenomenal pace. Major international companies from various sectors such as automobiles, electronics, telecommunications, food processing, packing, healthcare etc. have set-up large manufacturing bases in India. Therefore, demand for plastics will increase in the coming time and soon India will emerge as one of the fastest growing markets in the world.

The next two decades are expected to offer unprecedented opportunities for the plastic industry in India. This would necessitate industry initiatives to foster investments, grow the market, upgrade quality standards, enhance global participation, encourage Indian industry, to adopt and adapt to world class technology and manufacturing practices.

## Statistics of Plastics Industries in India : Current Status

Major Raw Material Producers	15 Nos.
Processing Units	25,000 Nos.
Turnover (Processing Industry)	Rs.85,000 Crores
Capital Asset (Polymer Industry)	Rs.55,000 Crores
Raw Material Produced approx	5.3 MMT
Raw Material Consumed approx	5.1 MMT
Employed Direct/Indirect	3.3 Million
Export Value approx	US \$ 1.90 Billion
Revenue to Government approx.	Rs.7300 Crores
<b>By 2011 - 12</b>	
Demand Potential	12.5 MMT
Additional Employment	4.0 Million
Investment Potential	Rs.84,000 Crores
<b>VISION 2015 – Indian Plastics Industry :</b>	
Consumption of Polymers @ 15% CARG	18.9 Million tonnes
Turnover of plastics Industries	Rs.1,33,245 crores
Additional Employment Generation	7 Million
Requirement of Additional Plastics Processing Machines	68113 Nos
Additional Capital Investment In Machines (2004-2015)	Rs.45,000 crores

## **QUALITY & ENVIRONMENTAL MANAGEMENT**

In its pursuit of excellence in sustainable development, Vikas GlobalOne further integrated its safety in its entire business plans and strategy. A management system approach, consisting of planning, implementation, and review has been made applicable to all business plans through ISO 9001:2008.

Also after the success of 9000 series of quality standards, the Company in the coming time is planning to implement ISO 14000 as implemented by the International Standards Organisation regarding comprehensive set of standards for environmental management. Through the implementation of this standard the Company will cover the whole area of environmental issue for the organization.

The main objective of the Company through its implementation is to:

- Promote a common approach to environmental management similar to quality management
- Enhance organisations' ability to attain and measure improvements in environmental performance
- Facilitate trade and remove trade barriers.

The standard also provides guidance on:

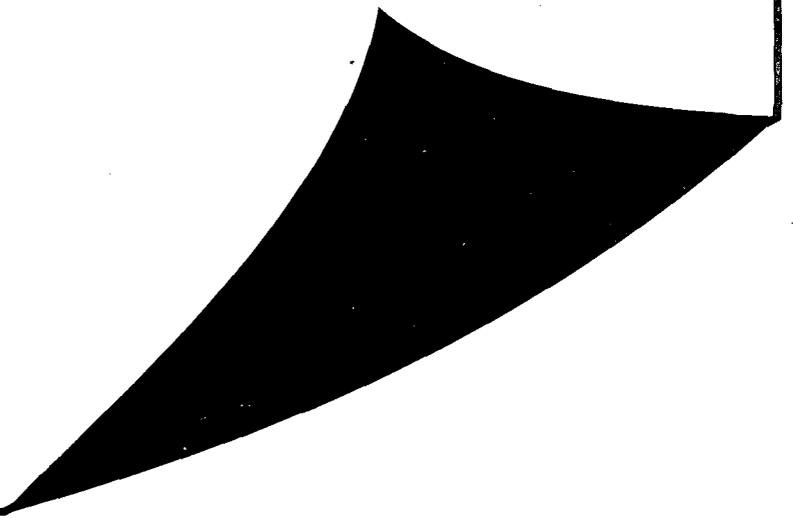
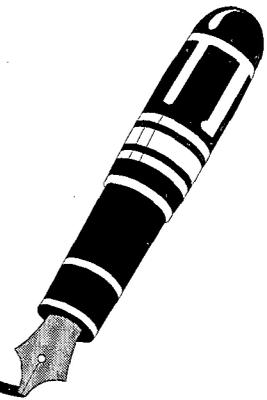
- Environmental management systems
- Environmental auditing
- Environmental performance evaluation
- Environmental labelling
- Life-cycle assessment
- Environmental aspects in product standards

In the nutshell it can be said that the Company is aiming to be statutory compliant in terms of quality and environment.

## **CAUTIONARY STATEMENT**

Statements in the Management Discussion & Analysis Report seek to describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be "forward looking statements" within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however differ materially from those express or implied. Important factors that could make the difference to the Company's operations include global and Indian political conditions.

Director's  
Report



## DIRECTOR'S REPORT

To the Members,

Yours Directors have pleasure in presenting the Twenty Fourth Annual Report and Audited Accounts of the Company for the year ended 31st March 2009.

### **FINANCIAL PERFORMANCE**

Particulars	Rs. In Lacs For the year ended 31st March, 2009	Rs. In Lacs For the year ended 31st March, 2008
Earnings Before Interest, Tax, Depreciation & Appropriations	180.67	165.95
Depreciation	19.71	26.64
Operating Profit	160.96	139.31
Interest	98.36	100.19
Earnings Before Tax	62.60	39.12
Add : Short provisioning written back	-----	71.34
Less : Provision for Income Tax	30.21	35.28
Profit after tax	32.39	75.18

### **REVIEW OF OPERATIONS**

During the year several benchmarks in respect of sales, profitability were set up. The Company during the year achieved a turnover of Rs. 445.70 Lacs. Also the profit before tax increased to Rs. 62.60 Lacs.

Also the Directors of the Company are hopeful of achieving good results in years to come.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion & Analysis Report for the year under review as stipulated in terms of clause 49 of the Listing Agreement of the Stock Exchanges in India is presented in a separate section forming part of the Annual Report.

### **FINANCIAL STATEMENTS**

Your Directors have pleasure in attaching the Financial Statements pursuant to clause 32 read with clause 41 of the Listing Agreement with the Stock Exchanges and prepared in accordance with the Accounting Standards of the Institute of Chartered Accountants of India.

### **LISTING OF EQUITY SHARES**

Pursuant to the reaffirmation of the members of the Company in the Extra Ordinary General Meeting of the Company, the Company duly applied for the listing of shares issued on preferential basis to the persons belonging to the non-promoter group and the Stock Exchange, Mumbai has duly granted its no-objection for

the listing of shares.

Also the listing application was duly placed before the Exchange in respect of shares issued to persons/entities of the transferor companies as per the scheme of amalgamation duly approved by the Hon'ble High Court of Delhi. The application for the listing of shares of those shares has been approved by the stock exchange, so the total admitted capital amounts to Rs.78539370/- divided into 7853937 Equity Shares of Rs.10/- each.

#### **DIVIDEND**

The management plans to utilize the surplus funds for expansion, diversification of business and hence the Board did not recommend any dividend for the year financial year ending March 2009.

#### **DIRECTORS**

Shri Brij Behari Tandon, Shri Pradip Kumar Banerji and Shri Mukesh Aggarwal retire by rotation and being eligible offers themselves for re-appointment. The Board recommends their reappointment at the ensuing Annual General Meeting.

The Board also approved the reappointment of Shri Nand Kishore Garg as Managing Director of the Company and the appointment of Shri. Vikas Garg and Shri Vivek Garg as Executive Directors of the Company in its meeting held on 30<sup>th</sup> June, 2009.

#### **LISTING AGREEMENTS**

The Companies Securities are listed at the Delhi and Mumbai Stock Exchanges. The listing fees for the Stock Exchanges have been paid for the year.

#### **STATUTORY AUDITORS**

M/s R. K. Batra & Company, the Company Auditors will retire at the conclusion of forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. They have furnished the requisite certificate under section 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment.

#### **AUDITORS OSERVATIONS**

The notes to accounts forming part of Balance Sheet as at 31<sup>st</sup> March, 2009 and the Profit & Loss Account on that date, referred to in the Auditors Report are self explanatory and do not call for any further particulars.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT**

Director's Responsibility Statement pursuant to section 217 (2AA) of the Companies Act 1956, the Directors of the Company hereby confirm:

1. That in the preparation of annual Accounts the applicable accounting standards had been followed along with proper explanation relation to material disturbances.
2. That your Directors have selected such accounting polices and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state affairs of the company at the end of financial year and of the loss of the company for the period.
3. That your Directors have taken proper and sufficient care for the maintenance of adequate

accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

4. That your Directors have prepared the Annual Accounts for the financial year ended 31<sup>st</sup> March 2009 on a Going Concern Basis.

#### **PARTICULARS OF EMPLOYEES**

The statement of information as required under section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules, 1975 in respect of employees of Vikas GlobalOne Limited does not apply.

#### **CONSERVATION OF ENERGY ETC.**

As the required in terms of section 217 (1) (e) of the Companies Act, 1956 read by the Companies (Disclosure of Particulars in the Report of Board of Director) Rules, 1988, the relevant data pertaining to conservation of energy, its consumption, technology absorption and Research & Development are given in the prescribed format as annexure to this report.

#### **PLAST INDIA 2009**

The Company for the first time participated in the 7<sup>th</sup> International Plastics Exhibition (Plast India, 2009) held from 4-9 February, 2009 at Pragati Maidan, New Delhi. The Company showcased its numerous products in basic and performance plastics during the exhibition. Over 986 Indian and 470 international exhibitors from 35 countries participated. More than 1 lakh business visitors attended this fair.

As per expectations the Company grabbed the attention of national and international buyers for its entire product mix and created a significant impact in the market. The company received a large number of inquiries for all the exhibited products, especially launching of Tin Heat Stabilizer in the exhibition created a wave and resulted in numerous serious inquiries, which Company expects to convert into business prospects as soon as the finished product rolls out from the plant.

#### **REPORT ON CORPORATE GOVERNANCE**

Corporate Governance is based on the principals of integrity, fairness, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. Vikas Group is committed to good governance practices that create long term sustainable shareholder value. The Company has complied with compliances as required under listing agreement. As required under clause 49 of the Listing Agreement, the report on Corporate Governance forms part of the Auditor's Report.

#### **FIXED DEPOSITS**

There are no unclaimed / unpaid deposits as the end of the year under review. The Deposits received were in compliance of Section 58A of Companies Act, 1956 However, the company has stopped taking fresh Fixed Deposit or Renewing the existing fixed deposit w.e.f. 8<sup>th</sup> November 2001 as per instruction issued by Reserve Bank of India.

Also, the Company has not accepted / renewed any public deposit during the year ended 31<sup>st</sup> March 2009.

#### **ACKNOWLEDGEMENT**

The Directors wish to place on records the appreciation of the dedicated and hard work put by the



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employees of Vikas GlobalOne Ltd. at all levels and look forward to their continued support in the coming time. Your directors place on record their appreciation for the guidance; co-operation and continuous support extend by Bankers, Shareholders and its valued Customers.

