



The World of Water Soluble Polymers

21st
ANNUAL REPORT
2008
2009



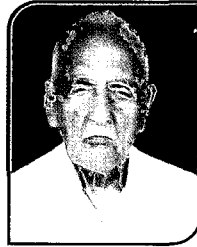
EXPORT TRADING HOUSE



Board of Directors



B. D. Agarwal
Chairman cum Managing Director



Megh Raj Jindal
Director



Bimla Devi Jindal
Director



Kishan Lal
Independent Director



Vishnu Bhagwan
Independent Director



R.A. Mittal
Independent Director



Ravi Sharma
Independent Director



Rakesh Jindal
Independent Director



Ravinder Kumar Gupta
Company Secretary

Members of Audit Committee

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

Auditors

Walker, Chandio & Co.
New Delhi.

Bankers

State Bank of Bikaner & Jaipur

Registered Office

Railway Road, Siwani
127046 (Haryana)

Administrative office

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

Plant

Sri Ganganagar (Rajasthan)
Siwani (Haryana)

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VIKAS WSP LIMITED

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

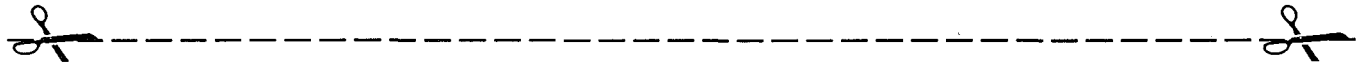
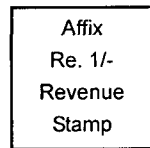
PROXY FORM

I/We, the undersigned as Equity Shareholders (s) of the company Vikas WSP Limited hereby appoint
Mr./Mrs. of and failing him/her,
Mr./Mrs. of as my/our
proxy to vote for me/us at the Annual General Meeting of the Equity Shareholders to be held on
Wednesday the 30th day of September, 2009 at 10.00 A.M. at the Registered Office of the Company
at Railway Road, Siwani-127046, Distt. Bhiwani, Haryana and any adjournment thereof.

Signature.....

Note :

1. Please affix revenue stamp for appropriate value and sign across the stamp.
2. The Proxy must be deposited at the registered office of the Company not later than 48 hours before the time fixed for convening the meeting.
3. All alterations made in the Proxy Form should be initialed.



VIKAS WSP LIMITED

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

ATTENDANCE SLIP

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

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

I hereby record my presence at the Annual General Meeting of the Equity Shareholders to be held on
Wednesday the 30th day of September, 2009 at 10.00 A.M. at the Registered Office of the Company at
Railway Road, Siwani-127046, Distt. Bhiwani, Haryana and any adjournment thereof.

.....
Signature of Shareholder/Proxy

LETTER FROM THE CHAIRMAN

Dear Shareholders,

I am happy to inform you that despite the economic meltdown, your company has reported excellent performance, i.e., nearly 20% growth in its volume of sales that stood at Rs. 365.11 Cr during the year under review as compared to that of Rs. 305.29 Cr in FY 2007-08. During the year under review, your company has achieved an all time high net profit of Rs. 121.58 Cr after tax.



The performance of your company for the year under review is quite satisfactory and seems to have beaten the global recession. It also proves that guar gum polymers and derivative export is on a robust growth trajectory. Certified organic guar gum polymers are extensively been used in the manufacture of health and wellness foods.

The global market for natural hydrocolloids (guar gum polymers) used in the manufacture of foods has experienced constant growth over the last few years, thanks to increasing consumer recognition of their health and wellness benefits. The guar gum market has been driven by increasing demand for natural gums, while sales of synthetic gums have remained virtually static.

Outlook until 2012

Euromonitor International predicts that health and wellness food and beverages will grow by 37% in constant value terms during the 2007-2012 period, which will be faster compared to the 27% constant value growth over the 2002-2007 period. Growth over the forecast period will be boosted particularly by accelerated growth in functional and health foods. While manufacturing functional and health foods guar gum polymers are used as a natural thickening, binding and emulsifying agent.

Future trends

Foods - Balanced diet, prevention of health conditions (obesity, diabetes, heart attack and high blood pressure), healthy lifestyles and high quality of life (in particular with regards to the urban population), body care and fitness are of increasing importance to consumers, which will drive sales of guar gum polymers being used in health and wellness food and beverages in the years ahead.

Oil & Gas - The demand for oil and gas wells drilling and fracturing is bound to grow gradually due to the fact that all the oil and gas wells of the world are bound to deplete in the years ahead. This offers great opportunities to the company's projects which are under implementation stages.

Guar crop

Despite poor monsoon in the country, 2009 guar crop is expected to harvest very good. Good enough to meet out global demand of guar gum polymers. This could have been possible partly due to the fact that guar crop is being raised in Sriganganagar (Rajasthan) region on irrigated lands without waiting for monsoonic rains. Due to the irrigated guar crop, its dependency on monsoon has been minimized greatly. Lastly, the monsoon also became active in the Western Rajasthan and accordingly it is not expected to pose any problem to the arid guar crop. Therefore, the overall guar crop and its carry-over position is satisfactory.

Untapped potential

Organizationally, the ingredients sector is shaping itself in other ways to grasp the opportunities - and meet the challenges - of the health foods sector. Certified organic guar polymers are extensively been used in the health food manufacturing. Your company is the sole producer of certified organic guar gum polymers in the world. This was a step which the company took in 2000 when it set up certified organic guar plantation project. The company, which works on certified organic guar products, says it is the only 'end-to-end' specialist in the sector. Company sees a lot of potential in the certified organic guar gum market in the years ahead.

Types of guar gum

To talk about 'guar gum' as a single entity is misleading. There are many types of guar gum being manufactured by the company and these are widely modified to give them an enormous range of application.

There are many different types of food grade guar gum that can be produced by altering processing parameters such as temperature, moisture, throughput rate, pressure, and shear are carefully optimized by the engineers of the company and are considered important proprietary techniques.

Application segmentation

Guar gum has proved to be immensely malleable and flexible, with industry researchers increasingly interested in guar gums for highly specific uses. In broad terms, we offer five different types of guar gum polymers - native guar gum, thinned guar gum, stabilized guar gum, pre-gelatinized guar gum and speciality guar gum. And, among the latter, we can count guar gum solutions specially designed for applications as diverse as batters and coatings, tomato sauces, potato mixes, egg and caseinate replacement, as alternative to gelatin and gum arabic in confectionery, as fat replacers in bakery products and a number of others.

The needs of different market segments are getting more diverse. The industry not only needs to continually innovate, but do this across more segments. In this way, the sales are enhanced.

Research and Development

R&D has produced many newer and unique guar gum products. These value added guar products enhanced the bottom line of your company. Company incurred an expense of Rs. 114 lac on R&D during the year under review.

Dividend

During the year under review your directors have recommended a payment of dividend @50% out of profits earned by the your company. The dividend was recommended moderately due to the capital expenditure in company's ongoing projects.

Employee satisfaction


Employee - Management relations remained cordial through out the year under review. Company has awarded 1450000 options which would be convertible into 1450000 equity shares having Fv Rupee. 1/- each at an aggregate price of Rupee. 1/- to their independent Directors and employees under Vikas Employee Stock Option Plan -2007.

At the end, I once again very sincerely want to reiterate that I shall continue to put my strenuous efforts to create shareholders value in ensuing time.

With warm regards,

Date : 31.07.2009

Place : Sri Ganganagar



(B. D. Agarwal)

Managing Director

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Company will be held on Wednesday the 30th day of September, 2009 at 10.00 A.M. in the local area of Regd. Office of the Company at Railway Road, Siwani- 127046, Haryana, to transact the following business:-

ORDINARY BUSINESS

1. To receive and adopt the audited Profit & Loss Account for the year ended 31st March 2009, and the Balance Sheet as on the date and the reports of the Directors and Auditors thereon.
2. To consider and declare final dividend for the year.
3. To appoint a Director in place of Smt. Bimla Devi Jindal who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a Director in place of Sh. Kishan Lal who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

6. **To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of section 94(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, and pursuant to the provisions of the Articles of Association of the Company, the Authorised Share Capital of the company be and is hereby increased from Rs. 22,75,00,000 (Rupees Twenty Five Crore Seventy Five Lacs) divided into 227500000 (Twenty Five Crore Seventy Five Lacs) Equity shares of Re. 1/- (Rupee One) each to Rs. 28,75,00,000 (Rupees Twenty Eight Crore Seventy Five Lacs) divided into 287500000 (Twenty Eight Crore Seventy Five Lacs) Equity shares of Re. 1/- (Rupee One) each."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things including the filing of such forms and returns, as may be deemed necessary, to give effect to the above resolution."

7. **To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 16 and other applicable provisions, if any, of the Companies Act,

1956, the existing Clause V of the Memorandum of Association of the Company dealing with Capital Clause be and is hereby amended by substituting therefor the following clause:

Clause V

The Authorised Share Capital of the Company is Rs. 28,75,00,000 (Rupees Twenty Eight Crore Seventy Five Lacs) divided into 287500000 (Twenty Eight Crore Seventy Five Lacs) Equity shares of Re. 1/- (Rupee One) each.

8. **To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution :-**

"RESOLVED that pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the company be and are hereby amended in the following manner:

The existing Article No. 4 of the Articles of Association of the Company dealing with Authorised Share Capital be and is hereby amended by substituting therefor the following Article:

Article No. 4

The Authorised Share Capital of the Company is Rs. 28,75,00,000 (Rupees Twenty Eight Crore Seventy Five Lacs) divided into 287500000 (Twenty Eight Crore Seventy Five Lacs) Equity shares of Re. 1/- (Rupee One) each with power to sub-divide, consolidate and increase and with power from time to time, to issue any shares of the original capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be, thought fit, and upon the subdivision of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.

9. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary resolution:**

RESOLVED THAT Shri R. A. Mittal, to be and is hereby appointed as an independent Director of the Company and who was appointed as an additional director of the company by the Board of directors and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under section 257 in writing proposing his candidature for the office of director, be and is hereby elected and appointed as a director of the Company liable to retirement by rotation.

10. **To consider and, if though 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, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory amendment or re-enactment thereof and subject to such consent, approvals and permissions as may be needed, the remuneration package of Shri R. A. Mittal, designated as an Independent Director of the Company, be and is hereby with effect from 01st April, 2009 till the date expiry of his present tenure of appointment in the following manner :-

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

11. **To consider and if though 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, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory amendment or re-enactment thereof and subject to such consent, approvals and permissions as may be needed, the remuneration package of Shri B. D. Agarwal, as a Managing Director of the Company, be and is hereby with effect from 01st April, 2009 till the date expiry of his present tenure of appointment in the following manner :-

Salary (Remuneration) : Rs. 6,00,000/- per annum. (All inclusive)

12. **To consider and if though 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, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory amendment or re-enactment thereof and subject to such consent, approvals and permissions as may be needed, the remuneration package of Smt. Bimla Devi Jindal, as an Executive Director of the Company, be and is hereby with effect from 01st April, 2009 till the date expiry of his present tenure of appointment in the following manner :-

Salary (Remuneration) : Rs. 3,00,000/- per annum.

