

# 23<sup>rd</sup>

## Annual Report



# VIKAS PROFIN LIMITED



*inspires growth*

### **BOARD OF DIRECTORS**

<b>Dr. Nand Kishore Garg</b>	Chairman & Managing Director
<b>Purshottam Dass Bhoot</b>	Director
<b>Sumer Chand Tayal</b>	Director
<b>Vikas Garg</b>	Director
<b>B. B. Tandon</b>	Director w.e.f. 25th July 2008,
<b>P. K. Banerji</b>	Director w.e.f. 25th July 2008,
<b>Mukesh Aggarwal</b>	Director w.e.f. 25th July 2008,
<b>Vivek Garg</b>	Director w.e.f. 25th July 2008,
<b>Namrata Sharma</b>	Company Secretary
<b>Registered Office of the Company</b>	34/1, Vikas House East Punjabi Bagh, New Delhi-110026
<b>Manufacturing Plants</b>	<b>Jammu &amp; Kashmir</b> SIDCO Industrial Complex, IGC Samba, Jammu-184 121 <b>Rajasthan</b> G-30, Vigyan Nagar, RIICO Indl. Area, Shahjahanpur, Teh. Behror, Distt. Alwar, Rajasthan
<b>Statutory Auditors</b>	M/s R. K. Batra & Company (Chartered Accountants) 906, Vikram Tower, Rajendra Place, New Delhi-110008
<b>Share Transfer Agents</b>	M/s. Alankit Assignment Ltd. Alankit House 2E/21, Jhandewalan Extension New Delhi - 110 015
<b>Stock Exchange Listing</b>	The Delhi Stock Exchange Ltd. Bombay Stock Exchange Ltd.
<b>Bankers</b>	The Karnataka Bank Limited (Overseas Branch) Choudhary Building Connaught Place New Delhi – 110 001
<b>Email</b>	vikasprofin@vikasgroupind.com

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## NOTICE

**NOTICE is hereby given that the TWENTY THIRD Annual General Meeting of the Members of VIKAS PROFIN LIMITED will be held on Saturday, 6th December, 2008 at 11:30 A.M. at HARYANA MAITRI BHAWAN, Pitam Pura, New Delhi-110088 to transact the following business:**

### ORDINARY BUSINESS

#### ITEM NO. 1

To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008 and the Profit & Loss Account of the Company for the year ended on that date together with reports of Directors and Auditors.

#### ITEM NO. 2

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

#### ITEM NO. 3

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

#### ITEM NO. 4

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

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

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

### SPECIAL BUSINESS

#### ITEM NO. 5

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

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

**"RESOLVED THAT** Shri Vivek Garg who was appointed by the Board of Directors as an Additional Director on the 25th July, 2008 and who holds office upto the forthcoming Annual General Meeting of the Company pursuant to section 260 of the Companies Act and in respect of whom a notice has been received under section 257 of the Act proposing his candidature for the office of the Director of the Company, be and is hereby appointed as the Director of the Company liable to retire by rotation."

#### ITEM NO. 6

#### **APPOINTMENT OF SHRI B B TANDON AS DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** Shri B B Tandon who was appointed by the Board of Directors as an Additional Director on the 25th July, 2008 and who holds office upto the forthcoming Annual General Meeting of the Company pursuant to section 260 of the Companies Act and in respect of whom a notice has been received under section 257 of the Act proposing his candidature for the office of the Director of the Company, be and is hereby appointed as the Director of the Company liable to retire by rotation."

**ITEM NO. 7****APPOINTMENT OF SHRI P K BANERJI AS DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** Shri P K Banerji who was appointed by the Board of Directors as an Additional Director on the 25th July, 2008 and who holds office upto the forthcoming Annual General Meeting of the Company pursuant to section 260 of the Companies Act and in respect of whom a notice has been received under section 257 of the Act proposing his candidature for the office of the Director of the Company, be and is hereby appointed as the Director of the Company liable to retire by rotation."

**ITEM NO. 8****APPOINTMENT OF SHRI MUKESH AGGARWAL AS DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** Shri Mukesh Aggarwal who was appointed by the Board of Directors as an Additional Director on the 25th July, 2008 and who holds office upto the forthcoming Annual General Meeting of the Company pursuant to section 260 of the Companies Act and in respect of whom a notice has been received under section 257 of the Act proposing his candidature for the office of the Director of the Company, be and is hereby appointed as the Director of the Company liable to retire by rotation."