By order of the Board

**Dr. Nand Kishore Garg**  
**Chairman & Managing Director**

Place New Delhi

Date 30th June, 2009

## ANNEXURE 'A' TO DIRECTOR'S REPORT

Information as per section 217 (1) (e) read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended 31st March, 2009:

### 1. CONSERVATION OF ENERGY

- The Company shall continue its endeavor to improve energy conservation and utilization.
- Total energy consumption and production as per Form – A of the annexure to the Rules:

Form for disclosure of particulars with regard to conservation of energy:

#### Power & Fuel Consumption

Particulars	2008-2009 (Rs. In lacs)	2007-2008 (Rs. In lacs)
Electricity Purchased	31.59	27.48
Through own generation	1.06	4.67

#### Consumption per unit of production

Product	Electricity (Units – KWH)		Own Generation (Units)	
	2008-2009	2007-2008	2008-2009	2007-2008
Calcite powder & other materials (per M.T.)	0.008	0.017	0.008	0.004
EVA Footwears (per pair)	----	1.04	----	----
EVA Compound (per M.T.)	----	0.48	----	----

### 1. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form B of the Annexure to the Rules:

#### RESEARCH & DEVELOPMENT (R & D)

##### (a) Specific Areas in which R & D carried out by the Company:

During the year under review, no R & D was carried out.

##### b) Benefits derived as a result of above R & D: Not applicable.

##### (c) Future Plan of action:

The Company expects that in the coming time it will set up PET recycling plant in the land acquired in Rajasthan. Moreover, commercial production of PVC Heat Stabilizers shall be soon commenced in the newly set up plant in the state of Jammu & Kashmir.

#### TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

Major initiatives are being taken to upgrade the various processes by making use of latest and better techniques. Efforts are being made to make best use of available infrastructure and at the same time importing new technology to bring out efficiency and economy in the area. As a step towards it the Company has imported machinery for its newly set up plant at Samba (Jammu & Kashmir) for commencing production



of PVC Heat Stabilizers.

**2. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review expenses were incurred on import of technology and further expenses were incurred on foreign traveling of Directors and other executives of the Company.

Earnings :NIL

Outgo : 599.59

## CORPORATE GOVERNANCE REPORT

### 1. PHILOSOPHY ON CORPORATE GOVERNANCE

The initial analysis of the Corporate Governance focuses on the duty of Board of Directors, its executives and the shareholders

Our corporate governance policy is based on the following principles:

- To achieve the leadership position in our field
- To adhere to conservative financial management policy
- Transparency and high degree of disclosure levels
- Compliances with all the laws under which the Company falls
- Having simple and transparent corporate structure driven solely by business needs
- Management is the trustee of shareholders

### 2. BOARD OF DIRECTORS

The Company's policy is to maintain an optimum combination of Executive and Non-Executive Directors. The Board consists of eight Directors of which five are independent directors. Composition and the category of the Directors are as follows:

S.No.	Name of Director	Designation	Position
1	Nand Kishore Garg	Chairman & Managing Director	Promoter-Executive
2	Brij Behari Tandon	Director	Independent-Non Executive
3	Pradip Kumar Banerji	Director	Independent-Non Executive
4	Purshottam Dass Bhoot	Director	Independent-Non Executive
5	Sumer Chand Tayal	Director	Independent-Non Executive
6	Mukesh Aggarwal	Director	Independent-Non Executive
7	Vikas Garg	Director	Promoter-Executive
8	Vivek Garg	Director	Promoter-Executive

## DIRECTOR'S PROFILE

Brief resume of all the Directors, nature of their expertise in specific functional areas and the names of the companies in which they hold directorships are provided below:



- (i) Shri. Nand Kishore Garg aged 61 years is M.Sc, LLB, Phd. He holds the position of Chairman and Managing Director of the Company and takes care of the complete plant operation, production planning and its execution. He is providing strategic direction to the company. He is having experience of more than 15 years in the field of trading of Chemical and PVC components.

He is also very active in field of education and is Independent Director in Bharat Praskashan (Delhi) Limited and Vikas Promoters Limited



- (ii) Shri Brij Behari Tandon aged 68 years is M A (Economics) and LLB from the University of Delhi. He has also obtained Associate certificate from Indian Institute of Bankers in respect of subjects of co-operation and Industrial finance.

He has served as a member of IAS since 1965 to 2001. In the Government of India, he served at almost all senior level positions like Deputy Secretary, Director, Joint Secretary, Additional Secretary and Secretary. He also acted as Additional Secretary, Department of Company Affairs and also a member of the Securities and Exchange Board of India (SEBI). He has also been the Chief Election Commissioner of India. He has considerable management experience in the fields of Economics, Company Law, Co-operation and Industrial finance.

At present Shri Brij Behari Tandon is on the Board of Adani Power Ltd, Birla Corporation Ltd, Dhampur Sugar Mills Ltd, Jaiprakash Power Ventures Ltd, Canara Bank, Ambuja Cement Foundation etc. He has recently been appointed on the advisory Board of Price Water House Coopers Limited, India



- (iii) Shri Pradip Kumar Banerji aged 67 years has held important positions with the Government of India. He also acted as Secretary to Government of India (Insurance and External Finance). He has vast experience of handling multilateral agencies like World Bank, Asian Development Bank, IFC, European Union, ICAO etc. Shri Pradip Kumar Banerji has also been awarded Padma Shri in 1972 for his outstanding public service. Also he has been awarded medal of honour by the Soviet Chamber of Commerce and Industry in 1984.

He has considerable experience in the field of Finance, Industry, Foreign Trade, Foreign Investment and bilateral and multilateral negotiations.



- (iv) Shri. Purshottam Dass Bhoot aged 80 years is a Law Graduate and Company Secretary. He has a vast experience in handling legal and secretarial assignments during his association with Bazaloni Groups Ltd. He is also on the board of Jindal India Limited. He is providing a valuable support to the operations of the company since 1994.



- (v) Shri Sumer Chand Tayal aged 65 years is Civil Engineer. He during his association with Delhi Development Authority and has gained rich experience in Materials Management for executing various construction /Development Projects. He is on the Board of the Company since 2006 and is advising the Company on various projects under real estate segment. He is also on the Board of Moonlite Footcare Private Limited.



- (vi) Shri Mukesh Aggarwal aged 44 years is a fellow member of the Institute of Chartered Accountants of India and having vast knowledge of finance. He has in-depth knowledge in the financial sector and can provide valuable support to strengthen the operational management of the Company.

He also holds directorship with few consulting companies such as Acropolis Consulting Private Limited. He is also a member on the Board of Maharaja Agrasen Academy.



- (vii) Shri Vikas Garg aged 36 years is a Commerce Graduate from Delhi University. He holds the directorship in the company and has rich experience of more than 10 years in the line of plastics and chemicals. He spearheaded the Group's diversification into plastics and chemicals and has been instrumental in getting distributorship rights from various global giants. He is taking care of the finance and marketing operations of the Company.



- (viii) Shri Vivek Garg aged 34 years is a Commerce Graduate having experience of more than ten years in the industry. He is supervising the operations of the Company pertaining to real estate segment. He is also director in Vikas Realtors Pvt Ltd and Vikas Associates Pvt Ltd

### **MEETINGS OF THE BOARD**

The Board of Directors meets regularly to review strategic, operational and financial matters of the Company and has a formal schedule of matters reserved for its decision. It approves the interim and preliminary financial statements, the annual financial plan, significant contracts and capital investment along with strategic decisions like restructuring of business etc. wherever appropriate the Board delegates its authority to Committees of Directors like: Audit Committee, Shareholders Grievance Committee etc. Information is provided to the Board in advance of every meeting.

Dates of the Board Meeting are fixed in advance and agenda is circulated to the Directors at least seven days before the meeting. During the year seven meetings of the Board were held. The meetings were held on **2<sup>nd</sup> April 2008, 18<sup>th</sup> April 2008, 28<sup>th</sup> June 2008, 25<sup>th</sup> July 2008, 29<sup>th</sup> August 2008, 31<sup>st</sup> October 2008 and 31<sup>st</sup> January 2009**. The gap between any two meetings was not more than four months ensuring compliance with clause 49 of the Listing Agreement and the Companies Act, 1956. The attendance of the Directors at the Board Meeting held during the financial year ended 31<sup>st</sup> March, 2008 is given herein below:

### DETAILS OF BOARD MEETINGS

S.No.	Date of Board Meeting (During the financial year 2008-09)	Board Strength	Members present
1	2nd April 2008	4	3
2	18th April 2008	4	3
3	28th June 2008	4	3
4	25th July, 2008	4	3
5	29th August, 2008	8	7
6	31st October, 2008	8	7
7	31st January, 2009	8	7

### **3. COMMITTEES OF THE BOARD**

#### **(I) AUDIT COMMITTEE**

The Board of Directors has constituted the Audit Committee with three independent directors having expertise in financial and accounting areas. The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and statutory requirements. The Committee purpose is to oversee the accounting, auditing and reporting practices of the Company, the audit of the Company's financial statements, the appointment, independence and performance of the statutory auditors and the performance of the internal auditors.

Audit Committee of the Board has been constituted in compliance with the provisions of section 292A and the provisions of clause 49 of the Listing Agreement with the Stock Exchanges. The composition of the Audit Committee is as under:

S.No.	Name	Designation	Position in the Committee
1	Mukesh Aggarwal	Director	Chairman
2	Sumer Chand Tayal	Director	Member
3	Purshottam Dass Bhoot	Director	Member

Ms. Namrata Sharma, Company Secretary acts as the secretary to the committee.

#### **Terms of Reference**

The scope of activities of Audit Committee includes the following:

- Committee must meet at least once in every quarter or more often if warranted and invite members of management or other required persons to attend the meeting for obtaining significant information from them.

- ensure the prudence of external auditor and neutrality of internal auditor.
- Evaluation on regular basis the adequacy of internal audit function to ensure the complete coverage of audit, reduction of redundant efforts and effective utilization of audit resources.
- Review Company's accounting policies, internal accounting controls, financial and risk management policies and such other matters as the committee deems appropriate.
- Review Company's compliance with prescribed and applicable accounting standards.
- Validate related party transactions.
- Validate compliance with disclosure requirements.
- Review and validate Directors Report's financial aspects.
- Analyze with independent auditor the effectiveness and completeness of internal controls which includes the IT systems and security.
- Discussion with independent auditor and internal auditor regarding
- Any substantial findings during the year including the status of previous recommendations.
- Significant internal control weaknesses found by auditors
- Any adversity faced by the auditor's during their work including restriction on scope of activities and access to information.
- Any modification in the scope of pre-decided internal audit plan.
- Regular reporting to board of directors on significant findings and ongoing activities.
- Obtaining regular updation from management on status of risk identification and its management.
- Based on above cast a view on the systems and processes related with accounting and financials.

As required in terms of the Listing Agreement, the Audit Committee has reviewed the following information:

- Management Discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by the management.

(II) **SHAREHOLDERS GRIEVANCE COMMITTEE**

The Board has constituted Shareholders Grievance Committee. The Committee expedite the process of redressal of Shareholders complaints like non-transfer of shares, non-receipt of balance sheet, non-receipt of any dividend etc. The committee meets at such intervals as may be deemed fit keeping in view the quantum of transactions received during the period.

The Composition of the Shareholders Grievance Committee is as under:

S.No.	Name	Designation	Position in the Committee
1	Sumer Chand Tayal	Director	Chairman
2	Vivek Garg	Director	Member
3	Mukesh Aggarwal	Director	Member

The Company addresses all complaints and grievances expeditiously and replies are sent/ issues resolved usually within fifteen days, unless there is a dispute or other legal constraints.

The Shareholders Grievance Committee reviews summary of complaints received and appropriate action is taken promptly.