13. **To consider and if though 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, 310, 311 read with Schedule XIII

and other applicable provisions, if any, of the Companies Act, 1956 including any statutory amendment or re-enactment thereof and subject to such consent, approvals and permissions as may be needed, the remuneration package of Sh. Megh Raj Jindal, as an Executive Director of the Company, be and is hereby with effect from 01st April, 2009 till the date expiry of his present tenure of appointment in the following manner:-

Salary (Remuneration) : Rs. 3,00,000/- per annum.

14. **To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution :-**

"RESOLVED that pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the company be and is hereby amended in the following manner:

- (a) The existing Article 82 of the Articles of Association of the Company be and is hereby substituted by the following new Article 82:

Article 82

Each Director shall be entitled to be paid out of the funds of the company by way of sitting fees for his services not exceeding the sum of Rs. 5000/- (Five thousand) for every meeting of the Board of Directors committee thereof attended by him. All other remuneration, if any payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the Company shall be determined in accordance with and subject to the provisions of Articles and of the Act. The Director may allow and pay to any Director who for the time being is resident out of the place at which any Meeting of the Director may be held and who shall come to that place for the purpose of attending such meeting such sum as the Directors may consider fair and reasonable for his expenses in connection with his attending at the meeting in addition to his remuneration as above specified. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for any of the purposes of the Company then subject to Section 198, 309, 310 and 314 of the Act the Board may remunerate such Director either by a fixe sum or by a percentage of profits

or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.

15. To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special resolution:

Resolved that pursuant to the provisions of Section 81(1) and 81(1A) of the Companies Act, 1956 and other applicable provisions (including any amendment(s) to or re-enactment(s) thereof), provisions of the Memorandum and Articles of Association of the Company, rules, regulations and guidelines of the Securities and Exchange Board of India ("SEBI"), and other applicable provisions, if any, and in accordance with and subject to requisite approvals, consents, permissions and sanctions, if any, from Government of India, SEBI, the stock exchanges, the Reserve Bank of India, Institutions or bodies under any applicable laws and rules and terms, conditions and modifications as may be prescribed by the respective statutory, governmental and other authorities and departments while granting such approvals, sanctions, consents and permissions, and which may be agreed to the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall be deemed to include any Committee(s) constituted / to be constituted by the Board) consent of the members be and is hereby accorded to create, issue, offer and allot equity shares / Convertible instruments, whether optionally or otherwise, with or without detachable warrants (herein after called as "securities") up to an aggregate amount of the Rs. 300 crores (Rupees Three Hundred Crores), for cash, at such premium as may be determined by the Board through public issue and / or rights issue and /or Qualified Institutional Placement or a combination thereof at such time or times and at such price whether at premium or discount to market price and on such terms and conditions including rate of interest, etc. as may be decided by the Board of Directors at the time of the issue or allotment considering the prevailing market conditions and any other relevant factors wherever necessary in consultation with the Merchant Bankers.

Resolved further that the Board of Directors of the Company be and is hereby authorized in its discretion to accept such conditions and modifications as may be prescribed by SEBI or RBI or any other authority while according consent or sanction to the proposed issue of the said equity shares including variation, if any, in the proposed amount of premium and take such consequential action thereon, including the authority to revise / adjust the value / quantum of equity shares

reserved for any category or any portion thereof in such manner as may be beneficial to the Company in the event of such variation being considered expedient.

Resolved further that the new equity shares arising out of the proposed issue shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects with the existing Equity Shares of the Company.

Resolved further that the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of the equity shares and the utilisation of the issue proceeds as it may deem fit and to appoint market intermediaries including Merchant Bankers as the Board may suo moto decide in its absolute discretion in the best interests of the Company without being required to seek any further consent or approval of the members.

Resolved further that the Board may constitute a Committee of Directors, of which Shri B D Agarwal shall be the Chairman, which may be delegated any or all of the powers herein conferred on the Board, to give effect to this resolution."

By Order of the Board of Director
For VIKAS WSP LIMITED

Sd/-

(B. D. Agarwal)

Managing Director

Date : 31.07.2009

Place : Sri Ganganagar

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint one or more persons as proxies to attend and vote on a poll only instead of himself and a proxy need not be a member of the Company.
2. Proxies, in order to effective, must be received at the Regd. Office of the Company, not less than forty eight hours before the commencement of the Annual General meeting.
3. Additional information, pursuant to clause 49 of the Listing Agreement with Stock Exchange, on Directors recommended for appointment/ reappointment at the Annual General meeting, is appearing in the Report and Accounts.
4. Members are requested to bring the admission slips along with their copy of the Report and accounts to the meeting.
5. Members holding shares in physical form are requested to notify/send the change in their address at the Regd. Office of the Company and holding shares in the electronic form are advised to send the same information to their respective Depository Participant.

6. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit at the Regd. Office of the Company the prescribed form 2B.
7. The Register of Members of the Company shall remain closed from 17th September to 25th September 2009 (both days inclusive) for the purpose of Dividend and Annual Book Closure.
8. Shareholders who have not so far en-cashed the Interim dividend warrant(s) for the year 2007-2008 are requested to seek issue of duplicate warrant(s) by writing to the company immediately. Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claim.

ADDITIONAL INFORMATION: -

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

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

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

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

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

ITEM NOS. 6, 7 & 8

Presently the Authorised Share Capital of the Company is Rs. 227500000 (Rupees Twenty Five Crore Seventy Five Lacs) divided into 227500000 (Twenty Five Crore Seventy Five Lacs) Equity Shares of Re. 1/- (Rupee One) each. The Company is proposing to raise additional resources to meet the business needs of the Company. In order to facilitate the issue of equity

shares (by way of private placement on preferential basis or any other wise) it is proposed to increase the Authorised Share Capital to Rs. 28,75,00,000 (Rupees Twenty Eight Crore Seventy Five Lacs) divided into 287500000 (Twenty Eight Crore Seventy Five Lacs) Equity shares of Re. 1/- (Rupees One) each.

The proposed change in the Authorised Share capital of the Company requires approval of the members in general meeting. Consequently upon the change in the Authorised Share Capital of the Company, its Memorandum and Articles of Association will require alteration so as to reflect the changed Authorised Share Capital which also requires approval of the members in general meeting.

Hence the Board of Directors recommends the resolutions at item no. 6 and 7 as ordinary resolutions and at item no. 8 as a special resolution for your approval.

None of the directors is concerned or interested in the said resolutions

ITEM NO. 9

Shri R. A. Mittal was appointed an additional director of the Company and to the provisions of section 260 of the Companies Act, 1956, and he holds office as director only upto the date of the ensuing Annual General Meeting. But Company received a required notice U/S 257 of the Act, from members signifying his intention to propose appointment of Shri R. A. Mittal as a director along with a deposit of Rs. 500. The Board considers it desirable that the Company should continue to avail his services.

Except, Shri R. A. Mittal no other directors of the Company are concerned or interested in the proposed resolution.

Brief profile of Sh. R. A. Mittal:- Sh. R.A. Mittal has been appointed by the Board as an additional Director w.e.f. 11.08.2008. Sh. R. A. Mittal is retire from Indian Revenue Services and having long experience in Accounts and Audit, your Directors recommend to appoint Sh. R. A. Mittal as Independent Director of the Company.

ITEM NO. 10

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

Therefore it is proposed, on the recommendation made by the "Board of Directors" of the Company, the remuneration package of Shri R. A. Mittal with effect from 01st April, 2009 till the expiry of his present tenure of appointment is Rs. 500000/-.

None of the Directors of the Company is interested in the above resolution except Shri R. A. Mittal himself.

ITEM NO. 11

By taking into consideration the increased business volume of the Company and, it is appropriate that the remuneration package of Shri B. D. Agarwal should be at Rs. 600000/- per annum in the present situations.

Therefore it is proposed, on the recommendation made by the "Board of Directors" of the Company, the remuneration package of Shri B. D. Agarwal with effect from 1st April, 2009 till the expiry of his present tenure of appointment is Rs. 600000/-.

None of the Directors of the Company is interested in the above resolution except Shri B. D. Agarwal himself, Smt. Bimla Devi Jindal and Sh. Megh Raj Jindal.

ITEM NO. 12

By taking into consideration the increased business volume of the Company and, it is appropriate that the remuneration package of Smt. Bimla Devi Jindal should be at Rs. 300000/- per annum in the present situations.

Therefore it is proposed, on the recommendation made by the "Board of Directors" of the Company, the remuneration package of Smt. Bimla Devi Jindal with effect from 1st April 2009 till the expiry of his present tenure of appointment is Rs. 300000/-.

None of the Directors of the Company is interested in the above resolution except Smt. Bimla Devi Jindal herself, Sh. B.D. Agarwal and Sh. Megh Raj Jindal.

ITEM NO. 13

By taking into consideration the increased business volume of the Company and, it is appropriate that the remuneration package of Sh. Megh Raj Jindal should be at Rs. 300000/- per annum in the present situations.

Therefore it is proposed, on the recommendation made by the "Board of Directors" of the Company, the remuneration package of Sh. Megh Raj Jindal with effect from 1st April 2009 till the expiry of his present tenure of appointment is Rs. 300000/-.

None of the Directors of the Company is interested in the above resolution except Sh. Megh Raj Jindal himself, Sh. B.D. Agarwal and Smt. Bimla Devi Jindal.

ITEM NO. 14

The present Article of Association of the Company provide Rs. 250/- (two hundred fifty) as sitting fees for the Directors. In present circumstances Rs. 250/- is very much less amount for attending the Board Meeting by the Directors. So, your Board of Directors recommend it must be increased to Rs. 5000/- (five thousand) per meeting. The Board of

Directors of the Company therefore, find it suitable to Amend the Clause no. 82 of the Articles of the Company by the one as proposed in the Resolution set out under Item No. 11, so that the Company's Articles are in consonance with the recent amendments in law.

Alteration in Articles of Association can be made only by passing a special resolution in the general meeting. The resolution set out in Item No. 14 as a special resolution for approval by the members in terms of section 31 of the Companies Act, 1956 and the Board thus recommends this resolution for member's approval. Draft amended copy of the Articles of Association of the Company is available for inspection to the members till the date of the meeting.

All of the director of the Company is concerned or interested in the proposed resolution.

ITEM NO. 15

To meet with the growing demand of the products internationally, the Company plans to undertake modernization and expansion of its existing business operations. The estimated total cost for modernization of the existing manufacturing unit and the proposed expansion is Rs. 300 Crore.

The Company is exploring various options for raising finances to meet its capital requirements and to further consolidate the financial structure and augment long term financial resources. For this purpose, the Company plans to raise funds through public offer, rights issue or qualified institutional placement, without limiting its option to raise money from more than one such source.

The Board further plans to raise funds by issuing equity shares, instruments convertible into equity or warrants. In this regard, it is proposed to empower the Board to decide on the options and ways for raising funds and to determine the price for issuance of such securities. The authority of the members is also required to empower the Board to raise such funds in multiple tranches, as the Board may deem fit.