**ITEM NO. 9****ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY**

To consider and, if thought fit, to pass with or

without modification(s) the following resolution as a **SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered by deleting the existing Article No. 87 (1) and substituted by the following Article 87 (1):

"The Board of Directors of the Company shall from time to time decide the sitting fees payable to the Directors of the Company for attending the Board meeting or Committee thereof subject to the ceiling as may imposed by the Central Government from time to time. "

**ITEM NO. 10****CHANGE OF NAME OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of section 21 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government the name of the Company be changed from "Vikas Profin Limited" to "Vikas GlobalOne Limited".

**FURTHER RESOLVED THAT** the name "Vikas Profin Limited" wherever appearing in the Memorandum and Articles of Association of the Company be replaced with the new name "Vikas GlobalOne Limited".

By order of the Board

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

Place New Delhi

Date 31<sup>ST</sup> October, 2008

## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY. A PROXY NEED NOT TO BE MEMBER THE COMPANY.** PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.

2. The register of Members and Share Transfer Books will remain closed from Friday, the 28th November, 2008 to Saturday, the 6th December, 2008 (both days inclusive) for the purpose of Annual General Meeting.

3. The Company has received the approval of the Registrar of Companies, NCT of Delhi & Haryana under sub section (1) of section 166 of the Companies Act, 1956 for the extension of time for holding the Annual General Meeting of the Company.

4. M/s Alankit Assignment Ltd., Corporate Office at 'Alankit House' 2E/21, Jhandewalan Extension, New Delhi-110015 is the Registrar and Share Transfer Agent of the Company for physical shares as well as depository interface with NSDL and CDSL.

5. Members are requested to intimate to the Company queries, if any, regarding these Accounts / Notice at least 7 days before the meeting to enable the management to keep the information ready at the meeting.

6. Members are requested to bring their copies of the Annual Report to the meeting and the Attendance Slip duly filled-in for attending the meeting.

7. In case you wish to avail the nomination facility in respect of shares held by you please write to the Company for the nomination form.

8. Members who are holding shares in more than one folio are requested to write to the Company to enable the company to consolidate their holdings in one folio.

9. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office on all working days except Saturdays, Sundays and Holidays between 11:00AM and 1:00PM upto the date of Annual General meeting.

10. Members Companies / Organization are request to send a copy of the resolution authorizing their representation to attend and vote at the Annual General Meeting.

11. Members are requested to promptly notify to the Company any change in their addresses.

12. In terms of Section 109(A) of the Companies Act 1956, the share holder of the Company may nominate a person to whom the shares held by him shall vest in the event of his death.

13. Explanatory statement pursuant to section 173(2) of the Companies Act 1956 is annexed with the notice.

By order of the Board

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

Place New Delhi

Date 31<sup>ST</sup> October, 2008





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

As required under section 173 of the Companies Act, 1956, the following explanatory statement sets out the matter in relation to item no. 5, 6, 7, 8, 9 and 10 of the accompanying notice dated 31st October, 2008.

### ITEM NO. 5

Shri Vivek Garg was appointed as the Additional Director of the Company with effect from 25th July, 2008. As per the provisions of section 260 of the Companies Act, 1956, the above Director holds office upto the date of ensuing Annual General Meeting of the Company, and is eligible for reappointment. The Company has received notice under section 257 of the Companies Act, 1956, in respect of the candidate, proposing his appointment as Director of the Company. Shri Vivek Garg is a commerce graduate having experience of more than ten years in the industry. He is also engaged in activities pertaining to real estate development. Keeping in view his experience and expertise, his appointment as Director of the Company is recommended. The office of Shri Vivek Garg shall be liable to retirement by rotation.

A brief profile of Shri Vivek Garg, his nature of expertise in specific functional areas with his directorship in other companies, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in report on corporate governance forming part of the Annual Report.

Shri Vivek Garg, is not disqualified to act as Director of the Company in terms of section 274 (1) (g) of the Companies Act and has obtained a Director Identification Number as per the requirements of the Act. The Company has further received a notice from Shri Vivek Garg stating that he is not disqualified to act as Director in terms of Companies (Disqualification of Directors) Rules, 2003 confirming his eligibility for such appointment.

Your Directors recommend Ordinary Resolution for the approval of the members.

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

### ITEM NO. 6

Shri B B Tandon was appointed as the Additional Director of the Company with effect from 25th July, 2008. As per the provisions of section 260 of the Companies Act, 1956, the above Director holds office upto the date of ensuing Annual General Meeting of the Company, and is eligible for reappointment. The Company has received notice under section 256 of the Companies Act, 1956, in respect of the candidate, proposing his appointment as Director of the Company.

Shri B B Tandon has done Post Graduation in Economics and LLB (Bachelor of Laws) from University of Delhi. He has also been certified by the Indian Institute of Bankers with additional subjects of Co-operation and Industrial finance. He has also served as Election and Chief Election Commissioner of India. He was also a member of the Securities and Exchange Board of India. Keeping in view his enriched expertise and knowledge, it will be in the interest of the Company that Shri B B Tandon be appointed as Director of the Company, who if appointed, shall be liable to retire by rotation in accordance with the Articles of Association of the Company.