Ms. Namrata Sharma, Company Secretary acts as the secretary to the Committee.

#### **Terms of Reference**

The scope of activities of Shareholders Grievance Committee includes the following:

- Orchestrate efficacious system in consonance with statutory guidelines to ensure speedy disposal of requests/ grievance received from shareholders.
- Oversight over the redressal of shareholders and investor complaints e.g. transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc.
- Dwell in greater depth on the issues of investors' complaints and grievances.
- Analytical and comprehensive review of the reports submitted by Registrars & Share Transfer agents of the Company,
- Review the Company report on the functioning of said investor grievances redressal machinery.
- Follow up implementations of suggestions for improvement.
- Authorize Issue of duplicate certificates in place of original certificate.
- Approve and effect transmission of shares arising as a result of death of the sole/ any one joint shareholder.
- Regular review of statutory guidelines, quality and best in class practices of the grievance redressal system to ensure its continuing efficacy and thereby enhancing shareholders' satisfaction.
- Periodically report to Board about serious concerns, if any.

#### **MEETINGS OF THE COMMITTEE**

Meetings of the Committee are held at regular intervals considering the cases of transfer/transmissions and other investor grievances received by the Company.

### **(III) RISK MANAGEMENT COMMITTEE**

The Board has further constituted Risk Management Committee with the object to examine and supervise the management all the risk that can affect the company's objectives, business, its sustainability and reputation. The Committee will also responsible for spreading awareness about the possible risks and taking appropriate and timely steps to mitigate it. Risks include Credit risk, Market risk, Operational risk, Reputation risk and also Macro Economic risk.

The Composition of the Risk Management Committee as on date is as under:

S.No.	Name	Designation	Position in the Committee
1	Pradip Kumar Banerji	Director	Chairman
2	Mukesh Aggarwal	Director	Member
3	Vikas Garg	Director	Member

#### **Terms of Reference:**

The scope of activities of the Risk Management Committee is as under:

- Ensure that the identification and evaluation of key risks that threaten achievement of the Company's objectives is carried out, and that a register of these risks is maintained.
- Monitoring and managing the credit risk, market risk, operational risk, macro economic risk and other risk of the Company.
- Review and assess the quality, integrity and effectiveness of the risk management framework with a view to ensuring that the risk policies and strategies are efficaciously and effectively operated.
- Ensure implementation of an effective ongoing process to identify risk, measure potential impact and activate what is necessary to pro-actively manage risks, and decide the company's appetite or tolerance for risk.
- Ensure that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken periodically (at least annually) for the purpose of assessing the efficacy of risk management.
- Oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes.
- Monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts
- Report regularly to the Board and Audit committee on risk areas and measures to mitigate it.
- Contribute to raising awareness of risk across the company and to maintaining the profile of risk management.
- Address such other matters related to risk as may arise from time to time.

The Risk Management Committee of the Company has been constituted by the Board in its Board Meeting held on 29th August, 2008. T

#### **(IV) REMUNERATION COMMITTEE**

The primary purpose of this committee would be to ensure that directors and executives are fairly rewarded for their individual contribution to company's performance without any personal interest and also keeping other stakeholders' as well as company's financial and commercial health intact. Committee shall also serve as party to monitor and strengthen the objectivity and credibility of directors and executives' remuneration system and also making recommendation to the Board on remuneration package and policies applicable to directors.

The composition of the Remuneration Committee is as under:

S.No.	Name	Designation	Position in the Committee
1	Brij Behari Tandon	Director	Chairman
2	Pradip Kumar Banerji	Director	Member
3	Mukesh Agarwal	Director	Member
4	Vikas Garg	Director	Member

#### **Scope of Remuneration Committee**

- Determination of Company's policy on specific remuneration package for executive and non-executive directors including pension rights and compensation payment.
- Orchestrate the performance targets and deliverables of the positions for which the Remuneration Committee is authorised to set remuneration and correlate with the delivered performance.
- Monitor and review the compensation (including salaries and salary adjustments, incentives/benefits bonuses, stock options, deferred compensations) periodically.
- Review and approve proposed terminal payments for those who directly report to the Managing Director and Chief Executive Officer.
- Review and recommend to the Board any changes in remuneration policy required, if any.

The Remuneration Committee of the Company has been constituted by the Board in its Board Meeting held on 29th August, 2008. The members of the Committee shall meet at such intervals as may be decided from time to time.

#### **4. GENERAL BODY MEETINGS**

Details of location of last three AGM's of the Company

The last three AGM's of the Company were held at

Financial year Date	Time	Venue
Wednesday, the 27th September 2006	10:30 AM	34/1, Vikas House, East Punjabi Bagh, New Delhi – 110 026
Saturday, the 29th September, 2007	10:30 A.M.	Keshav Kunj, Village Ghevra, New Delhi
Saturday, the 6th December, 2008	11:30 A.M.	Haryana Maitri Bhawan, Pitampura, New Delhi

The following **special resolutions** were passed in the last Annual General Meeting:

- (I) APPONTMENT OF SHRI VIVEK GARG AS DIRECTOR OF THE COMPANY
- (II) APPONTMENT OF SHRI BRIJ BEHARI TANDON AS DIRECTOR OF THE COMPANY
- (III) APPONTMENT OF SHRI PRADIP KUMAR BANERJI AS DIRECTOR OF THE COMPANY
- (IV) APPONTMENT OF SHRI MUKESH AGGARWAL AS DIRECTOR OF THE COMPANY
- (V) ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY
- (VI) CHANGE OF NAME OF THE COMPANY

## 5. **DISCLOSURES**

### **Details on materially significant related party transactions**

There were no materially significant related party transactions during the year.

### **Disclosure of Accounting Standards in preparation of financial statements**

The Company has followed the Accounting Standards as prescribed by the Institute of Chartered Accountants of India in preparation of financial statements.

### **Details of non compliance by the Company, penalties, strictures, imposed on the Company by the Stock Exchange**

The Company has complied with the requirements of listing agreements of Stock Exchanges. Consequently, no penalties were imposed during the year.

## 6. **SECRETARIAL AUDIT**

A qualified practicing Company Secretary carried out the Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of shares in dematerialized form with NSDL and CDSL.

## 7. **MEANS OF COMMUNICATIONS**

### **Half Yearly & Quarterly Results**

The Company regularly intimates the Stock Exchanges regarding the Audited Financial Results as well as the Unaudited Results for every quarter of the Company. The results of the Company are published in one English and one Hindi newspaper as per the requirement of the Listing Agreement with the Stock Exchanges.

### **Annual Report**

Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto.



## **8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report forms part of the Report of Board of Directors.

## **9. GENERAL SHAREHOLDER INFORMATION**

### **Company Registration Details**

The Company is registered in the State of Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is **L65999DL1984PLC019465**.

### **Annual General Meeting**

Date : 25th August 2009

Time : 11:30 A.M.

Venue : **HARYANA MAITRI BHAWAN**, Pitampura, New Delhi - 110 034

### **Reporting Calendar**

Quarter Ending on 30 <sup>th</sup> June, 2008	:	July, 2008
Quarter Ending on 30 <sup>th</sup> September, 2008	:	October, 2008
Quarter Ending on 31 <sup>st</sup> December, 2008	:	January, 2009
Quarter & Year Ending on 31 <sup>st</sup> March, 2009	:	June, 2009

**Dates of Book Closure:** 19th August 2009 to 25th August 2009 (Both days inclusive)

### **LISTING ON STOCK EXCHANGES**

The Shares of the Company are listed on the following two Stock Exchanges

The Delhi Stock Exchange Limited.

The Stock Exchange, Mumbai

### **LISTING FEES**

Listing Fee for all the aforesaid Stock Exchanges have been paid for the financial year ended 31st March, 2010.

### **SCRIP CODE**

The Stock Exchange Mumbai 530961

There is no trading in shares at the Delhi Stock Exchange.

### **REGISTRAR AND SHARE TRANSFER AGENTS**

Details of Registrar and Share Transfer Agent:

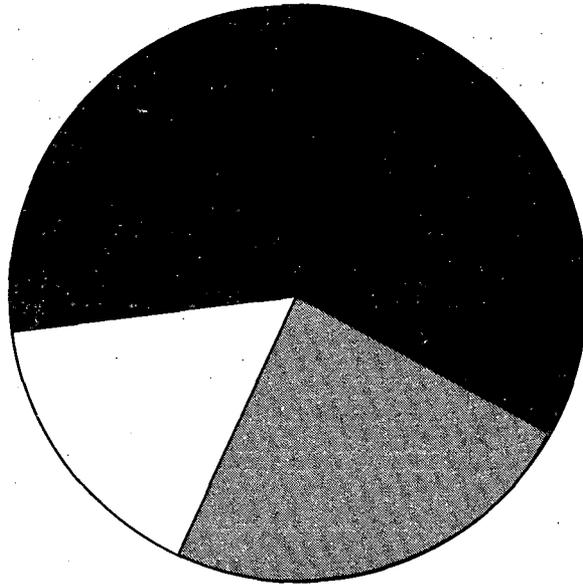
Alankit Assignments Limited  
Alankit House,  
2E/21, Jhandewalan Extension,  
New Delhi-110015

### DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH 2009

Shareholding of nominal value			Share/Debenture holders		Share/ Debenture Amount (In Rs.)	
In Rs.			Number	%age	Rs.	%age
1	to	5000	362	63.958	757210	0.964
5001	to	10000	61	10.777	511020	0.651
10001	to	20000	32	5.654	519130	0.661
20001	to	30000	18	3.18	462130	0.588
30001	to	40000	10	1.767	339980	0.433
40001	to	50000	10	1.767	468970	0.597
50001	to	100000	10	1.767	697210	0.888
100001	to	Above	63	11.131	74783720	95.218
<b>Total</b>			<b>566</b>	<b>100</b>	<b>78539370</b>	<b>100</b>

### SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2009

Category	Number of Shares	Percentage of Holding
<b>PROMOTERS</b>		
Individuals/Hindu Undivided Family	915409	11.655
Directors and Relatives	1551207	19.751
Bodies Corporate	487783	6.211
<b>PUBLIC SHAREHOLDING</b>		
Bodies Corporate	1627468	20.722
Individuals /HUF	3267570	41.604
<b>NRI's (Individual)</b>	4500	0.057
<b>TOTAL</b>	<b>7853937</b>	<b>100</b>