Your Directors recommend the resolution for your approval as special resolution.

None of the Directors of the Company is interested in the resolution except to the extent of their existing shareholding of the Company.

By Order of the Board of Director

For VIKAS WSP LIMITED

Sd/-

(B. D. Agarwal)

Managing Director

Date : 31.07.2009

Place : Sri Ganganagar

DIRECTORS REPORT

To The Members,

I am happy to present on behalf of the Board of Directors, the Annual Report of your Company and the audited statement of accounts for the year ended 31st March 2009.

Financial Performance

Key aspects of your Company's Financial Performance for the financial years 2008-2009 and 2007-2008 are tabulated below:

Items	(Rs. In Millions)	
	Year Ended 31.03.2009	Year Ended 31.03.2008
1. Net Sales	3651.11	3052.95
2. Other Income	126.50	131.11
3. Total Expenditure	2181.91	2197.95
4. Interest 75.31	99.94	
5. Gross Profit/Loss after Interest but before depreciation	1520.39	886.17
6. Depreciation	214.00	191.80
7. Net Profit/Loss before tax	1306.39	694.37
8. Tax Expenses	33.97	70.30
9. Deferred tax liability	56.61	120.88
10. Net Profit/Loss after tax	1215.81	503.19
11. Extra Ordinary Items	-	50.66
12. Net Profit for the period	1215.81	452.53
13. Appropriations		
(a) Proposed/ Interim Dividend	68.72	54.85
(b) Corporate Tax on distributed dividend	11.68	9.32
(c) Transfer to General Reserve	150.00	75.00
14. Reserves & Surplus	6824.05	5685.65
15. Book value/share	51.18	42.81

Operations

During the current year under review your company has achieved a total turnover of Rs. 3651.11 millions as compared to that of Rs. 3052.95 millions in the previous year. So, our sales for the current year grew by 19.59% over the previous year. During the year under review the company has earned a net profit of Rs 1215.81 millions as compared to net profit of Rs.452.53 millions in previous year. Therefore, our net profit for the current year grew by 168.67 % over the previous year.

Dividend

Your Directors proposed final dividend of Rs. 0.50 per equity share of Rs. 1/- each for the financial year 2008-09 for your approval, if approved then the record date for the purpose of payment of dividend is fix as on 25th September, 2009 and payable to its shareholders who were on the register of members of our company as at the closing hours of record date.

Future prospects

Guar gum polymers global market is expanding at a CAGR @ 15%. Its main demand is increasing in the food and oil and gas segment. Guar gum polymers demand in the food segment is increasing @ 7 to 8% in the developed countries whereas it is showing an increase of 12-15% in the developing countries. Demand of Guar polymers for oil and gas wells drilling and fracturing is increasing day by day as the global crude oil prices are on increase. Company's R&D is constantly involved in developing newer guar products for food and other industrial applications for the effective control of processing problems and the same is conducive in expanding global guar polymers market. International market for certified organic guar

polymer is also on increase at a robust rate of 25% per annum. Taking all these prospects together, the demand for guar polymers is bound to increase in the years ahead. So the future prospects are expected to be even better.

International Quality Standards and their certifications-

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

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

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

- Physical
- Chemical
- Microbial

(C) Good Manufacturing Practices (GMP)

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

Foreign Exchange Earning and Outgoings

The detail of foreign exchange earnings and outgoings is provided in page no. 9 of the annual report.

Conservation of Energy

The information on Conservation of Energy required under Section 217(I)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is provided in page 9 of the annual report.

Directors re-appointment

Mrs. Bimla Devi Jindal and Mr. Kishan Lal, retire by rotation and being eligible offer themselves for re-appointment at this Annual General Meeting. The Board Governance Committee have recommended their re-appointment for consideration of the shareholders. During the year Sh. R. A. Mittal was appointed as an additional director of the Company by the Board of Directors in its meeting held on 11.08.2008. A brief profile of Mrs. Bimla Devi Jindal, Mr. Kishan Lal and Mr. R.A. Mittal is given in the notice of Annual General Meeting.

Auditors re-appointment

M/s Walker, Chandiook & Company, Chartered Accountants, New Delhi, Statutory Auditor of the company, retires and being eligible, offers himself for re-appointment.

Employee Stock Option Plan

Pursuant to the resolution passed by the Shareholders at the Extra Ordinary General Meeting held on January 21, 2008 for the grant of 14,50,000 options which is convertible into 14,50,000 equity shares of

face value Re. 1/- each under Vikas Employee Stock Option Plan - 2007 to Companies employees and their Independent Directors. Disclosure in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Option Purchase Scheme) Guidelines, 1999 as Annexure - C to the Director's Report.

Explanation on Auditors Qualification

The auditor has qualified the quantum of Income Tax on Company's EOU-III in respect of its eligibility. The management firmly believes on the basis of Income Tax Assessment orders passed in the previous years thereby it would be eligible for the deduction u/s 10B and MAT is paid legitimately.

Directors Responsibility Statement

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

- (a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures is made from the same;
- (b) we have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the period;
- (c) we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) we have prepared the annual accounts on a going concern basis.

Corporate Governance

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

Industrial Relations

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

Acknowledgments

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

By Order of the Board of Director

For VIKAS WSP LIMITED

Sd/-

Date : 31.07.2009

(B. D. Agarwal)

Place : Sri Ganganagar

Managing Director

ANNEXURE TO DIRECTOR'S REPORT

A. CONSERVATION OF ENERGY:-

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

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

- (1) Frequent checking of the capacitors;
- (2) replacement of high power factor electric motors;
- (3) timely greasing of the bearings of all the heavy machines;
- (4) installation of servo stabilizer to boost the voltage;
- (5) the detail of total energy consumption are as under:

2008-09

Electricity

Purchased		
Unit	KWH	11878512
Total Amount	Rs.(in million)	56.22
Rate/Unit	Rs.	4.73

HSD oil

Quantity of HSD	KL:	551
Total cost	Rs.(in million)	17.49
Average rate/KL	Rs.	31741/-

LPG

Quantity	Kgs.	630400
Total cost	Rs.(in million)	30.10
Average rate/ Kg.	Rs.	47.75

B. FOREIGN EXCHANGE EARNING & OUTGOING:

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

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

	Rs. In lacs
Total foreign exchange earnings during the year	31331.72
Total foreign exchange used during the year	9019.84
Net foreign exchange earned during the year	40351.56

C. DISCLOSURE IN COMPLIANCE WITH CLAUSE 12 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK OPTION PURCHASE SCHEME) GUIDELINES, 1999

Sl. No.	Description	Remarks																
A	Options granted	: During the year the Company has granted 14,50,000 options on June 01, 2008																
B	Pricing formula	: The grant / exercise price per options is Re. 1/-																
C	Option vested	: Nil																
D	Options exercised	: Nil																
E	Total number of Ordinary Shares arising as a result of exercise of Options	: Nil																
F	Options lapsed	: Nil																
G	Variation of terms of Options	: Nil																
H	Money realized by exercise of Options	: NA																
I	Total number of Options in force	: 14,50,000 options																
J	Details of Options granted to	:																
	i) Senior managerial personnel	: Mr. Ravinder Gupta : 52,000 options Mr. Anoop Goyal : 52,000 options Mr. Rupesh Goyal : 12,000 options Mr. N M Arora : 12,000 options Mr. Sanjay Pareek : 12,000 options																
	ii) Any other employees who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	: None																
	iii) Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	: None																
K	Diluted Earnings per Share (EPS) pursuant to issue of Ordinary Shares on Exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share.'	: Rs. 8.86																
L	i) Method of calculation of employee compensation cost	: The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for stock-based compensation cost for the financial year 2008-09.																
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options.	: The employee compensation cost would have reduced by Rs. 56.65 lakhs if the Company had used fair value method of accounting.																
	iii) The impact of this difference on Profits and on EPS of the Company.	: The effect of adopting the fair value method on the net income and earnings per share is presented below: <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Net Income</td> <td style="text-align: right;">Rs. In Lakhs</td> </tr> <tr> <td>As reported</td> <td style="text-align: right;">12,158.07</td> </tr> <tr> <td>Ad: Intrinsic Value Compensation Cost</td> <td style="text-align: right;">317.84</td> </tr> <tr> <td>Less: Fair value Compensation Cost (Black Scholes Model)</td> <td style="text-align: right;">261.19</td> </tr> <tr> <td>Adjusted Net Income</td> <td style="text-align: right;">12,214.72</td> </tr> <tr> <td>Earning per share</td> <td style="text-align: right;">Basic (Rs.) Diluted (Rs.)</td> </tr> <tr> <td>As reported</td> <td style="text-align: right;">8.94 8.86</td> </tr> <tr> <td>As adjusted*</td> <td style="text-align: right;">8.94 8.86</td> </tr> </table>	Net Income	Rs. In Lakhs	As reported	12,158.07	Ad: Intrinsic Value Compensation Cost	317.84	Less: Fair value Compensation Cost (Black Scholes Model)	261.19	Adjusted Net Income	12,214.72	Earning per share	Basic (Rs.) Diluted (Rs.)	As reported	8.94 8.86	As adjusted*	8.94 8.86
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Earning per share	Basic (Rs.) Diluted (Rs.)																	
As reported	8.94 8.86																	
As adjusted*	8.94 8.86																	
M	Weighted average exercise price and weighted average fair value of Options granted for Options whose exercise price either equals or exceeds or is less than the market price of the stock.	: Options granted whose exercise price is less than the market price of the stock: Weighted average Exercise Price : Re. 1.00 Weighted average fair value : Rs. 22.62																
N	A description of the method and significant assumption used during the year to estimate the fair values of Options	: The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions																
	i) Risk free interest rate	: 7.51%																
	ii) Expected life	: 1.50 Years																
	iii) Expected volatility	: 57.06%																
	iv) Expected dividend	: 2.06%																
	v) The price of the underlying shares in market at the time of option grant	: Rs. 27.30																

* The effect on EPS is negligible.

To
The Board of Directors
Vikas WSP Limited

Dear Sirs,

- At your request, we have examined the relevant records of Vikas WSP Limited (the "Company") for implementation of Vikas Employee Stock Option Plan 2007 (the "Scheme") in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "Guidelines"). The scheme was duly approved by a special resolution of the shareholders passed at the Extra Ordinary General Meeting held on January 21, 2008 (the "resolution"). The implementation of the Scheme is in accordance with the Guidelines and the Resolutions, the compliance of which is the responsibility of the Company's management. Our responsibility is to express an opinion on the implementation of the Scheme by the Company in accordance with the Guidelines and the Resolutions.
- Our examination was made in accordance with generally accepted auditing standards and, accordingly, included examining, on a test basis, evidence about the Company's implementation of the Scheme in accordance with the Guidelines and the Resolutions and performing such other limited procedures, as we considered necessary in the circumstances. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company. Further, our examination does not provide a legal determination on the Company's implementation of the Scheme in accordance with the Guidelines and the Resolutions.
- Based on our review, nothing came to our attention that caused us to believe that the Company has not implemented the Scheme in all material respects, in accordance with the aforementioned Guidelines and the Resolutions.

for Walker, Chandio & Co

Chartered Accountants

Sd/-

by B.P Singh

Partner

Place : New Delhi

Date : September 02, 2009

Membership No. 70116

REPORT ON CORPORATE GOVERNANCE 2008-09

COMPANY'S PHILOSOPHY

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

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

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

1. BOARD OF DIRECTORS

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

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

* Appointed as an Additional Director w.e.f. 11.08.2008

Notes :-

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

Details of Board meeting held during the financial year 2008-09.