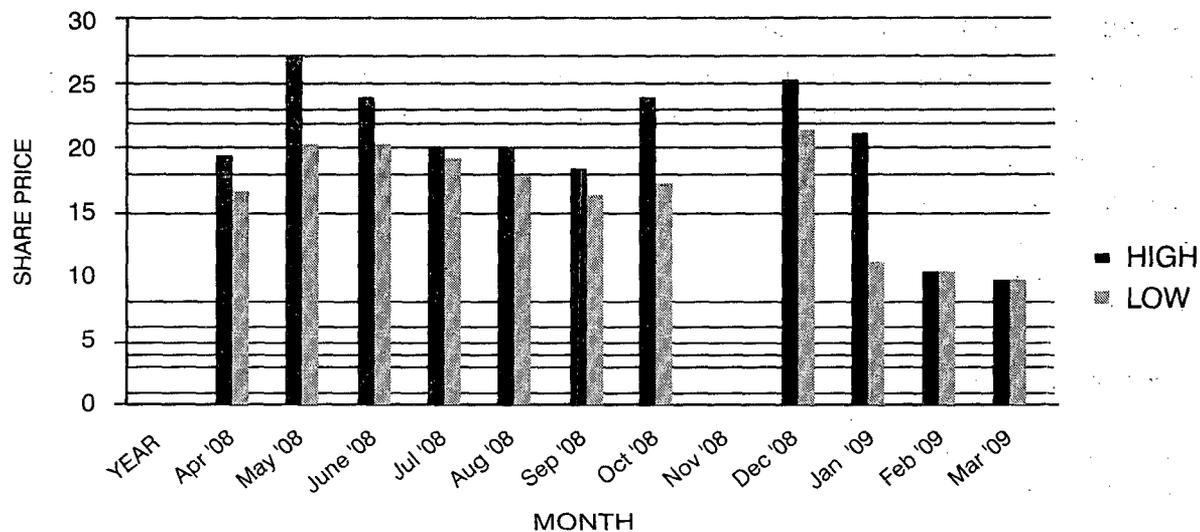


- Individuals / Hindu undivided family
- Directors and Relatives
- Bodies Corporate

### STOCK MARKET DATA

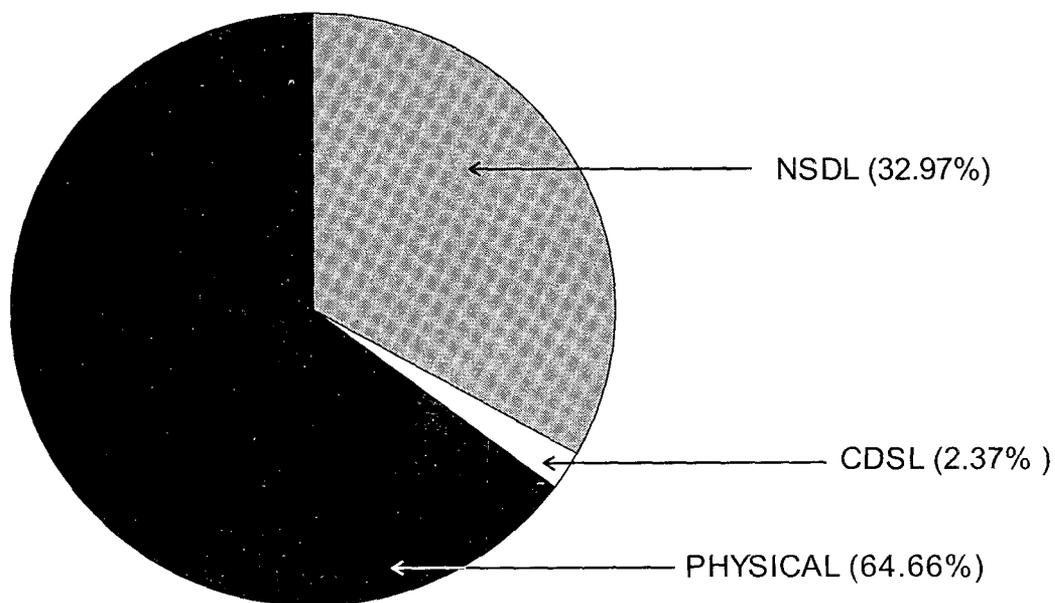
The stock market data for the year is as follows:

<u>Year</u>	<u>High (Rs.)</u>	<u>Low (Rs.)</u>
Apr-08	19.4	16.8
May-08	27.1	20.3
Jun-08	24	20.25
Jul-08	20	19.25
Aug-08	20.2	17.65
Sep-08	18.5	16.5
Oct-08	24.1	17.4
Nov-08	-----	-----
Dec-08	25.2	21.35
Jan-09	21.3	11
Feb-09	10.5	10.5
Mar-09	9.98	9.98



### DEMATERIALIZATION OF SHARES

The shares of the Company can be traded in dematerialized form and depository services are available from both CDSL and NSDL. 35.34 percent of shares have been dematerialized as on 31<sup>st</sup> March 2009.



Under the depository system the International Securities Identification Number (ISIN) of the Company is INE806A01012.



#### **ADDRESS FOR CORRESPONDENCE**

The shareholders may send their communication to the Company at the registered office or to their share transfer agents M/s Alankit Assignments Limited at the following Address:

**Company Secretary**

**Vikas Global One Limited**

34/1, Vikas House,  
East Punjabi Bagh  
New Delhi

**Alankit Assignments Limited**

Alankit House,  
2E/21, Jhandewalan Extension,  
New Delhi-110015

## **AUDITOR'S CERTIFICATE**

### **Auditor's Certificate on compliance with the conditions of Corporate Governance under clause 49 of the Listing Agreement**

To the members of

VIKAS GLOBALONE LIMITED

We have examined the compliance of conditions of Corporate Governance by Vikas Globalone Limited ("the Company") for the year ended 31st March, 2009, 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 the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the abovementioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Company.

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 R K Batra & Company**  
**Chartered Accountants**

**Tarun Batra**

**Partner**

**Membership No. 94318**

**Place:** New Delhi

**Dated:** 30th June 2009

## AUDITORS' REPORT

### **To the Members of M/s Vikas GlobalOne Limited**

1. We have audited the attached Balance Sheet of **M/s Vikas GlobalOne Limited** as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the 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 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments, we report that:-
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
  - (c) The Balance Sheet, Profit Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards, referred in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (e) On the basis of the written representations received for the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
- (ii) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
- (iii) In so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Place : Delhi

For R.K.Batra & Co.

Date : 30th June 2009

(Chartered Accountants)

TARUN BATRA

(Partner)

**ANNEXURE TO AUDITORS' REPORT**  
**Referred to in Paragraph 3 of our report of even date.**

**To the Members of M/s Vikas GlobalOne Limited**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. The fixed assets have been physically verified by the management at all location at reasonable intervals. No material discrepancies between book records and the physical inventories have been noticed on such verifications.
3. The Inventories has been physically verified at reasonable intervals by the management. In our opinion and according to information and explanation given to us, 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. On the basis of examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on such physical verification of inventory as compared to book records were not material which have been properly dealt with.
4. (a) The Company has taken unsecured loans during the year from any companies, firms and other parties covered in the Register maintained under section 301 of the Companies Act, 1956 and also repaid the same during the year under consideration.  
  
(b) The Company has granted unsecured loan to Company covered in the register maintained under section 301 of the Companies Act, 1956. The loans are repayable on demand. The Company had given loan of Rs 31.30 Lacs to M/s Vikas Promoters Private Limited (in which one of the director is common) which has been repaid during the year under consideration and also a loan of Rs. 36.23 Lacs which was given to M/s Vikas Polymers (India) ( in which one of the director is partner) last year has been adjusted against the purchases made from the said firm during the year under consideration.
5. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate in the size of the company and the nature of its business for purchase of inventory and fixed assets and on the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls. We have not observed any failure on the part of the Company to correct major weakness in internal control.
6. (a) Based on audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transaction that needs to be entered into the register maintained under section 301 of Companies Act, 1956 have been so entered.  
  
(b) According to information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at relevant time.

7. In our opinion and according to information and explanations given to us, the Company has not accepted any public deposit during the year under consideration. The Company has complied with the provisions of sections 58A and 58AA of the Company, 1956 and rules framed there under. We have been informed that no order has been passed by the Company Law Board or national Company law tribunal or Reserve Bank of India or any court or any Tribunal in this regard.
8. As per information and explanations given to us, the Central Government has not prescribed for maintenance of the cost records under Section 209(1)(d) of the Act for the products of the Company.
9. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
10. According to information and explanations given to us the Company is depositing with appropriate authorities, undisputed statutory dues including investor education fund, income tax, sales tax, wealth tax, custom duty, excise duty, Cess and other statutory dues to the extent applicable to it. Regarding Employee state Insurance and Provident Fund, the Company has started manufacturing activities during the year under consideration and has applied for ESI and PF registration before the dated of audit report. There are no undisputed demands in respects of income tax, sales tax, service tax, excise duty, cess and other statutory dues payable for a period of more then six months from the date they become payable as at 31st March'2009. Delay has been observed in deposit of the same with respective authorities during the year under consideration.
11. Based on the audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holder.
12. Based on our examination of the records and evaluations of the related internal controls, we are of the opinion that there is no such transaction and contracts relating to shares, securities and other investment dealt in by the Company in relation to which proper records are required to be maintained.
13. The Company has not given any guarantee for loans taken by others from banks or financial institutions, the terms and conditions there of are not prima facie prejudicial to the interest of the Company.
14. No term loan has been taken/availed by the Company.
15. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company we report that the Company has not utilized funds raised on short-term basis for long-term investment.
16. The Company has not made any preferential allotment of shares during the year under consideration to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
17. The Company does not have accumulated losses as at the end of financial year and has not incurred

cash losses in the current financial year and in the immediately preceding financial year.

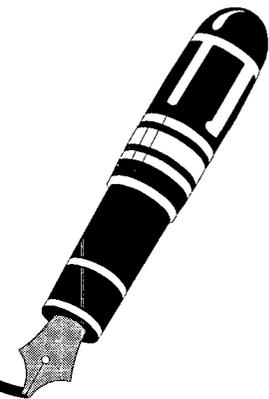
18. According to the information and explanation given to us, the Company has not granted any loans/ advances on the basis of security by way of pledge of shares, debentures and other securities.
19. Clause 4(xiii) of the Order is not applicable to the Company as the Company is not a chit fund or a nidhi / mutual benefit fund/ society.
20. On the basis of the records made available to us, the Company has no debentures outstanding during the year.
21. The Company has not raised any money through public issue during the year.
22. During the course of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India, we have neither come across any material instance of fraud on or by the Company, noticed or reported during the year nor we have been informed of such a case by the management.
23. Other clauses of the Order are not applicable to the Company.

Place: Delhi  
Dated: 30th June 2009

**For R. K. Batra & Co.**  
Chartered Accountants

Tarun Kumar Batra  
(Partner)  
Membership No 094318

Financial  
Statement



**VIKAS GLOBALONE LIMITED**

34/1, VIKAS HOUSE, EAST PUNJABI BAGH, NEW DELHI-110026

**BALANCE SHEET AS AT 31ST MARCH, 2009**

	SCHEDULE	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008
<b>SOURCES OF FUND</b>			
1. SHAREHOLDER'S FUND			
a. Share Capital	A	78,539,370.00	78,539,370.00
b. Reserves & Surplus	B	33,671,708.44	30,432,358.61
2. LOAN FUND			
a. Secured Loan	C	78,999,563.65	65,128,661.69
b. Unsecured Loan		1,734,057.00	2,031,057.00
<b>TOTAL</b>		<b>192,944,699.09</b>	<b>176,131,447.30</b>
<b>APPLICATION OF FUND</b>			
1. FIXED ASSETS	D	29,988,703.15	18,578,618.56
2. INVESTMENTS	E	7,448,409.02	3,869,693.01
3. Deffered Tax Assets			
4. Current Assets, Loans & Advances			
a. Sundry Debtors	F	99,522,727.34	123,872,583.18
b. Cash & Bank Balances	G	3,672,507.70	7,358,099.51
c. Inventories	H	91,572,160.61	67,280,703.21
d. Loans & Advances	I	31,615,510.57	34,198,257.11
		226,382,906.22	232,709,643.01
5. Less: Current Liabilities & Provisions	J	71,960,301.30	79,618,223.28
6. Net Current Assets		154,422,604.92	153,091,419.73
7. MISCELLANEOUS EXPENDITURE ( to the extent not written off )		1,084,982.00	591,716.00
<b>TOTAL</b>		<b>192,944,699.09</b>	<b>176,131,447.30</b>

AS PER REPORT OF EVEN DATE ATTACHED  
For R.K. BATRA & Co.  
Chartered Accountants

(TARUN BATRA)  
Partner

Place: New Delhi

Date : 30-06-2009

For & On Behalf of the Board of Directors

Dr Nand Kishore Garg  
Chairman & Managing Director

Namrata Sharma  
Company Secretary

Vikas Garg  
Director

S.C. Tayal  
Director

<b>VIKAS GLOBALONE LIMITED</b>			
34/1, VIKAS HOUSE, EAST PUNJABI BAGH, NEW DELHI - 110026			
<b>PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009</b>			
	<b>SCHEDULE</b>	<b>YEAR ENDED 31.03.2009</b>	<b>YEAR ENDED 31.03.2008</b>
<b>1. INCOME</b>			
Sales & Commission Income	K	445,708,450.30	353,298,969.87
Other Income	L	647,951.87	5,300,603.25
Increase / Decrease in Stock	M	(1,525,260.60)	9,883,070.21
<b>TOTAL</b>	<b>A</b>	<b>444,831,141.57</b>	<b>368,482,643.33</b>
<b>2. EXPENDITURE</b>			
Purchases	N	407,289,084.64	327,011,315.78
Administrative & Other Exp	O	11,461,558.28	14,675,236.59
Financial Expenses	P	9,836,479.73	10,201,590.05
Personal Expenses	Q	8,011,747.00	5,387,384.00
Loss on Sale of Fixed Assets / Investments			4,630,087.15
Depreciation	D	1,971,837.09	2,664,780.94
<b>TOTAL</b>	<b>B</b>	<b>438,570,706.74</b>	<b>364,570,394.51</b>
Net Profit (A - B)		6,260,434.83	3,912,248.82
Provision for Taxation		2,366,000.00	3,528,425.00
Short prov for earlier years			25,881.00
Provision for Deffered Tax Liability		498,545.00	(3,433,826.00)
Fringe Benefit Tax		156,540.00	143,325.00
Profit after Tax		3,239,349.83	3,648,443.82
Provision for Doubtful & Sub Standard Asset			(3,870,178.33)
Profit carried to Balance Sheet		<b>3,239,349.83</b>	<b>7,518,622.15</b>
AS PER REPORT OF EVEN DATE ATTACHED For R.K. BATRA & Co. Chartered Accountants		For & On Behalf of the Board of Directors	
(TARUN BATRA) Partner		Dr Nand Kishore Garg Chairman & Managing Director	Vikas Garg Director
Place: New Delhi		Namrata Sharma Company Secretary	S.C. Tayal Director
Date : 30-06-2009			

<b>VIKAS GLOBALONE LTD.</b>		
34/1, VIKASHOUSE, EAST PUNJABI BAGH, NEW DELHI - 11026		
<b>SCHEDULES A TO J ATTACHED TO &amp; FORMING PART OF BALANCE SHEET</b>		
<b>SCHEDULES</b>	<b>YEAR ENDED 31.03.2009</b>	<b>YEAR ENDED 31.03.2008</b>
<b>SCHEDULE A</b>		
<b><u>SHARE CAPITAL</u></b>		
<b>AUTHORISED</b> 1,59,50,000 Equity Shares of Rs 10/- each	159,500,000.00	159,500,000.00
<b>ISSUED &amp; SUBSCRIBED</b> 78,53,937 Equity Shares of Rs 10/- each	78,539,370.00	78,539,370.00
<b>PAID UP</b> 78,53,937 Equity Shares of Rs 10/- each	78,539,370.00	78,539,370.00
<b>Balance at the year end</b>	<b>78,539,370.00</b>	<b>78,539,370.00</b>
<b>SCHEDULE B</b>		
<b><u>RESERVES &amp; SURPLUS</u></b>		
<b>SURPLUS</b>		
Opening Balance	9,466,425.01	6,178,400.00
Add :- Reserve Fund ( Opening Balance )		5,513,000.00
Add :- Profit & Loss ( Opening Balance )		(12,181,478.57)
Add :- Net Surplus as per Scheme of Amalgamation		2,532,631.73
Add :- Additional Dep due to change in method from SLM to WDV		( 94,750.30)
Transfer from Profit & Loss Account	3,239,349.83	7,518,622.15
<b>T O T A L</b>	<b>12,705,774.84</b>	<b>9,466,425.01</b>
<b>CAPITAL RESERVE</b> ( Created as per Scheme of Amalgamation )	965,933.60	965,933.60
<b>SHARE PREMIUM</b>		
Opening Balance	20,000,000.00	
Received During the year		20,000,000.00
<b>T O T A L</b>	<b>20,000,000.00</b>	<b>20,000,000.00</b>
<b>TOTAL</b>	<b>33,671,708.44</b>	<b>30,432,358.61</b>

<b>SCHEDULE C</b>	<b>YEAR ENDED 31.03.2009</b>	<b>YEAR ENDED 31.03.2008</b>
<b><u>LOAN FUND</u></b>		
<b>Secured Loan</b>		
Auto Loan - ICICI Bank ( Secured against hypothecation of vehicle )		92,382.00
Auto Loan - ICICI Bank ( Secured against hypothecation of vehicle )		238,952.00
Auto Loan - ICICI Bank Ltd ( Secured against hypothecation of vehicle )	125,963.00	440,754.69
Auto Loan - Reliance Capital Ltd ( Secured against hypothecation of vehicle )	258,646.33	
Cash Credit Facility		
A. Karnataka Bank	54,099,394.32	55,486,838.56
B. Indian Overseas Bank		8,869,734.44
C. Oriental Bank of Commerce ( Secured against hypothecation of Land & Stock)	24,515,560.00	
<b>TOTAL</b>	<b>78,999,563.65</b>	<b>65,128,661.69</b>
<b>Unsecured Loan</b>		
From Directors		463,146.00
From Others	1,734,057.00	1,567,911.00
<b>TOTAL</b>	<b>1,734,057.00</b>	<b>2,031,057.00</b>

**SCHEDULE 'D'**

**VIKAS GLOBALONE LIMITED**  
**34/1 VIKAS HOUSE, EAST PUNJABI BAGH NEW DELHI**  
**Depreciation as per COMPANIES ACT for the year 2008-2009**

S. No.	Particulars	Balance as on 1/4/2008	Addition during the year	Sales during the year	Balance as on 31/03/2009	Rate of depreciation	Dep. as on 01/04/2008	Dep. for the period 31.03.2009	Dep. Written	Depreciation as on 31.03.2009	W.D.V As on 31.3.2009	W.D.V As on 31.3.2008
<b>"A"</b>												
1	Air Conditioner	381,410.00	48,688.00	-	430,098.00	13.91	168,169.00	38,615.33	-	206,784.33	223,313.67	213,241.00
2	Typewriter	8,921.00	-	-	8,921.00	13.91	8,590.00	46.04	-	8,636.04	284.96	331.00
3	Furniture	537,177.50	158,062.00	-	695,239.50	18.10	302,169.00	67,148.31	-	369,317.31	325,922.19	235,008.50
4	Intercom	39,700.00	-	-	39,700.00	13.91	35,501.00	584.08	-	36,085.08	3,614.92	4,199.00
5	Cars	750,728.00	616,715.00	-	1,367,443.00	25.89	713,209.00	165,444.18	-	878,653.18	488,789.82	37,519.00
6	Scooter	68,938.95	-	-	68,938.95	25.89	67,046.95	489.84	-	67,536.79	1,402.16	1,892.00
7	Vault	15,000.00	-	-	15,000.00	13.91	13,824.00	163.58	-	13,987.58	1,012.42	1,176.00
8	Generator	1,957,380.00	-	-	1,957,380.00	13.91	431,647.00	212,229.46	-	643,876.46	1,313,503.54	1,525,733.00
9	Computer	919,729.00	345,012.54	-	1,264,741.54	40.00	636,928.00	229,791.80	-	866,719.80	398,021.74	282,801.00
10	Fax	38,300.00	-	-	38,300.00	13.91	29,471.00	1,228.12	-	30,699.12	7,600.88	8,829.00
11	Television	24,500.00	-	-	24,500.00	13.91	16,205.00	1,153.84	-	17,358.84	7,141.16	8,295.00
12	Cooler	25,744.00	-	-	25,744.00	13.91	20,788.00	689.38	-	21,477.38	4,266.62	4,956.00
13	Cycle	4,186.00	-	-	4,186.00	25.89	3,977.00	54.11	-	4,031.11	154.89	209.00
14	Water Filter	60,950.00	-	-	60,950.00	18.10	50,845.00	1,829.01	-	52,674.01	8,275.99	10,105.00
15	Office Equipments	215,769.00	888,539.00	-	1,104,308.00	18.10	68,910.00	115,503.01	-	184,413.01	919,894.99	146,859.00
16	Pager	3,200.00	-	-	3,200.00	13.91	2,368.00	115.73	-	2,483.73	716.27	832.00
17	Photocopier.	31,000.00	-	-	31,000.00	13.91	20,135.00	1,511.32	-	21,646.32	9,353.68	10,865.00
18	Inverter	30,500.00	-	-	30,500.00	13.91	16,076.00	2,006.38	-	18,082.38	12,417.62	14,424.00
19	Electric fitting & Installation	6,500.00	-	-	6,500.00	13.91	3,344.00	439.00	-	3,783.00	2,717.00	3,156.00
20	Fire Fighting Equipment	33,325.00	-	-	33,325.00	13.91	13,770.00	2,720.10	-	16,490.10	16,834.90	19,555.00
21	Weighing Scales	93,500.00	15,500.00	-	109,000.00	13.91	7,161.00	13,958.49	-	21,119.49	87,880.51	86,339.00
22	Vehicle	2,636,221.00	-	-	2,636,221.00	25.89	1,158,114.00	382,681.90	-	1,540,795.90	1,095,425.10	1,478,107.00
23	Plant & Machinery	9,973,821.31	2,957,576.40	5,403,190.00	7,528,207.71	13.91	3,222,516.00	555,619.32	2,348,137.00	1,429,998.32	6,098,209.39	6,751,305.31
<b>Total "A"</b>		<b>17,856,500.76</b>	<b>5,030,092.94</b>	<b>5,403,190.00</b>	<b>17,483,403.70</b>		<b>7,010,763.95</b>	<b>1,794,022.33</b>	<b>2,348,137.00</b>	<b>6,456,649.28</b>	<b>11,026,754.42</b>	<b>10,845,736.81</b>
<b>"B"</b>												
<b>Land and Building</b>												
1	Land and Building- Jammu Plant	2,500,000.00	11,351,881.74	-	13,851,881.74	-	-	-	-	-	13,851,881.74	2,500,000.00
2	Land	1,699,340.00	-	-	1,699,340.00	-	-	-	-	-	1,699,340.00	1,699,340.00
3	Building	3,643,812.75	55,000.00	-	3,698,812.75	5.00	110,271.00	177,814.76	-	288,085.76	3,410,726.99	3,533,541.75
4	Building WIP	-	-	-	-	-	-	-	-	-	-	-
5	Plant & Machinery WIP	-	-	-	-	-	-	-	-	-	-	-
<b>Total "B"</b>		<b>7,843,152.75</b>	<b>11,406,881.74</b>	<b>-</b>	<b>19,250,034.49</b>		<b>110,271.00</b>	<b>177,814.76</b>	<b>-</b>	<b>288,085.76</b>	<b>18,961,948.73</b>	<b>7,732,881.75</b>
<b>Total Assets ( "A" to "B" )</b>		<b>25,699,653.51</b>	<b>16,436,974.68</b>	<b>5,403,190.00</b>	<b>36,733,438.19</b>		<b>7,121,034.95</b>	<b>1,971,837.09</b>	<b>2,348,137.00</b>	<b>6,744,735.04</b>	<b>29,988,703.15</b>	<b>18,578,618.56</b>
<b>Previous Year Figures</b>		<b>63,531,881.57</b>	<b>15,415,274.76</b>	<b>53,247,502.82</b>	<b>25,699,653.51</b>		<b>38,078,250.80</b>	<b>2,664,780.94</b>	<b>33,621,996.79</b>	<b>7,121,034.95</b>	<b>18,578,618.56</b>	<b>25,453,630.77</b>