During the financial year 2008-09, the Board of Directors of the company met 21 (Twenty one) times on 17.04.08, 21.04.08, 28.04.08, 16.06.08, 27.06.08, 04.07.08, 30.07.08, 11.08.08, 03.09.08, 16.09.08, 26.09.08, 03.10.08, 30.10.08, 01.11.08, 29.12.08, 31.01.09,

02.02.09, 06.02.09, 21.02.09, 09.03.09 and 31.03.09 Detailed Agenda notes and the informations required to be given in terms of Companies Act, 1956 and Listing Agreement were circulated to the Board.

Attendance at the Board meeting and last Annual General Meeting

Name of the Director	No. of Board meetings	Attendance at the last
	Attended	AGM held on 26th Sep.08
Sh. B.D.Agarwal	21	Yes
Sh. Megh Raj Jindal	12	Yes
Smt. Bimla Devi	12	Yes
Sh. Ravi Sharma	07	No
Sh. Mahesh Batra	10	Yes
Sh. Rakesh Jindal	08	No
Sh. Kishan Lal	06	-
Sh. Vishanu Bhagwan	06	-
Sh. R.A. Mittal	02	-

2. AUDIT COMMITTEE

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

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

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

Dates of Committee Meetings

Name of member	Designation	Attendance - Yes/No			
		14.06.2008	28.07.2008	29.10.2008	31.01.2009
Sh. Ravi Sharma	Chairman	Yes	Yes	Yes	Yes
Sh. Mahesh Batra	Member	Yes	Yes	Yes	Yes
Sh. B.D.Agarwal	Member	Yes	Yes	Yes	Yes

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

3. COMPENSATION COMMITTEE

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

4. INVESTOR GRIEVANCE COMMITTEE

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

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

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

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

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

Date	Venue	Time	No. of Special Resolution
29.09.2006	In the local area of Regd. Office of the company at Railway Road, Siwani - 127046 (Haryana)	10.00 A.M.	None
26.09.2007	- do -	10.00 A.M.	One
26.09.2008	- do -	10.00 A.M.	None

6. DISCLOSURE

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

7. MEANS OF COMMUNICATION

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

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

8. GENERAL SHAREHOLDER INFORMATION

These information's are furnished herein below: -

- (I) As indicated in the notice to our shareholders, the Annual General Meeting of the Company will be held on 30th September 2009 in the local area of Regd. Office of the Company at 10.00 a.m.
- (II) The financial year of the Company is 1st April 2008 to 31st March 2009.
- (III) Date of Book Closure from 17th Sep. 2009 to 25th Sep. 2009 (both days inclusive) for the purpose of Annual Book Closure.
- (IV) The Shares of the Company are listed on: -
 - (a) The Bombay Stock Exchange Ltd., Mumbai
 - (b) The Delhi Stock Exchange Association Ltd., Delhi
 - (c) Jaipur Stock Exchange Ltd., Jaipur
 - (d) The Stock Exchange, Ahmedabad
 - (e) Cochin Stock Exchange Ltd., Cochin
- (V) Listing fees for the all the Stock Exchanges have been paid.
- (VI) In respect of transfer of physical shares, shareholders are advised to contact the Share Transfer Agent of the Company.
- (VII) Shares received for physical transfer are generally registered within a period of 15 days from the date of receipt.
- (VIII) As on March 31, 2009, the Distribution of our shareholding was as following :-

S.No.	No. of Equity Shares held	Share holders Nos.	No. of Shares	% of Share holding
1	Upto-5000	59712	41469273	30.49
2	5001-10000	1179	8809500	6.48
3	10001-20000	568	8148163	5.99
4	20001-30000	183	4534772	3.33
5	30001-40000	76	2693851	1.98
6	40001-50000	45	2037340	1.50
7	50001-100000	86	6215280	4.57
8	100001 & above	74	62091421	45.66
	TOTAL	61923	135999600	100.00

Shareholding pattern as on 31st March 2009

CATEGORY	Nos. of shares held	%To Total
Promoters	20346517	14.96
Financial Institutions / Nationalized Banks & Mutual Fund	3276788	2.41
Non-Resident Individuals/OCBs/FII's	747399	0.55
Bodies Corporate	107602413	79.12
Resident Individuals	4026483	2.96
TOTAL	135999600	100.00

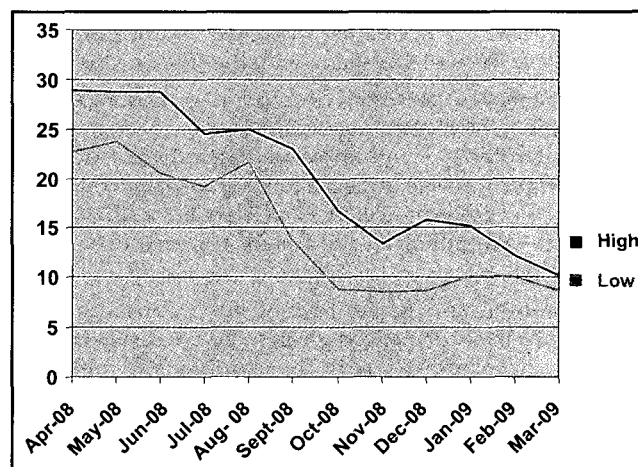
- (ix) Dematerialization of shares

Over 95% of the listed Equity Shares have been dematerialized.

- (x) Demat ISIN Numbers in NSDL & CDSL : INE706A01022

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

	Apr. 08	May 08	June 08	July 08	Aug 08	Sept 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09
High	28.90	28.75	28.70	24.50	24.90	23.00	16.70	13.40	15.80	15.20	12.10	10.15
Low	22.65	23.75	20.50	19.20	21.55	13.65	8.85	8.52	8.71	10.13	10.00	8.60



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

- (xii) Address for correspondence :-

Admn. Office
B-86/87, Udyog Vihar
RIICO Industrial Area,
Sri Ganganagar- 335001
E-mail: investor.greivance@vikaswsp.in
ravinder.gupta@vikaswsp.in
vikaswsp@sancharnet.in
Website: www.vikaswsp.in

Regd. Office
Railway Road, Siwani
127046 (Haryana)

- (xiii) Registrar & Transfer Agent

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

9. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

TO

THE MEMBERS
VIKAS WSP LTD.

CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of corporate governance by Vikas WSP Limited, for the year ended on March 31, 2009, as stipulated in clause - 49 of the listing agreement of the said Company with the stock exchanges.

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

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

1. The company has held four meetings of the Audit Committee during the financial year 2008-2009 on 14.06.2008, 28.07.2008, 29.10.2008 & 31.01.2009.
2. The Shareholders' Grievances Committee was functioning according to the Listing Agreement.

As per the records maintained by the company, no Investor's Grievances were pending for a period exceeding one month as on 31.03.2009.

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

For Nitesh Kumar Sinha
Company Secretaries

Sd/-

Per Nitesh Kumar Sinha

Partner

Place : New Delhi

Date : July 30, 2009

Membership No. 7648

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

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

Remuneration :- The Board has Compensation Committee Committee

Shareholders :- The Company ensures that any new developments related to its business; receive wide coverage in the press through regular press releases and electronic distribution &/ or sent to Bombay Stock Exchange as Corporate Announcement.

Postal Ballot :- The business to be transacted at the ensuing general meetings do not require passing of resolution by postal ballot. The Company will extend this facility of voting by postal ballot on matters, specified for postal ballot in the Companies Act, 1956, as and when required.

MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENT

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

FUTURE OUTLOOK, OPPORTUNITIES AND THREATS

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

COMPANY'S PERFORMANCE

During the current year under review your company has achieved a total turnover of Rs. 3651.11 millions as compared to Rs.3052.95 millions in the previous year. During the year under review the company has earned a net profit of Rs. 1215.81 millions as compared to net profit of Rs. 452.53 millions during previous year.

FOREIGN EXCHANGE EARNINGS

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

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

BUSINESS SEGMENT

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

HUMAN RESOURCES/INDUSTRIAL RELATIONS

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

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

Auditors' Report

To,

The Members of Vikas WSP Limited

1. We have audited the attached Balance Sheet of Vikas WSP Limited, (the 'Company') as at March 31, 2009, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto (collectively referred as the 'Financial Statements'). These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') (as amended), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. *As mentioned in note 4 of schedule 25 to the Financial Statements, the management believes that the Export Oriented Unit - III ('the unit') of the Company is eligible for exemption under section 10B of the Income Tax Act, 1961 ('the IT Act') and accordingly, the Company has provided for Minimum Alternate Tax (after claiming allowable MAT credit) for the year ended March 31, 2009. However, in our view the unit is not eligible for deduction under section 10 B of the IT Act and the normal provisions of the IT Act, would apply. Had the tax expense been recorded as per the normal provisions of the IT Act, the tax expense for the year ended March 31, 2009 would have been higher by Rs 33.23 lacs, the current liabilities and provisions would have been higher by Rs. 21.84 lacs and loans and advances would have been lower by Rs. 11.39 lacs. We are unable to comment on the implications of interest and other liabilities, if any, on the Financial Statements, consequent to the matter*

discussed above, though the interest liability under section 234 C of the IT Act as at the Balance Sheet date is estimated to be Rs. 1.14 lacs.

5. *Subject to our comments in paragraph 4 above and further to our comments in the Annexure referred to above, we report that:*
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Financial Statements dealt with by this report are in agreement with the books of account;
 - d. On the basis of written representations received from the directors, as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
 - e. In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act and the Rules framed there under and give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:
 - i) the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - ii) the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) the Cash Flow Statement, of the cash flows for the year ended on that date.

for **Walker, Chandiook & Co**
Chartered Accountants

Sd/-

by **B.P.Singh**

Partner

Place : New Delhi

Date : June 30, 2009

Membership No. 70116

Annexure to the Auditors' report of the even date to the members of Vikas WSP Limited on the Financial Statements for the year ended March 31, 2009

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

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

Name of the statute	Nature of the dues	Amount in Rs.	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty on Goods lost in transit	Rs. 3,072,652 (Rs. 1,000,000 have been deposited under protest)	2004 - 05	CESTAT, New Delhi
Income Tax Act, 1961	Income tax and Interest.	Rs. 3,072,093 (Income tax Rs. 849,438, interest Rs. 2,222,655)	1995 - 96	The Hon'ble High Court of Punjab and Haryana

- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) In our opinion, the Company has not defaulted in repayment of dues to a bank or financial institution. There are no debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) The Company did not have any term loans outstanding during the year. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.

- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

for **Walker, Chandiook & Co**
Chartered Accountants

Sd/-
by **B.P.Singh**
Partner

Place : New Delhi
Date : June 30, 2009

Membership No. 70116

VIKAS WSP LIMITED
Balance Sheet as at March 31, 2009

	Schedule	March 31, 2009 (Rs. in lacs)	March 31, 2008 (Rs. in lacs)
SOURCES OF FUNDS			
Shareholders' fund			
Share capital	1	1,360.00	1,360.00
Reserves and surplus	2	68,558.27	56,856.46
Loan fund			
Secured loans	3	4,203.30	4,553.48
Unsecured loans	4	-	25.00
Deferred tax liability (net)	5	1,774.81	1,208.76
		<u>75,896.38</u>	<u>64,003.70</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	6	66,940.58	59,768.81
Less : Accumulated depreciation		11,693.09	11,964.24
Net block		55,247.49	47,804.57
Capital work in progress (including capital advances)		10,334.91	6,460.79
Current assets, loans and advances			
Inventories	7	3,896.30	3,702.19
Sundry debtors	8	1,916.13	6,076.55
Cash and bank balances	9	711.98	943.32
Other current assets	10	933.56	1,391.17
Loans and advances	11	5,532.11	775.01
		<u>12,990.08</u>	<u>12,888.24</u>
Less : Current liabilities and provisions			
Current liabilities	12	1,778.80	2,708.20
Provisions	13	897.30	441.70
Net current assets		<u>10,313.98</u>	<u>9,738.34</u>
		<u>75,896.38</u>	<u>64,003.70</u>
Significant accounting policies	24		
Notes to the financial statements	25		

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

	for and on behalf of the board of directors	
Sd/-	Sd/-	Sd/-
B.D. Agarwal	Bimla Devi Jindal	Ravinder K. Gupta
Managing Director	Director	Company Secretary

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

for Walker, Chandiok & Co.
Chartered Accountants

Sd/-
by B.P. Singh
Partner

Place : New Delhi
Date : June 30, 2009

Membership number: 70116

VIKAS WSP LIMITED

Profit and Loss Account for the year ended March 31, 2009

	Schedule	March 31, 2009 (Rs. in lacs)	March 31, 2008 (Rs. in lacs)
INCOME			
Sales of manufactured goods			
- exports		35,320.41	30,355.78
- domestic		<u>41.05</u>	<u>198.02</u>
		35,361.46	30,553.80
Less: excise duty		<u>5.30</u>	<u>24.35</u>
		35,356.16	30,529.45
Sale of agricultural produce		<u>1,154.92</u>	-
Net sales		<u>36,511.08</u>	<u>30,529.45</u>
Other income	14	1,265.01	1,311.13
Increase in stock of work in progress and finished goods	15	<u>1,465.45</u>	<u>1,625.40</u>
		<u>39,241.54</u>	<u>33,465.98</u>
EXPENDITURE			
Raw material consumed	16	19,676.17	19,950.66
Manufacturing overheads	17	1,295.78	1,124.64
Employee cost	18	624.87	271.38
Depreciation	6	2,140.01	2,099.95
Add: Impact of change in accounting policy		-	(182.00)
Administrative expenses	19	363.11	363.95
Selling expenses	20	1,324.68	1,894.27
Financial charges	21	<u>753.09</u>	<u>999.42</u>
		<u>26,177.71</u>	<u>26,522.27</u>
Profit before tax and prior period items		<u>13,063.83</u>	<u>6,943.71</u>
Tax expense			
- Current tax		1,348.61	822.28
- MAT credit		(1,014.84)	(123.84)
- Deferred tax		566.05	1,208.77
- Fringe benefit tax		<u>5.94</u>	<u>4.59</u>
Profit after tax		<u>12,158.07</u>	<u>5,031.91</u>
Prior period expenses, net of prior period income	22	-	506.63
Net profit after tax and prior period item		<u>12,158.07</u>	<u>4,525.28</u>
Balance brought forward		<u>12,289.77</u>	<u>9,156.21</u>
Amount available for appropriation		<u>24,447.84</u>	<u>13,681.49</u>
Appropriations			
- proposed final dividend		687.25	-
- interim dividend		-	548.50
- tax on dividend		116.80	93.22
- transfer to general reserve		<u>1,500.00</u>	<u>750.00</u>
Net profit carried forward		<u>22,143.79</u>	<u>12,289.77</u>
Earnings per share (basic)	23	8.94	4.03
Earnings per share (diluted)		8.86	4.03
Significant accounting policies	24		
Notes to the financial statements	25		

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

Sd/-
B.D. Agarwal
Managing Director

for and on behalf of the board of directors
Sd/-
Bimla Devi Jindal
Director

Sd/-
Ravinder K. Gupta
Company Secretary

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

for Walker, Chandiook & Co.
Chartered Accountants

Sd/-
by B.P. Singh
Partner

Membership number: 70116

Place : New Delhi
Date : June 30, 2009

VIKAS WSP LIMITED

Schedules forming part of the financial statements as at March 31, 2009

	March 31, 2009 (Rs. in lacs)	March 31, 2008 (Rs. in lacs)
Schedule: 1		
Share Capital (Note (i) below)		
Authorised capital		
227,500,000 (Previous year 227,500,000) equity shares of Re. 1 each	2,275.00	2,275.00
	<u>2,275.00</u>	<u>2,275.00</u>
Issued, subscribed and paid up capital		
135,999,600 (Previous year 135,999,600) equity shares of Re.1 each fully paid up	1,360.00	1,360.00
	<u>1,360.00</u>	<u>1,360.00</u>
" Note (i) : "The Company has granted 1,450,000 Employee Stock Options on the unissued share capital of the Company. (Refer note 15 to schedule 25) "		
Schedule: 2		
Reserves and surplus		
Capital reserve	101.72	71.72
Investment allowance reserve	-	5.39
Less : transferred to general reserve	-	5.39
	<u>-</u>	<u>-</u>
Securities premium	29,584.50	8,150.00
Add: premium on preferential allotment	-	21,434.50
	<u>29,584.50</u>	<u>29,584.50</u>
General reserve	14,910.47	14,155.08
Add: transferred from investment allowance reserve	-	5.39
Add: transfer from profit and loss	1,500.00	750.00
	<u>16,410.47</u>	<u>14,910.47</u>
Employees stock options outstanding	381.35	-
Less: Deferred employee compensation	(63.56)	-
	<u>317.79</u>	<u>-</u>
Profit and loss account	22,143.79	12,289.77
	<u>68,558.27</u>	<u>56,856.46</u>
Schedule: 3		
Secured loans		
Short term		
from banks		
Export packing credit (refer note 9 to schedule 25)	657.57	659.98
Bill discounting (refer note 9 to schedule 25)	61.09	3,661.48
Working capital demand loan (refer note 9 to schedule 25)	3,400.00	-
Demand loans (refer note 10 to schedule 25)	84.64	232.02
	<u>4,203.30</u>	<u>4,553.48</u>
Schedule: 4		
Unsecured loans		
Short term		
- other than banks	-	25.00
	<u>-</u>	<u>25.00</u>
Schedule: 5		
Deferred tax liability (net)		
Deferred tax liability arising on account of depreciation	1,783.50	1,211.75
Deferred tax asset arising on account of provision for gratuity	(8.69)	(2.99)
	<u>1,774.81</u>	<u>1,208.76</u>

VIKAS WSP LIMITED

Schedule forming part of the financial statements as at March 31, 2009

Schedule: 6
Fixed assets

(Rs. in lacs)

Particulars	Gross block				Accumulated depreciation					Net block	
	As at April 1, 2008	Additions	Disposals/ adjustments	As at March 31, 2009	As at April 1, 2008	Impact of change in accounting policy	Charge for the year	Disposals/ adjustments	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
Land - Free hold	27,868.36	3,036.73	-	30,905.09	-	-	-	-	-	30,905.09	27,868.36
Land - Lease hold	299.18	28.01	-	327.19	-	-	-	-	-	327.19	299.18
Buildings	705.01	0.35	-	705.36	237.88	-	22.70	-	260.58	444.78	467.13
Plant and machinery	30,788.61	6,917.25	2,811.16	34,894.70	11,680.06	-	2,108.02	2,411.16	11,376.92	23,517.78	19,108.55
Furniture and office equipments	28.54	0.59	-	29.13	12.43	-	1.77	-	14.20	14.93	16.10
Vehicles	79.11	-	-	79.11	33.87	-	7.52	-	41.39	37.72	45.24
Total	59,768.81	9,982.93	2,811.16	66,940.58	11,964.24	-	2,140.01	2,411.16	11,693.09	55,247.49	47,804.56
Previous year	18,102.61	41,763.02	96.83	59,768.81	10,143.12	182.00	2,099.95	96.83	11,964.24	47,804.56	

Note:

- i There are restrictions on transferability of free hold land having an original cost of Rs 27,857.47 for 20 years from the date of acquisition i.e. March 12, 2008.
- ii Plant and machinery includes machinery (Gross block Rs. 405.87 (previous year Rs. 2,811.16) accumulated depreciation Rs. 279.11 (previous year Rs. 2,411.16) and net book value Rs.126.77 (previous year Rs. 400.00)) retired from active use and held for disposal, these assets are being carried at the lower of the cost or net realisable value.
- iii Additions to lease hold land includes lease hold land of book value of Rs. 18.01((Previous year Rs. nil) which is pending registration in the name of the Company as at March 31, 2009.
- iv Additions to free hold land includes free hold land of book value of Rs. 10.00 (Previous year Rs. nil) which is pending registration in the name of the Company as at March 31, 2009.