<b>SCHEDULE E</b>	<b>YEAR ENDED 31.03.2009</b>	<b>YEAR ENDED 31.03.2008</b>
<b>INVESTMENTS</b>		
Unquoted at cost		
Moonlite Technochem Private Limited	250,000.00	250,000.00
Investments Others	50,000.00	50,000.00
Investments in Bonds	100,000.00	100,000.00
Investments in Shares / Debentures	434,693.01	434,693.01
Investment- Share of Reliance Power Ltd( 16000 Shares)	3,578,716.01	
Investment - Vikas Promoters Pvt Ltd.	3,035,000.00	3,035,000.00
<b>TOTAL</b>	<b>7,448,409.02</b>	<b>3,869,693.01</b>
<b>SCHEDULE F</b>	<b>YEAR ENDED 31.03.2009</b>	<b>YEAR ENDED 31.03.2008</b>
<b>SUNDRY DEBTORS</b> ( Unsecured & Unconfirmed )		
a. Debts outstanding for a period exceding six months	7,381,971.28	10,890,494.80
Considered Good		
Considered Doubtful & Provided for		
Considered Doubtful & not Provided for		
b. Other Debts ( Unsecured, considered good )	92,140,756.06	112,982,088.38
Due from Directors - Nil		
Previous Period - Rs Nil		
Max. amount due from Directors at any time during the year - Nil		
Previous Period - Rs Nil		
<b>TOTAL</b>	<b>99,522,727.34</b>	<b>123,872,583.18</b>

<b>SCHEDULE G</b>	<b>YEAR ENDED 31.03.2009</b>	<b>YEAR ENDED 31.03.2008</b>
<b><u>CASH &amp; BANK BALANCES</u></b>		
a. Cash in hand	1,853,408.27	1,421,649.43
b. Balance with Scheduled Bank in Current A/c		
ICICI Bank Ltd ( 5704)	2,250.06	70,070.51
ICICI Bank Ltd ( VUPL)	3,806.96	0.00
Andhra Bank		32,913.75
South Indian Bank Ltd	14,745.00	14,745.00
State Bank of India	0.00	8,158.00
Indian Overseas Bank (CC A/c)	1.56	
State Bank of Bikaner & Jaipur	82,401.00	22,106.00
Centurion Bank	5,814.35	(178,219.16)
Karnataka Bank CA-867	152,922.00	5,964,615.98
Karnataka Bank CA-884	1,106,520.00	
Karnataka Bank Ltd( CA-939)	37,387.50	
Union Bank of Indi(36660)	2,316.00	
Indian Overseas Bank CC-3523	410,935.00	2,060.00
<b>TOTAL</b>	<b>3,672,507.70</b>	<b>7,358,099.51</b>
<b>SCHEDULE H</b>		
	<b>YEAR ENDED 31.03.2009</b>	<b>YEAR ENDED 31.03.2008</b>
<b>INVENTORIES</b>		
( Taken at cost value, & as certified by management )		
a. Chemicals	27,169,883.91	30,103,873.21
b. Inventory - Construction	5,832,865.70	4,424,137.00
c. Control Account Real Estate ( Inventory )	58,569,411.00	32,752,693.00
<b>TOTAL</b>	<b>91,572,160.61</b>	<b>67,280,703.21</b>

<b>SCHEDULE I</b>	<b>YEAR ENDED 31.03.2009</b>	<b>YEAR ENDED 31.03.2008</b>
<b>LOANS &amp; ADVANCES</b> ( Unsecured considered good unless otherwise stated )		
a. Advances recovered in cash or kind for value to be received ( considered good ) Due from Directors - Nil Previous Period - Nil Max. amount due from Directors at any time during the year - Nil Previous Period - Rs Nil	5,488,202.54	29,447,551.41
b. Security Deposit	542,844.00	803,294.00
c. Other Current Assets	19,645,883.77	
d. TDS & Advance Tax for the year	1,615,827.00	3,557,014.36
e. Good in Transit	1,101,188.80	
f. UP Excise FDR	26,402.00	
g. Advance to Suppliers	3,036,289.46	390,397.34
h. FDR - PNB , Jammu & Kashmir	5,000.00	
i. Excise Duty ( Transferable)	23,916.00	
j. Service Tax Input	41,157.00	
k. VAT Recoverable - Delhi	88,800.00	
<b>TOTAL</b>	<b>31,615,510.57</b>	<b>34,198,257.11</b>
<b>SCHEDULE J</b>	<b>YEAR ENDED 31.03.2009</b>	<b>YEAR ENDED 31.03.2008</b>
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
Current Liabilities		
a. Sundry Creditors for goods	38,049,818.19	69,318,587.19
b. Sundry Creditors for Expenses	8,886,106.26	655,755.41
c. Advance from Customers	12,548,233.29	3,287,487.00
d. Related Party's Creditors	8,485,051.56	
e. Lease Security Deposits		1,860,718.28
f. Payable in respect of Share Capital		8,896.40
g. OBC, Jammu & Kashmir ( Subject to Reco.)	376,228.00	
Provisions		
a. Income Tax	2,366,000.00	3,730,000.00
b. Fringe Benefit Tax	156,540.00	163,000.00
c. Accumulated Provision	534,693.00	534,693.00
e. Deferred Tax Liability	557,631.00	59,086.00
<b>TOTAL</b>	<b>71,960,301.30</b>	<b>79,618,223.28</b>

<b>VIKAS GLOBALONE LIMITED</b>		
34/1, VIKAS HOUSE, EAST PUNJABI BAGH, NEW DELHI 110026.		
<b>SCHEDULES K TO Q ATTACHED TO &amp; FORMING PART OF PROFIT &amp; LOSS ACCOUNT</b>		
<b>SCHEDULES</b>	<b>YEAR ENDED 31.03.2009</b>	<b>YEAR ENDED 31.03.2008</b>
<b>SCHEDULE K</b>		
<b><u>SALES &amp; COMMISSION INCOME</u></b>		
Sales	422,211,486.20	321,423,664.50
Sales Construction	8,849,309.00	8,371,800.00
Commission Income	12,307,872.00	10,454,340.06
Commodity Sales		10,355,964.30
Discount & Incentives	1,540,782.50	
Consignment Sales / Profit on Consignment		263,729.00
Income from of Letting out Rights		2,355,900.00
Profit on Acquisition of Land		
Profit on DEPB	729,207.83	
Service Charges- Lupin	69,793.00	
Income on reversal of Provisions		73,572.01
Round Off	(0.23)	
Scrap Sale		
<b>Balance at the year end</b>	<b>445,708,450.30</b>	<b>353,298,969.87</b>
<b>SCHEDULE L</b>		
<b><u>OTHER INCOME</u></b>		
Interest Income	338,866.54	2,200,495.00
Dividend Income	1,266.63	
Other Income	16,570.00	827,044.94
Profit on transfer of Leased Assets/ Fixed Assets	42,947.00	1,884,553.76
Miscellaneous Income		30,290.75
Rental Income	193,200.00	193,200.00
Profit on transfer of Flat	50,000.00	150,000.00
Short & Excess	5,101.70	15,018.80
<b>TOTAL</b>	<b>647,951.87</b>	<b>5,300,603.25</b>

	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008
<b>SCHEDULE M</b>		
<b><u>INCREASE / DECREASE IN STOCK</u></b>		
Closing Stock		
Chemicals	33,002,749.61	34,528,010.21
TOTAL A	33,002,749.61	34,528,010.21
Less :- Opening Stock	34,528,010.21	24,644,940.00
Chemicals	34,528,010.21	24,644,940.00
TOTAL B		
TOTAL (A - B)	(1,525,260.60)	9,883,070.21
<b>SCHEDULE N</b>		
<b><u>PURCHASES &amp; OTHERS</u></b>		
Purchases	379,285,954.86	294,165,088.96
Discount	51,942.40	874,917.10
Custom Duty	12,278,988.55	17,290,588.37
Demurage & Detention	438,578.86	442,711.92
Inland Haulage Charges	2,199,693.54	2,934,231.63
Freight & Cartage Outward / Inward	7,198,967.00	3,918,556.00
Electricity & Water	2,813,335.00	2,748,293.00
Generator	106,336.00	466,938.00
Exchange Rate Fuctuation	480,485.35	(2,739,922.07)
Clearing & Forwarding	1,058,305.08	1,444,499.87
Labour, Loading , Unloading, Packaging & Sampling Charges	1,376,498.00	1,852,772.00
Exp on Display of Advertisement		1,265,301.00
Direct Exp Construction		2,347,340.00
TOTAL	407,289,084.64	327,011,315.78

<b>SCHEDULE O</b>	<b>YEAR ENDED 31.03.2009</b>	<b>YEAR ENDED 31.03.2008</b>
<b><u>ADMINISTRATIVE &amp; OFFICE EXPENSES</u></b>		
Add Income Tax	51,436.00	
Advertising Expenses	219,690.00	33,875.00
Audit Fees	100,000.00	48,714.00
Bad Debt written off		3,943,750.34
Board Meeting Expenses	179,000.00	
Business Promotion	316,344.40	252,073.69
Commission Paid	485,260.00	4,184,548.00
Conveyance	139,522.00	53,006.00
Demat Expenses	14,706.00	
Diwali Expenses	3,840.00	163,100.50
Donation	1,621,500.00	420,100.00
Electricity Expenses Offices	345,600.00	
Equity Listing Expenses	97,876.00	
Exhibition Expenses	449,554.03	
FBT Tax 06-07		20,566.00
Filing / Inspection Fees	104,058.00	48,639.00
General Expenses	63,795.07	
Insurance Charges	372,033.00	428,877.00
Legal & Professional Charges	1,807,449.00	1,100,789.00
Medical Expenses	3,845.00	
Membership Fees		41,000.00
Merger & Amalgamation Expenses Written Off	123,876.00	
Miscellaneous expenses	28,803.00	160,522.00
Miscellaneous expenses Written Off	149,269.00	8,890.00
Newspaper & Periodicals	11,941.00	12,355.00
Pollution Control Board Fees		33,000.00
Postage & Telegram	17,910.00	10,680.00
Printing & Stationary	292,817.00	203,126.80
Prior Period Items	120,328.00	
Property Tax	4,600.00	
Rent Expenses	381,000.00	444,000.00
Repair & Maintenance	1,291,034.00	679,662.00
Sales & Service Tax Expenses	212,040.12	12,291.07
Sales, Publicity & Subscription	118,000.00	24,782.00
Staff Training Expenses	22,705.00	
Security Service / Labour & Contingency	263,080.00	487,824.00
Security Transaction Tax		256.18
Short Prov Income Tax	30,991.10	49,139.00
Testing and Sampling expenses	19,409.00	
Telephone Expenses	771,380.10	563,716.61
Travelling Expenses	962,271.46	993,384.77
VAT Penalty	50,113.00	
Vehicle Running & Maintenance	214,482.00	252,568.63
<b>TOTAL</b>	<b>11,461,558.28</b>	<b>14,675,236.59</b>