VIKAS WSP LIMITED

Schedules forming part of the financial statements as at March 31, 2009

	March 31, 2009 (Rs. in lacs)	March 31, 2008 (Rs. in lacs)
Schedule: 7		
Inventories		
Raw material	59.14	1,372.93
Work in progress	-	3.38
Finished goods		
- in stores	416.99	451.80
- in transit	3,242.59	1,738.95
Consumables , stores and spares	145.36	108.23
Packing materials	32.22	26.90
	3,896.30	3,702.19
Schedule: 8		
Sundry debtors		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	-	4.89
Other debts (note (i) below)	1,916.13	6,071.66
	1,916.13	6,076.55
" Note (i) : "(other debts amounting to Rs 740.81 lacs (Previous year Rs 5,940.45 lacs)are covered by letter of credit and cover from Export Credit Guarantee Corporation of India Limited) "		
Schedule: 9		
Cash and bank balances		
Cash in hand	0.82	2.66
Balances with scheduled banks in		
- current accounts	608.60	362.68
- fixed deposits (pledged with banks)	91.70	286.78
- unclaimed dividend account (note (i) below)	10.86	289.83
Balances with non-scheduled banks in current account		
- The Ganganagar Kendriya Sehkari Bank Limited (note (ii) below)	-	1.37
	711.98	943.32
Note (i) : Not due for deposit to Investor Education & Protection Fund, (previous year Nil)		
Note (ii) : Maximum balance Rs.9.72 lacs (previous year Rs. 11.57 lacs)		
Schedule: 10		
Other current assets		
(Unsecured, considered good)		
Export incentives receivable (Vishesh Krishi Gram Udyog Yojna)	310.79	1,168.40
Insurance claim receivable	222.77	222.77
Other receivable on account of sale of assets	400.00	-
	933.56	1,391.17

VIKAS WSP LIMITED

Schedules forming part of the financial statements as at March 31, 2009

	March 31, 2009 (Rs. in lacs)	March 31, 2008 (Rs. in lacs)
Schedule: 11		
Loans and advances		
(Unsecured, considered good)		
Advances recoverable in cash or kind or for the value to be received	7.12	62.78
Security deposits	75.91	114.55
VAT credit receivable	14.07	15.17
MAT credit entitlement	1,138.68	123.84
Advances to		
- suppliers	3,160.18	22.12
- employees	13.07	10.02
- others	41.66	54.03
Income tax refundable	40.07	-
Advances to farmers	1,041.35	372.50
	<u>5,532.11</u>	<u>775.01</u>
Schedule: 12		
Current liabilities		
Sundry creditors (note (i) below)	1,596.27	1,664.07
Salary and bonus payable	53.87	45.36
Expenses payable (note (i) below)	64.51	627.81
Book overdraft	24.30	12.20
Unclaimed dividend (note (ii) below)	10.86	289.83
Corporate dividend tax payable	-	46.61
Other liabilities	28.99	22.32
	<u>1,778.80</u>	<u>2,708.20</u>
Note (i) : There are no dues outstanding to Micro, Small and Medium Enterprises		
Note (ii) : Not due for deposit to Investor Education and Protection Fund		
Schedule: 13		
Provisions		
Provision for gratuity (Refer note 14 to schedule 25)	25.53	18.11
Provision for income taxes	67.72	421.74
Provision for fringe benefit tax	-	1.85
Proposed final dividend	687.25	-
Corporate dividend tax on proposed dividend	116.80	-
	<u>897.30</u>	<u>441.70</u>

VIKAS WSP LIMITED

Schedules forming part of the financial statements for the year ended March 31, 2009

	March 31, 2009 (Rs. in lacs)	March 31, 2008 (Rs. in lacs)
Schedule: 14		
Other Income		
Export incentives under Vishesh Krishi Gram Udyog Yojana	113.35	1,197.77
Foreign exchange gain	710.19	83.08
Interest on fixed deposits (note (i) below)	18.72	5.32
Liabilities written back	-	24.96
Excess provisions written back	422.75	-
	<u>1,265.01</u>	<u>1,311.13</u>
Note (i): tax deducted at source	3.64	0.55
 Schedule: 15		
Increase in stock of work in progress and finished goods		
Opening stock		
Work in process	3.38	-
Finished goods		
- in stores	451.80	554.35
- in transit	1,738.95	214.10
Less: Adjustment for prior period sales	-	(199.72)
Adjusted opening stock	<u>2,194.13</u>	<u>568.73</u>
Closing stock		
Work in process	-	3.38
Finished goods		
- in stores	416.99	451.80
- in transit	3,242.59	1,738.95
	<u>3,659.58</u>	<u>2,194.13</u>
	<u>1,465.45</u>	<u>1,625.40</u>
 Schedule: 16		
Raw material consumed		
Opening stock	1,372.93	7,487.24
Add: purchases	18,362.38	13,836.35
	19,735.31	21,323.59
Closing stock	(59.14)	(1,372.93)
	<u>19,676.17</u>	<u>19,950.66</u>
 Schedule: 17		
Manufacturing overheads		
Power, fuel and liquified petroleum gas	1,071.67	886.79
Store and spares consumed	45.12	65.18
Wages and labour	55.64	55.60
Chemicals	30.48	36.54
Other manufacturing expenses	92.87	80.53
	<u>1,295.78</u>	<u>1,124.64</u>
 Schedule: 18		
Employee cost		
Salaries, wages and bonus	268.64	234.54
Contribution to provident and other funds	22.64	22.52
Employee welfare	15.80	14.32
Employee share option based compensation	317.79	-
	<u>624.87</u>	<u>271.38</u>

VIKAS WSP LIMITED

Schedules forming part of the financial statements for the year ended March 31, 2009

	March 31, 2009 (Rs. in lacs)	March 31, 2008 (Rs. in lacs)
Schedule: 19		
Administrative expenses		
Lease rent	4.72	5.94
Repair and maintenance	-	-
- plant and machinery	9.17	6.89
- building	10.73	14.57
Insurance	40.77	55.52
Rates and taxes	6.44	12.48
Travelling expenses	43.61	50.09
Legal and professional	30.84	30.28
Auditors' remuneration	-	-
- statutory audit	19.00	11.00
- tax audit	-	1.50
- limited review	4.50	-
- service tax and others	6.25	1.55
Research and development	114.05	76.12
Miscellaneous	73.03	98.01
	363.11	363.95
Schedule: 20		
Selling expenses		
Secondary packing	40.58	26.37
Packing material	147.09	94.13
Port expenses	196.71	198.15
Selling commission and brokerage	4.99	819.99
Transportation charges	935.31	755.63
	1,324.68	1,894.27
Schedule: 21		
Financial charges		
Bank charges	9.63	4.71
Interest	715.41	835.44
Bill discounting charges	28.05	121.52
Swap charges	-	37.75
	753.09	999.42
Schedule: 22		
Prior period items		
Prior period sales	-	(298.64)
Cost of goods sold (prior period sales)	-	199.72
Insurance	-	(16.36)
Provident fund	-	4.78
Bonus	-	10.12
Store and spares	-	(99.48)
Sales commission	-	697.19
Gratuity	-	9.30
	-	506.63
Schedule: 23		
Earnings per share		
Profit attributable to equity shareholders's (for basic earning and diluted earning)	12,158.07	4,525.28
Number of equity shares of Re. 1 each fully paid up	1,360.00	1,360.00
Weighted average number of equity shares for basic earnings per share	1,360.00	1,122.86
Add: potential dilutive equity shares on account of Employees Stock Options outstanding	11.64	-
Weighted average number of equity shares for diluted earnings per share	1,371.64	1,122.86
Basic (Rs.)	8.94	4.03
Diluted (Rs.)	8.86	4.03

VIKAS WSP LIMITED

Schedules forming part of the financial statements for the year ended March 31, 2009

Schedule: 24

Significant accounting policies

1) Basis of preparation of financial statements

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

2) Use of estimates

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

3) Foreign exchange transactions

i. Initial recognition

Transactions in foreign currency are recorded in the functional currency by applying to the foreign currency amount the exchange rate prevailing on the date of the transaction.

ii. Conversion

Monetary items denominated in foreign currency as at the balance sheet date are converted at the exchange rate prevailing on that date

iii. Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

4) Fixed Assets

i. Fixed Assets are stated at cost less accumulated depreciation and impairment losses if any.

ii. Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use.

iii. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Profit and Loss account.

5) Depreciation:

Depreciation is provided under the straight-line method based on the estimated useful life of the assets which is less than or equal to the corresponding life in schedule XIV of the Act Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

6) Employee benefits:

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 Employee Benefits (Revised 2005) "Revised AS 15".

i. Provident fund

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

ii. Gratuity

Gratuity is a post employment benefit and is in the nature of defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Profit and loss account in the year in which such gains or losses arises.

iii. Other short term benefits

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

7) Employee stock option plan

The Company values stock options granted to employees at excess of market price on the date of grant over the exercise price of the shares granted. The value of stock options granted is amortised on a straight line basis over the vesting period as employee compensation. The unamortized portion is carried as 'Deferred employee compensation' and shown under Reserves and Surplus.

8) Taxation

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

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

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets relating to timing differences are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

Minimum Alternate Tax (MAT) credit is recognized as an asset by way of a credit to the profit and loss account, in accordance with the provisions of the Guidance Note on accounting for credit available in respect of MAT under the Income Tax Act, 1961.

9) Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

10) Inventories

Inventories are valued as follows:

Raw materials, stores and spares and packaging materials

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

Work in progress and finished goods

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

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

11) Revenue recognition

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

Sale of goods

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

Export benefits/incentive

Export incentives receivable under Vishesh Krishi Gram Udyog Yojna are recognized when the entitlement to receive the benefit is established and ultimate realization under the scheme becomes certain.

Interest

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

12) Impairment of assets

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

13) Borrowing costs

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

14) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

15) Research cost

Revenue expenditure incurred on research is charged to profit and loss account in the year it is incurred.

16) Contingent liabilities and provisions

Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Company not acknowledged as debts are treated as contingent liabilities. The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, has been shown as a contingent liability in the financial statements.

Schedules forming part of the financial statements for the year ended March 31, 2009

Schedule: 25

Notes to the financial statements

1. Vikas WSP Limited was promoted in the year 1988 under the name and style of Vikas Gum Mills Private Limited and subsequently the name was changed to Vikas WSP Limited in the year 1992. The Company is an agro based Company registered as 100% Export Oriented Unit with Secretariat of Industrial Approval, Ministry of Commerce and Industry, Government of India, for the manufacture of Guar Gum (pulverized) and its derivatives.
2. In the year 2001, the Company allotted 100 lacs equity shares to the promoter group of the Company on a preferential basis. The Bombay Stock Exchange ('the exchange') had rejected the Company's application for listing of 100 lacs equity shares issued on preferential basis to promoters, directors and their relatives for non compliance with clause 13.1A ('the clause') of chapter XIII of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000. The Company convened an Extra Ordinary General Meeting on May 30, 2008 and complied with the requirements of the clause. The Company re-applied for listing of these shares on the stock exchange. These shares have been listed on the stock exchange on July 15, 2008.
3. During the year ended March 31, 2008 the Company had issued 263 lacs equity shares of Re. 1 each at a premium of Rs. 81.50 per share, to Mr. Meghraj Jindal (Promoter and director of the Company) and Smt. Sarbati Devi (non promoter and non share holder on the date of allotment) on a preferential basis. These shares have been listed by the stock exchange on July 15, 2008.
4. During the year, the Company has set up a new Export oriented Unit III ('EOU III') at Agro Food Park at Sri Ganga Nagar, Rajasthan. The newly established EOU III had subcontracted the production process to the existing Export Oriented Units of the Company and exported the produce manufactured under sub contracting arrangement, from the

EOU III. The Company is claiming exemption under section 10B of the Income Tax Act, 1961 for the profit and gains accrued by the EOU III. Based on the precedents in favour of the Company in similar circumstance in previous assessments, the management believes that the exemption claimed by the Company will be allowed under the prevailing laws on the date of the balance sheet. Accordingly, the Company has paid Minimum Alternate Tax (MAT) in accordance with section 115 JB of the Income Tax Act, 1961 for the year ended March 31, 2009.