<b>SCHEDULE P</b>	<b>YEAR ENDED 31.03.2009</b>	<b>YEAR ENDED 31.03.2008</b>
<b><u>FINANCIAL EXPENSES</u></b>		
Bank Interest	8,566,852.00	8,251,516.71
Bank Charges	547,710.09	910,344.50
LC Opening Charges	624,336.00	940,460.60
Interest Paid - other	31,565.00	3,934.00
Interest Paid - car loan	66,016.64	95,334.24
<b>TOTAL</b>	<b>9,836,479.73</b>	<b>10,201,590.05</b>
<b>SCHEDULE Q</b>	<b>YEAR ENDED 31.03.2009</b>	<b>YEAR ENDED 31.03.2008</b>
<b><u>PERSONNEL EXPENSES</u></b>		
Directors Remuneration	360,000.00	606,000.00
Salary & Wages	7,277,372.00	4,232,840.00
Staff Welfare	374,375.00	548,544.00
<b>TOTAL</b>	<b>8,011,747.00</b>	<b>5,387,384.00</b>



## VIKAS GLOBAL ONE LIMITED

SCHEDULE – R?

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2009.

#### A. SIGNIFICANT ACCOUNTING POLICIES :

##### 1.0 GENERAL:

The financial statements have been prepared as of a going concern on historical cost convention and on accrual method of accounts, in accordance with the generally accepted accounting principles and applicable Accounting Standards in India and as per the provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

##### 2.0 FIXED ASSETS:

2.1 Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties & taxes and incidental expenses related to acquisition.

2.2 Assets are capitalized after they are certified to be complete and put to use.

##### 3.0 DEPRECIATION:

3.1 Depreciation on all the Fixed Assets is charged on written down value method on pro-rata basis at the rates specified in schedule XIV of the Companies Act, 1956.

##### 4.0 INVENTORIES:

4.1 Packing material, stores and spare parts are valued at moving weighted average cost or net realizable value whichever is lower.

4.2 Finished products are valued at lower of the cost of production or sale price. Closing balance of finished stock are accounted for on the basis of physically verified quantities.

4.3 Inventory on construction activities has been valued at cost incurred.

##### 5.0 SHORTAGE/EXCESS:

Shortages/Excesses of Packing materials, stores & spares and finished stock arising from physical verification are charged/adjusted to consumption/ production.

##### 6.0 SALES:

Sales are accounted for on the basis of dispatches.

##### 7.0 INVESTMENT:

Long term Investments are stated at cost. Provision for diminution is being made to recognize a decline in the value of investment.

##### 8.0 RETIREMENT BENEFITS:

No employee of the company has been into employment of the company for more than 5 years. Therefore no provision is accrued for gratuity and leave encashment.

**9.0 DEFERRED REVENUE EXPENDITURE:**

These are amortized and charged to expenses over a period of five years

**10.0 DEFERRED TAXATION:**

Deferred tax is recognized subject to consideration of prudence, on time differences, being the difference between taxable income and accounting income that originate in one year and capable of reversal in one or more subsequent years.

**11.0 PROVISIONS, CONTINGENT LIABILITY AND ASSETS :**

Provisions are recognized when the company has a present obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

**12.0 TRANSACTION OF FOREIGN CURRENCY ITEMS**

Transaction denominated in foreign currencies are recorded at exchange rate prevailing at the time of transactions. Monetary items denominated in foreign currencies at the year end translated at the exchange rates prevailing on the balance sheet date. Exchange difference arising on settlement of monetary items at rates different from those at which they were initially recorded are recognized as income or as expenses in the year in which they arise.

## **B. NOTES ON THE ACCOUNTS - 2008 -2009**

### **1.0 DOCUMENTATION**

Pursuant to the scheme of amalgamation of Hulchul International Private Limited, Vikas Utilities Private Limited and South Delhi Projects Private Limited with the Company, approved by Hon'ble Delhi High Court on 17th October'2008, the entire undertaking including all assets and liabilities of the aforesaid three companies were transferred to and vested in the company with effect from 1st April'2007. The scheme has accordingly given effect to in the accounts. As the order of amalgamation was passed during the year under consideration, till the time all the parties and the bankers were informed of the amalgamation documentation continued in the name of earlier named companies.

### **2.0 Accounting for Construction Contracts**

1. The Company follows completed contract method of accounting in respect of its construction activity. Under this method, the profit of units sold is recognized only when the work in respect of the relevant units is completed or substantially completed which is determined on technical estimates & the possession of the area sold is handed over.
2. Unsold portion / portion under construction is shown at cost under the head stock in trade Construction Activity.
3. Amount received against sale of Commercial Units the construction work of which is in progress and not substantially completed are accounted for under the head Current Liabilities as and when Received

#### **Disclosure in respect of Construction project as per AS-7 issued by the Institute of Chartered Accountants of India**

- i) Unsold Stock of Real Estate Projects is Rs. 58,32,865.70
- ii) Project Payment received during the year and advances on account of contracts are
 

Project Payment received	Rs. Nil
Advances Received	Rs. 13.68 Lacs

### **3.0 CONTINGENT LIABILITIES NOT PROVIDED FOR: (Rs./Lakh)**

	2008-2009	2007-08
Contingent Liability not provided for	Nil	Nil

### **4.0 INVESTMENT**

Investments has been valued at Cost. Provision for diminution in value of investment has been Rs 5,34,693/- which has been made to the extent of the investments in Quoted and Unquoted Shares. During the year under consideration Company has purchased 16000 Shares of Reliance Power at the cost of Rs 35.79 Lacs as Long Term Investment. Market Value of the same as on 31st March'2009 is Rs 16.40 Lacs

Provision for Depreciation on Investment

Opening Balance(01.04.2008)	Rs. 5,34,693/=
Add : Provision made during the Year	Nil
Less : Written Off, Write Back of Excess	Nil
Closing Balance	Rs. 5,34,693/=

## 5.0 DEFERRED TAX

Deferred Tax assets has been provided for in accordance with Accounting Standard 22-Accounting for taxes on income issued by The Institute of Chartered Accountants of India. The accumulated net deferred Liability after amalgamation up to 31.03.2009 amounting to Rs. 5,57,631/=. The same has been worked out after the amalgamation of all the companies.

## 6.0 RELATED PARTY DISCLOSURE

Disclosure of Related Party as per AS-18 issued by the Institute of Chartered Accountants of India.

Name of the Party	Relationship between parties	Description	Amount
1. Vikas Promoters Private Limited	One of the Director is Common	Loan given & repaid	Rs.31.30 Lacs
		Share Investment	Rs.30.15 Lacs
2. Vikas Polymers India	One of the Director is Partner in Firm	Loan Given & Adjusted	Rs.36.23 Lacs
		Purchase	Rs. 214.95 Lacs
		Sales	Rs. 69.14 Lacs
3. Sigma Plastic Ind.	Directors are Partner In the Firm	Purchase	Rs 536.42 Lacs
		Sales	Rs 417.65 Lacs
		Discount Recd	Rs 10.15 Lacs
4. Vikas Garg	Director of the Company	Loan Taken And refunded	Rs 10.35 Lacs
5. Vivek Garg	Director of the Company	Loan Taken and refunded	Rs. 20.00 Lacs

## 7.0 INVENTORY

Inventory as at the close of the year of Chemicals and Compounds amounted to Rs. 271.70 Lacs which has been valued cost or market value which ever is Lower and at First in First Out Cost Method. The Inventory of Construction Project of Rs, 58.33 Lacs has been valued at Cost.

## 8.0 DEBTORS & CREDITORS

Balances appearing as Debtors & Creditors are subject to confirmation.

## 9.0 CURRENT ASSETS

In the opinion of the management, current assets, loans & advances have the value on realization in the ordinary course of business equal to the amount at which they are stated and all known liabilities have been adequately provided for. Adequate provision for loss on surplus/obsolete/non-moving items of stores/spares has been made based on Managements assessment.

## 10.0 PROVISION FOR INCOME TAX AND FRINGE BENEFIT TAX

Provision for income Tax of Rs. 23.66 Lacs and Provision for FBT of Rs. 1.57 Lacs has been made in the accounts for the year ending 31<sup>st</sup> March'2009, which has been worked out on the basis of taxable income as per the income Tax Act'1961 after amalgamation of the companies.

**11.0 The quantitative information as required vide Para II of Schedule VI of the Companies Act 1956 is as under:-**

**(A) LICENCED CAPACITY, INSTALLED CAPACITY & ACTUAL PRODUCTION**

Finished Product (Unit)	Licensed Capacity.	Installed Capacity Certified by the Management and not verified by the Auditors	Production In M.T.	Production In M.T.
			2008-2009	2007-2008
Calcite Powder	N. A.	14000 M.T.	3605.77	1708.40

**(B) VALUE OF IMPORTS ON CIF BASIS**

	Rs.Lakh	
	<u>2008-09</u>	<u>2007-08</u>
1. Capital Goods	78.46	1.04
2. Components & Spare Parts (Manufacturing)	NIL	NIL
3. Components & Spare Parts ( Trading)	591.41	698.52

**(C) PARTICULARS OF MATERIALS CONSUMED**

(Figures in brackets are for the Previous Year)

Particulars	IMPORTED		INDIGENOUS		Value of total Consumption (Rs.lakh)
	Value (Rs.Lakh)	% of total Consumption	Value (Rs.Lakh)	% of total Consumption	
Raw Material	Nil	Nil	65.88	100%	65.88
Packing Material	Nil	Nil	14.60	100%	14.60
Stores & Spares (Including Trading Consumption)	591.41	15.68 %	3181.02	84.32 %	3772.43

**(D) EXPENDITURE IN FOREIGN CURRENCY**

	Rs.Lakh	
	<u>2008-09</u>	<u>2007-08</u>
1. Design, Engineering, Procurement, Licence & Know-how	NIL	NIL
2. Others(Purchase and Foreign Travelling)	599.59	704.21

**(E) EARNINGS IN FOREIGN CURRENCY**

NIL NIL

**(F) QUANTITATIVE DETAILS OF STOCK( In Rs.)**

**RAW MATERIAL**

PARTICULAR	OPENING	PURCHASE	CONSUMPTION	CLOSING	CLOSING Value( In Lacs)
	KG.	KG.	KG.	KG.	
Marble Rubbles	1059895	7210450.50	7444325	826020.50	6.82

### FINISHED GOODS

PARTICULAR	KG.	KG.	KG.	KG.	CLOSING Value( In Lacs)
Chemical & Compound	124180	3663475	3110924	260140	4.562

### TRADING

PARTICULAR	OPENING KG.	PURCHASE KG.	SALE KG.	CLOSING KG.	CLOSING Value( In Lacs)
Chemical & Compound	827167	6663127	6070365.5	675175	258.75

## 12.0 REMUNERATION

	2008-09	2007-08
<b>A. Directors' Remuneration</b>		
1. Salary	3.60 Lacs	3.60 Lacs
2. PF.Contribution	Nil	Nil
3. Leave Salary	Nil	Nil
4. Medical Expenses	Nil	Nil
5. Others	Nil	Nil
<b>TOTAL</b>		
<b>B. Auditors' Remuneration</b>		
1. Audit Fees	1.00	0.48
<b>TOTAL</b>		

## 13.0 SEGMENTAL REPORTING

The segmental reporting of the company has been prepared in accordance with accounting standard (AS-17), Accounting for Segment reporting issued by The Institute of Chartered Accountants of India.