5. The Company is engaged in the business of manufacturing of guar gum (pulverized) and its derivatives which as per Accounting Standard 17 on "Segment Reporting" is considered to be the only reportable business segment. The Company's primary geographical market is export of goods outside India which the management believes to be the single reportable geographical segment and there is no other significant geographical segment

6. Information on Companies under the same management:

Particulars	March 31, 2009 Rs in lacs	March 31, 2008 Rs in lacs
Loans and advances includes		
Vikas Dall and General Mills (Maximum balance due at any time during the year Rs 13.27, previous year Rs. 13.27 lacs)	-	13.27
Vikas Chemi Gums (India) Limited (Maximum balance due at any time during the year Rs 3,158.93 lacs, previous year Rs. nil)	3,158.93	-
	<u>3,158.93</u>	<u>13.27</u>
Debtors includes		
Vikas Chemi Gums (India) Limited (Maximum balance due at any time during the year Rs1,154.92, previous year Rs. nil)	1,154.92	-
Vegan Colloids Limited (Maximum balance due at any time during the year Rs1,668.85 lacs, previous year Rs. 115.80 lacs)	2.82	78.55
	<u>1,157.74</u>	<u>78.55</u>

7. **Related party disclosure:**

Information required to be disclosed under Accounting Standard 18 on "Related Party Disclosures"

i) Key management personnel

Mr. B. D. Agarwal - Managing Director

ii) Entities controlled by key management personnel (KMP)

Vikas Granaries Limited (formerly known as Adarsh Derivatives Limited)

Vikas Chemi Gums (India) Limited

Vikas Dall & General Mills (Partnership firm)

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

Vegan Colloids Limited

iv) Relative of key management personnel (where transaction has taken place)

Bimla Devi Jindal - Director (Wife)

Megh Raj Jindal - Director (Father)

Anchi Devi Jindal - (Mother)

Schedules forming part of the financial statements for the year ended March 31, 2009

Transactions with related parties are summarized below:

Nature of transaction	Key Management Personnel		Entities controlled by KMP		Relatives of KMP		Entities over which significant influence is exercised by the KMPs'		Rs. in Lacs
	March 31,	March 31,	March 31,	March 31,	March 31,	March 31,	March 31,	March 31,	
	2009	2008	2009	2008	2009	2008	2009	2008	
Sales -									
- Vikas Chemi Gums (India) Limited	-	-	1,154.92	36.81	-	-	-	-	-
- Vegan Colloids Limited	-	-	-	-	-	-	3,671.44	1,053.22	
Purchases of raw materials, intermediaries and finished goods									
- Vikas Granaries Limited (formerly known as Adarsh Derivatives Limited)	-	-	-	62.28	-	-	-	-	-
- Vikas Chemi Gums (India) Limited	-	-	13,227.98	9,368.75	-	-	-	-	-
- Vegan Colloids Limited	-	-	-	-	-	-	-	691.52	
Lease rent	-	-	2.40	2.40	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	400.00	-	-
Preferential issue of share capital to									
- Mr. Megh Raj Jindal (including securities premium)	-	-	-	-	-	4,950.00	-	-	-
Advances paid	-	79.00	3,158.93	1.05	-	13.54	-	-	-
Amount outstanding as at March 31, 2009									
- Advances receivable	-	-	3158.93	13.27	-	27.11	-	-	-
- Trade payable	-	-	2.40	377.94	-	-	-	-	-
- Trade receivable	-	-	1,154.92	-	-	-	2.83	78.55	
- Other receivable	-	-	-	-	-	-	400.00	-	-

Schedule: 25

Notes to the financial statements

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

(a) Licensed capacity and installed capacity:

Quantitative details	March 31, 2009	March 31, 2008
	Metric tones per annum	Metric tones per annum
Installed capacity per annum		
- Guar Gum Powder (pulverised)	46,200	46,200
- Guar splits	16,315	16,315

1. Installed capacity is on double shift basis.
2. As certified by management and relied upon by the Auditors, being a technical matter.

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

Quantitative details	March 31, 2009		March 31, 2008	
	Quantity in MT	Amount (Rs. in lacs)	Quantity in MT	Amount (Rs. in lacs)
Raw material consumed				
- Guar	12,550.74	2,068.78	16,158.10	2,630.10
- Guar split	46,335.61	17,051.91	36,917.20	16,217.31
- Others	-	555.48	-	1,103.25
	-	19,676.17	-	19,950.66
Finished Goods (Guar Gum Pulverized/Refined Guar Gum)				
Opening stock				
- Guar split	3,600.00	1,666.67	-	-
- Guar Gum Powder (pulverised)	1,248.03	524.08	1,536.90	768.45
	4,848.03	2,190.75	1,536.90	768.45
Production/purchase				
- Guar split	4,940.00	N.A.	3,600.00	N.A.
- Guar Gum Powder (pulverised)	45,352.10	N.A.	46,825.25	N.A.
	50,292.10		50,425.25	
Sales				
- Guar split	3,600.00	2,268.75	-	-
- Guar Gum Powder (pulverised)	43,419.00	33,087.42	47,114.12	30,529.45
	47,019.00	35,356.17	47,114.12	30,529.45
Closing stock				
- Guar split	4,940.00	2,141.40	3,600.00	1,666.67
- Guar Gum Powder (pulverised)	3,181.13	1,518.18	1,248.03	524.08
	8,121.13	3,659.58	4,848.03	2,190.75

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

	March 31, 2009		March 31, 2008	
	Percentage	Value (Rs. in lacs)	Percentage	Value (Rs. in lacs)
i) Raw material				
Indigenous	100%	19,676.17	100%	19,950.66
ii) Stores and spare parts				
Indigenous	100%	45.12	100%	65.18
Imported	-	-	-	-

(d) CIF value of imports

	March 31, 2009	March 31, 2008
	Value (Rs. in lacs)	Value (Rs. in lacs)
Chemicals*	41.18	59.67
Plant and machinery	8,978.66	-

*Imported chemicals worth Rs. Nil (previous year 59.67 lacs) used in research and development activities.

(e) Expenditure in foreign currency

	March 31, 2009	March 31, 2008
	Value (Rs. in lacs)	Value (Rs. in lacs)
Travelling	-	3.84
Selling commission	-	816.76

(f) Earnings in foreign currency:

	March 31, 2009	March 31, 2008
	(Rs. in lacs)	(Rs. in lacs)
FOB value of exports	31,331.72	30,191.34

9. The Company has obtained a packing credit limit, working capital demand loan and foreign documentary bill purchase/ discounting facility of Rs 655 lacs, Rs 3,400 lacs and Rs 665 lacs respectively from State Bank of Bikaner and Jaipur secured by hypothecation of Inventory, inward railway receipt/ motor transport receipts, bill of lading, airway bills, letter of credit, Export Credit Guarantee Cover, exclusive charge and mortgage on all the moveable and immoveable fixed assets of the Company at RIICO Industrial Area, Sri Ganga Nagar, exclusive charge and mortgage on all immoveable fixed assets of the Company located at Siwani, other documents to the title of goods and personal guarantee of Mr. Meghraj Jindal, Mrs. Bimla Devi Jindal and Mr. B.D. Agarwal, the promoters and Directors of the Company.
10. The demand loan of Rs 84.64 lacs from Union Bank of India is secured against the fixed deposits (pledged) with the bank.
11. Information required as per the Micro, Small and Medium Enterprises Development Act, 2006
The Company has requested its vendors to confirm their status under Micro, Small and Medium Enterprises Development Act, 2006. Based on the confirmations received, there are no amounts due to any micro or small enterprise under the MSMED Act, 2006.

12. Foreign exchange exposures (hedged/un-hedged positions)

The Company had no hedge policy during the year. The Company used forward exchange rate booking to hedge its risks associated with fluctuations in foreign currencies during previous years.

The Company does not use Forward exchange rate booking for speculative purposes. Accordingly, disclosure in respect of hedged position is given below:

For hedging currency risks:

Foreign exchange rate booking:

	Currency	March 31, 2009 (Rs. in lacs)	March 31, 2008 (Rs. in lacs)
Receivables	USD	Nil	2,278.96

The year end foreign currency exposures that have not been hedged is given below:

	Currency	March 31, 2009 Rs. in lacs	March 31, 2008 Rs. in lacs
Payables	USD	43.11	Nil
Receivables	USD	659.83	Nil
	EURO	19.89	Nil

13. Commitments and contingent liabilities

Firm capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. 907.49 lacs (Previous year Rs 1,266.34 lacs).

Claims against the Company not acknowledged as debts in respect of:

a) Excise matters, under dispute

The Company has filed an appeal before the Central Excise and Service Tax Appellate Tribunal ('the Tribunal') in a case of goods lost in transit at the time of export. The Company has obtained a stay order in this case. In the case the Central Excise Department has raised a total demand of Rs. 30.73 lacs towards excise duty in respect of goods lost in transit. The Company has already deposited Rs. 10 lacs under protest in this case and filed an appeal before the Tribunal. The Tribunal has delivered its verdict on May 14, 2009 and rejected the appeal filed by the Company. The Company is filing its appeal in the Hon'ble High Court as the management believes that the appeal will be accepted by the Hon'ble High Court of Punjab and Haryana and the management is convinced that the appeal will succeed. Accordingly, no provisions have been recorded in the books of accounts in respect of this amount.

b) Income tax matters, under dispute

The Additional Commissioner of Income Tax, Bhiwani ('the Assessing Officer') had raised an additional demand of Rs. 8.49 lacs for the Assessment Year 1995-96 and interest thereon of Rs. 22.23 lacs. The Company filed an appeal against the order passed by the Assessing Officer with the Commissioner of Income Tax (Appeals), Karnal. The Commissioner of Income Tax (Appeals) decided the matter in favour of the Company by setting aside the order passed by the Assessing Officer. Subsequently the Income Tax Department filed an appeal against the order of CIT (Appeals) in the Income Tax Appellate Tribunal ('the ITAT'), New Delhi which was accepted by the ITAT. Aggrieved by the order of ITAT, the Company has filed an appeal with the Hon'ble High Court of Punjab & Haryana ('the Hon'ble High Court'). The matter is still pending before the Hon'ble High Court. The management believes that its position on this matter shall be upheld by the adjudicating authority.

14. Employee benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The plan is unfunded. The following tables summarises the components of net benefit expense recognised in the profit and loss account and amounts recognised in the balance sheet for the respective plans.

The Company is providing the following benefits to their employees :

	March 31, 2009	March 31, 2008
Assumptions		
Discount rate	7.00%	8.00%
Rate of increase in compensation levels	5.50%	5.50%
Expected average remaining working lives of employees (years)	28.42	29.53
	March 31, 2009 (Rs. in lacs)	March 31, 2008 (Rs. in lacs)
Change in the present value of obligation :		
Particulars		
Present value of obligation as at beginning of the year	18.11	9.30
Interest cost	1.27	0.74
Current service cost	4.16	3.43
Benefits paid	-	-
Actuarial (gain)/loss on obligations	1.99	4.63
Present value of obligation as at March 31,2009	25.53	18.10
Expenses recognized in the Profit and Loss Account		
Current service cost	4.17	3.43
Interest cost	1.27	0.74
Settlement cost/credit	-	-
Net actuarial (gain)/loss recognized in the period	1.98	4.63
Total expenses recognized in the Profit and Loss Account	7.42	8.80

During the year the Company has recorded and expense of Rs. 15.22 lacs (previous year Rs.13.71 lacs) towards provident fund, a defined contribution plan.

15. Share based compensation

In accordance with the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines,1999 and the guidance note 18- "Employee share base payment" issued by the Institute of Chartered Accountants of India the following information relates to the stock option granted by the company.

The Company's Employee Stock Option Schemes known as "VESOP" - Vikas Employees Stock Option Plan - 2007 ('the scheme') provides for the grant of stock options ('the Options') to eligible employees and independent directors of the Company. The scheme is administered by the Compensation Committee ('the Committee') of the Board of Directors of the Company. The options are granted on the basis of performance and the grade of the employee. The options are granted at the discretion of the committee to select employees depending upon certain criterion.

The scheme limits the maximum grant of 52,000 options to an employee in any given year. As per the scheme the grant price or exercise price of options will be the face value of its equity shares at Re.1 each. The Options vest evenly over a period of one year from the date of grant. The Options lapse if they are not exercised prior to the expiry date, which is 6 months from the vesting date.

As the number of shares that an individual employee is entitled to receive and the price of the option is known on the grant date, the grants made pursuant to the scheme are considered fixed grants.

The stock options outstanding as at March 31, 2009 is 14.50 lacs

The following table summarises information about stock options outstanding as at March 31, 2009.

Particular	March 31, 2009 Stock options (numbers)
Outstanding, beginning of the year	-
Granted during the period	14.50
Forfeited during the period	-
Exercised during the period	-
Expired during the period	-
Outstanding, end of the period	14.50
Exercisable at the end of the period	-

The Company has used intrinsic value method for accounting of employee stock options and the price of the underlying share in market at the time of grant of the share options was Rs. 27.30

Had the Company used fair value method, the profit for the year would have been higher by Rs. 56.65 lacs (previous year Rs. nil) and diluted earnings per share would have been higher by Rs. 0.0006 (previous year Rs. nil). The following significant assumptions were used during the year to estimate the fair value of the options:

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

16. Research and development expenditure comprises of the following components:

Particulars	March 31, 2009 Value (Rs. in lacs)	March 31, 2008 Value (Rs. in lacs)
Salary	12.65	12.41
Chemicals/ testing charges	87.66	59.67
Others	13.74	4.04
	<u>114.05</u>	<u>76.12</u>

17. Previous year figures have been regrouped/ reclassified wherever considered necessary to make them comparable with those of the current year.

Sd/-
B.D. Agarwal
(Managing Director)

Sd/-
Bimla Devi Jindal
(Director)

Sd/-
Ravinder K. Gupta
(Company Secretary)

Place : New Delhi
Date : June 30, 2009

VIKAS WSP LIMITED

Cash Flow Statement for the year ended March 31, 2009

	March 31, 2009	March 31, 2008
	(Rs. in lacs)	(Rs. in lacs)
Cash flows from operating activities		
Net profit before taxes and prior period items	13,063.83	6,943.71
Adjustments for		
Depreciation	2,140.01	2,099.95
Impact of change in accounting policy	-	(182.00)
Deferred employees compensation	317.79	-
Liabilities written back	-	(24.96)
Provision for expenses written back	(422.75)	-
Interest received on fixed deposits	(18.72)	(5.32)
Interest expense	720.41	934.53
Unrealised foreign exchange gain	(8.51)	-
Prior period items	-	(506.64)
Operating profit before working capital changes	15,792.06	9,259.26
Adjustments for		
Trade receivables	4,170.86	(896.32)
Inventories	(194.11)	4,584.82
Trade payable	103.40	556.92
Loans and advances and other current assets	(2,844.59)	(1,465.60)
	1,235.56	2,779.82
Net cash generated from operating activities before tax	17,027.62	12,039.09
Direct taxes paid	(1,750.48)	(401.25)
Net cash inflow from operating activities	15,277.14	11,637.84
Cash flows from investing activities		
Purchase of fixed assets/capital work in progress	(13,857.05)	(28,174.19)
Receipts on maturity of fixed deposits	195.08	(203.87)
Interest received on fixed deposits	18.72	5.32
Net cash used in investing activities	(13,643.25)	(28,372.74)
Cash flows from financing activities		
Proceeds from preferential allotment of shares	-	21,697.50
State subsidy received	30.00	-
Dividend paid	(278.97)	(548.50)
Dividend tax paid	(46.61)	(46.61)
Interest paid	(720.41)	(934.53)
Repayment of working capital loans	(350.19)	(1,176.03)
Repayment of long term loan	-	(1,790.53)
Repayment of unsecured loan	(25.00)	(120.00)
Net cash (used in)/from financing activities	(1,391.18)	17,081.31
Increase in cash and cash equivalents	242.71	346.41
Cash and cash equivalents at the beginning	366.71	20.29
Cash and cash equivalents at the close	609.42	366.71
Change in cash and cash equivalents	242.71	346.42
<i>Note: Cash and cash equivalents include:</i>		
Cash in hand	0.82	2.66
Balances with banks in		
- Current accounts (excluding unclaimed dividend accounts Rs.10.86 lacs (previous year Rs. 289.83 lacs) and fixed deposits pledged with banks Rs 91.70 lacs (previous year 286.78 lacs)	608.60	362.68
Balances with non-scheduled banks in current account		
- The Ganganagar Kendriya Sehkari Bank Limited	-	1.37
	609.42	366.71

Sd/-
B.D. Agarwal
Managing Director

Sd/-
Bimla Devi Jindal
Director

for and on behalf of the board of directors
Sd/-
Ravinder K. Gupta
Company Secretary

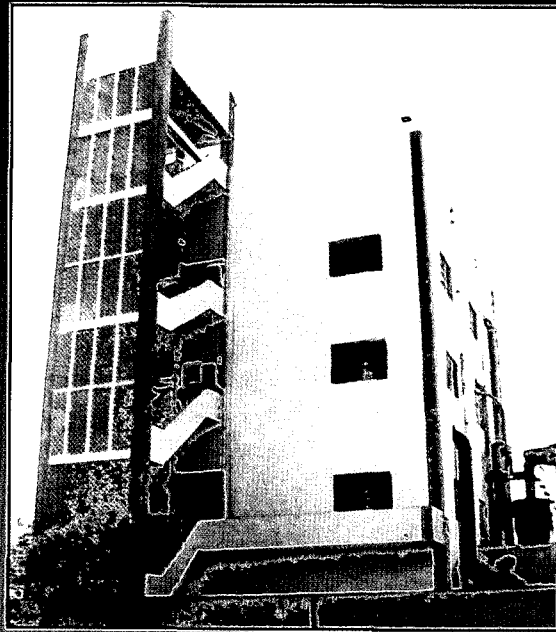
This is the Cash Flow Statement referred to in our report of even date.

for Walker, Chandiook & Co
Chartered Accountants

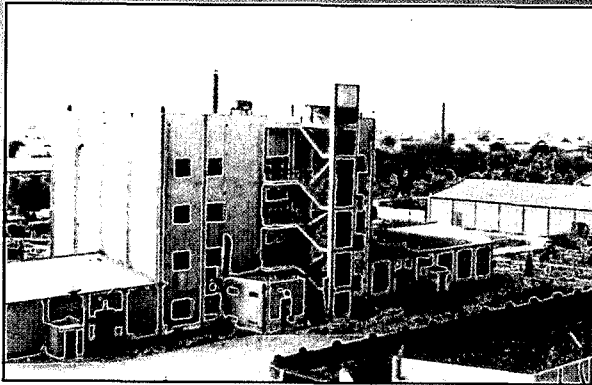
Sd/-
by B.P. Singh
Partner

Membership number: 70116

Place : New Delhi
Date : June 30, 2009



Manufacturing Facilities
(Unit-1)



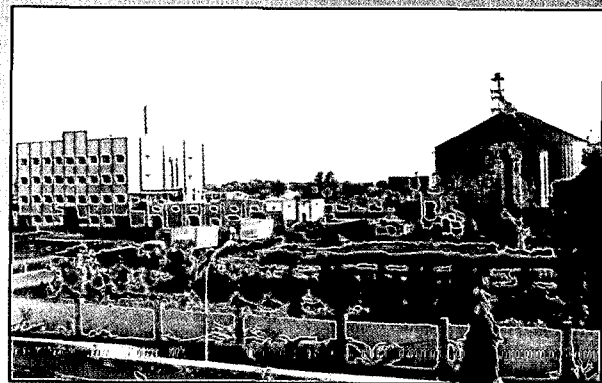
Manufacturing Facilities
(Unit-2)



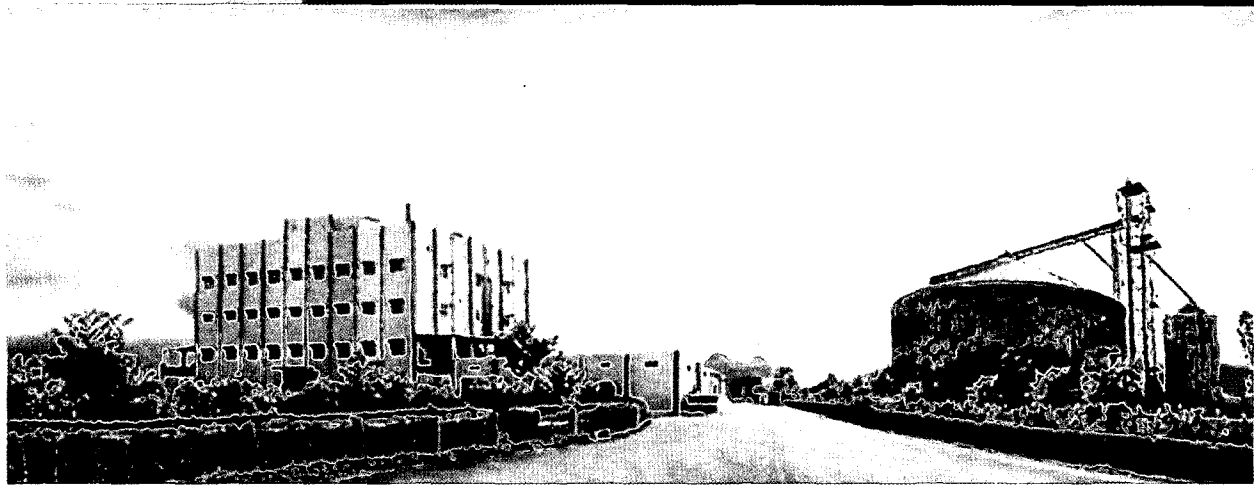
(Application Laboratories & QC Facilities)



Manufacturing Facilities
(Unit-3)



Manufacturing Facilities
(Unit-4)



VIKAS WSP LIMITED

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