Segment reporting Policies:-

- a) Identification of Segments :- Primary – Business Segment

Before Amalgamation the Company was a single segment company. After amalgamation of three transferor companies, the Company has identified three reportable segments viz. display of advertisement, which the Company was already doing, manufacturing and trading of chemicals, Compounds and PVC and construction related activities on the basis of service, the risk return profile of individual business and internal business reporting systems.

## Secondary – Geographical Segments

The Company operates entirely in India and hence no geographical segment has been made.

- a) Revenue and expenses have been identified to the segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as allocable expenses.
- b) Segment assets and liabilities represents assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as unallocated assets and liabilities

### SEGMENT REPORTING ( In Rs. Lacs)

Particular	Trading Distribution & Services	Manufacturing	Construction	Total
Gross Revenue (A)	4107.09	241.24	88.49	4436.82
Opening Stock	261.93	39.11	44.24	345.28
Add :- Purchases	3605.4	97.31	69.72	3772.43
Add :- Direct Expenses	196.63	77.69	0.50	274.82
Less :- Closing Stock	260.37	11.33	58.32	330.02
Less :- Cost of Goods Sold (B)	3803.59	202.78	56.14	4062.51
Gross Margin (A - B)	303.5	38.46	32.35	374.31
Less :- Indirect Expenses				
Personal, Administrative & Marketing	174.93	20.85	0.63	196.41
Financial	90.8	4.78		95.58
Depreciation	18.14	0.99	0.59	19.72
Net Profit	19.63	11.84	31.13	62.60

#### 14.0 EARNING PER SHARE

- a) Earnings per Share (EPS) for the year has been computed in accordance with the Accounting Standard – 20 issued by the Institute of Chartered Accountants of India after considering provision for net deferred tax liability/ asset and reversal of provisions no further required for the year.
- b) Earning per Share (EPS) for the computation as per AS-20

Profit Available for Appropriation

As per Profit & loss Account 32.39 Lacs

Weighted average number of Equity Share	
As on 01-04-2008	78,53,937 Equity Shares
As on 31-03-2009	78,53,937 Equity Shares
Weighted Average No. of Equity Shares	78,53,937 Equity Shares
Nominal Value per Equity Share	Rs. 10/-
Basic and Diluted EPS (Rs.)	0.41

- 15.0 Cash in hand has been certified by the management at the close of the year.
- 16.0 Previous year's figures have been regrouped/recast wherever necessary. The Previous years figures are the figures of the company for the previous year alone where as the current years figures are after the amalgamation of 3 transferor companies with this transferee company.
- 17.0 Schedule "A" to "R" forms the integral part of the balance sheet and profit and loss account.

**For Vikas Globalone Limited**

Dr Nand Kishore Garg  
Chairman & Managing Director

Vikas Garg  
Director

**For R. K Batra & Co.**  
**Chartered Accountants**  
(TARUN BATRA)  
Partner

Namrata Sharma  
Company Secretary

S.C. Tayal  
Director

Place: New Delhi

Date : 30.06.2009

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I Registration Details**

Registration No.	-	019465	State Code	-	55
CIN		L65999DL1984PLC019465			
Balance Sheet Date	-	31.03.2009			

**II Capital raised during the year (Amount in Rs. Thousands)**

Public Issue	-	NIL	Rights Issue	-	NIL
Bonus Issue	-	NIL	Private Placement	-	NIL
Govt. Contribution	-	NIL			

**III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities	-	192,944,699.09	Total Assets	-	192,944,699.09
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**Sources of Funds**

Paid up Capital	-	7,85,39,370	Reserve & Surplus	-	33,671,708.44
Secured Loans	-	78,999,563.65	Unsecured Loans	-	1,734,057.00

**Application of Funds**

Net Fixed Assets	-	29,988,703.15	Investments	-	7,448,409.02
Net Current Assets	-	154,422,604.92	Misc. Expenditure	-	1,084,982.00
Accumulated Losses	-	0			

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

Total Revenue	-	444,831,141.57	Total Expenditure	-	438,570,706.74
Profit/ Loss before tax	-	6,260,434.83	Profit/ Loss after tax	-	3,239,349.83
Earning per Share in Rs.	-	0.41 Approx.	Dividend rate %	-	N.A.

V Generic Names of Three Principal Products/ Services of Company (as per monetary terms)

Item Code No. -

Product -

Item Code No. -

Product -

Item Code No. -

Product -

## CASH FLOW STATEMENT FOR THE PERIOD ENDING 31st MARCH, 2009

<u>PARTICULARS</u>	<u>CURRENT YEAR FIGURES</u> (AMOUNT IN Rs.'000)	<u>PREVIOUS YEAR FIGURES</u> (AMOUNT IN Rs.'000)
<b><u>A). CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net Profit before tax and extraordinary items	6,260.43	3,912.25
Adjustments for		
a) Depreciation including Addl Dep Due to Change	1,971.84	2,664.78
b) Foreign Exchange	-	-
c) Profit on sale of investment	-	-
d) Interest	-	-
e) Dividends	(1.27)	-
f) Profit on Sale of Fixed Assets	-	-
Totals of Adjustments	<u>1,970.57</u>	<u>2,664.78</u>
<b>H GENERATION</b>	<b>8,231.00</b>	<b>6,577.03</b>
Additions		
a) Interest	-	-
b) Expenses Written / Off	273.14	153.42
c) Loss on Sale of Fixed Assets	-	4,161.34
d) Profit on Sale of Fixed Assets	(42.95)	(1,884.55)
e) Bad Debts w/off	-	-
f) Loss on sale of Investment	-	468.75
	<u>230.19</u>	<u>2,430.21</u>
Operating Profits before Working Capital Changes	8,461.19	9,007.24
Adjustments for Working Capital Changes		
a) Trade Receivables	24,349.86	(113,893.78)
b) Inventories	(24,291.46)	(58,115.67)
c) Advances	2,582.75	(22,041.10)
d) Trade Payables	(7,657.92)	58,477.05
	<u>(5,016.77)</u>	<u>(135,573.50)</u>

## CASH FLOW STATEMENT FOR THE PERIOD ENDING 31st MARCH, 2009

<u>PARTICULARS</u>	CURRENT YEAR FIGURES (AMOUNT IN Rs.'000)	PREV. YEAR FIGURES (AMOUNT IN Rs.'000)
<b>CASH GENERATION FROM OPERATIONS</b>	3,444.42	(126,566.26)
Less :- Interest paid	-	-
Less :- Taxes paid	(3,021.08)	(3,697.63)
Cash Flow before Extraordinary items	423.34	(130,263.89)
Extra Ordinary items	-	7,304.00
Deferred Revenue Expenditures	(766.42)	(745.14)
<b>NET CASH GENERATED FROM OPERATIONS</b>	<b>(343.08)</b>	<b>(123,705.03)</b>
<b>B). CASH FLOW FROM INVESTING ACTIVITIES</b>		
a) Purchase of Fixed Assets	(16,436.97)	(10,448.14)
b) Sales of Fixed Assets	3,098.00	12,381.59
c) Assets Taken Over of Transferee Co's	-	(12,329.78)
d) Sale-Purchases of Investments (Net)	(3,578.72)	(300.00)
e) Profit/Loss-Sale of Investments(Net)	-	-
f) Interest Received	-	-
g) Dividend Received	1.27	-
h) Defered Tax Assets	-	-
	<u>(16,916.42)</u>	<u>(10,696.33)</u>
Net Cash Flow From Investing Activities	(16,916.42)	(10,696.33)
<b>C). CASH FLOW FROM FINANCING ACTIVITIES</b>		
a) Receipt From Issue of Share Capital	-	40,000.00
b) Shares and Reserves of Transferor Co's	-	32,015.93
b) Proceeds From Long Term Borrowings	13,870.90	65,128.66
c) Dividends Paid	-	-
d) Unsecured Loans	(297.00)	2,031.06
Net Cash Flow From Financing Activities	13,573.90	139,175.65

<u>PARTICULARS</u>	CURRENT YEAR FIGURES (AMOUNT IN Rs.'000)	PREV. YEAR FIGURES (AMOUNT IN Rs.'000)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(3,685.60)	4,774.29
CASH AND CASH EQUIVALENTS AS ON 31.03.2008	<b>7,358.10</b>	<b>2,583.81</b>
CASH AND CASH EQUIVALENTS AS ON 31.03.2009	<b>3,672.50</b>	<b>7,358.10</b>

**For R K Batra & Company**

Chartered Accountants

**Tarun Batra**  
Partner

**Dr. Nand Kishore Garg**  
Chairman & Managing Director

**Vikas Garg**  
Director

Place: New Delhi  
Date: 30.06.2009

**Namrata Sharma**  
Company Secretary

**S C Tayal**  
Director



**VIKAS GLOBALONE LIMITED**

Regd. Office: 34/1, Vikas House, East Punjabi Bagh, New Delhi-110026

**FORM OF PROXY**

L.F. No. ....  
D.P. ID\* .....  
Client ID\* .....

I/WE ..... of .....  
.....being a member /members of Vikas Globalone Limited here by appoint  
..... of ..... or failing him/her  
..... of ..... as my / our proxy to vote for me/us  
on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company to held at 11:30 AM  
on 25<sup>th</sup> August 2009 and any adjournment thereof.

Signed this ..... day of ..... 2009.

(Signature of the Share Holder)

Note : the proxy form completed and stamped must reach the Registered Office of the company not less then 48 hours before the time for holding the afore said meeting.

\*Applicable for investors holding shares in electronic form.

**VIKAS GLOBALONE LIMITED**

Regd. Office: 34/1, Vikas House, East Punjabi Bagh, New Delhi-110026

**ATTENDANCE SLIP**

L.F. No. ....  
D.P. ID\* .....  
Client ID\* .....

NAME	FATHER'S/HUSBAND NAME	SIGNATURE (MEMBER /PROXY)

Note: (1) Attendance slip not filled in properly will not be entertained  
(2) All joint holders should use only one slip.  
(3) Bags / briefcases are not allowed inside the venue and the Company shall not be responsible for the loss of the same.

\* Applicable for investors holding shares in electronic form.



*inspires growth*



*inspires growth*

***Vikas Global  ne Ltd.***

Regd. Office : F-6, 34/1, Vikas House, East Punjabi Bagh, New Delhi - 110 026