A brief profile of Shri B B Tandon, his nature of expertise in specific functional areas with his directorship in other companies, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in report on corporate governance forming part of the Annual Report.

Shri B B Tandon, is not disqualified to act as Director of the Company in terms of section 274 (1) (g) of the Companies Act and has obtained a Director Identification Number as per the requirements of the Act. The Company has further received a notice from Shri B B Tandon stating that he is not disqualified to act as Director in terms of Companies (Disqualification of Directors) Rules, 2003 confirming his eligibility for such appointment.

Your Directors recommend Ordinary Resolution for the approval of the members.

Save and except Shri B B Tandon, none other Directors are interested in the resolution.

#### ITEM NO. 7

Shri P K Banerji was appointed as the Additional Director of the Company with effect from 25th July, 2008. As per the provisions of section 260 of the Companies Act, 1956, the above Director holds office upto the date of ensuing Annual General Meeting of the Company, and is eligible for reappointment. The Company has received notice under section 257 of the Companies Act, 1956, in respect of the candidate, proposing his appointment as Director of the Company.

Shri P K Banerji has served the Government of India for about 20 years and Government of West Bengal for about 16 years. He has also been awarded Padma Shri in 1972 for his outstanding public service. He has also been awarded Medal of Honour by the then soviet Chamber of commerce and Industry in 1984 for outstanding contribution in promoting bilateral economic co-operation. Keeping in view his enriched expertise and knowledge, it will be in the interest of the Company that Shri P K Banerji be appointed as Director of the Company, who if appointed, shall be liable to retire by rotation in accordance with the Articles of Association of the Company

A brief profile of Shri P K Banerji, his nature of expertise in specific functional areas with his

directorship in other companies, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in report on corporate governance forming part of the Annual Report.

Shri P K Banerji, is not disqualified to act as Director of the Company in terms of section 274 (1) (g) of the Companies Act and has obtained a Director Identification Number as per the requirements of the Act. The Company has further received a notice from Shri P K Banerji stating that he is not disqualified to act as Director in terms of Companies (Disqualification of Directors) Rules, 2003 confirming his eligibility for such appointment.

Your Directors recommend Ordinary Resolution for the approval of the members.

Save and except Shri P K Banerji, none other Directors are interested in the resolution.

#### ITEM NO. 8

Shri Mukesh Aggarwal was appointed as the Additional Director of the Company with effect from 25th July, 2008. As per the provisions of section 260 of the Companies Act, 1956, the above Director holds office upto the date of ensuing Annual General Meeting of the Company, and is eligible for reappointment. The Company has received notice under section 256 of the Companies Act, 1956, in respect of the candidate, proposing his appointment as Director of the Company.

Shri Mukesh Aggarwal is a fellow member of the Institute of Chartered Accountants of India and having vast knowledge of finance. He has in-depth knowledge in the financial sector and can provide valuable support to strengthen the operational management of the Company. Keeping in view his enriched expertise and knowledge, it will be in the interest of the Company that Shri Mukesh Aggarwal be appointed as Director of the Company, who if appointed, shall be liable to retire by rotation in accordance with the Articles of Association of the





Company.

A brief profile of Shri Mukesh Aggarwal, his nature of expertise in specific functional areas with his directorship in other companies, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in report on corporate governance forming part of the Annual Report.

Shri Mukesh Aggarwal, is not disqualified to act as Director of the Company in terms of section 274 (1) (g) of the Companies Act and has obtained a Director Identification Number as per the requirements of the Act. The Company has further received a notice from Shri P K Banerji stating that he is not disqualified to act as Director in terms of Companies (Disqualification of Directors) Rules, 2003 confirming his eligibility for such appointment.

Your Directors recommend Ordinary Resolution for the approval of the members.

Save and except Shri Mukesh Aggarwal, none other Directors are interested in the resolution.

#### ITEM NO. 9

Presently the Articles of Association of the Company provides for the payment of sitting fee to the Directors of the Company not exceeding Rs.250/- (Rupees two hundred fifty only) per director for each meeting attended. It is proposed to enhance the sitting fee in accordance with the limits laid by the Central Government in this regard for each meeting of the Board or committee thereof.

All the Directors of the Company would be deemed to be interested in passing the said resolution.

#### ITEM NO. 10

The Company has completed the process of amalgamation and as per Scheme of Amalgamation the Company has to carry on the business of all the transferor companies as well as of its own. So the Directors of the Company have

decided to change the name of the Company showing all the activities of the company as the Company may carry on. The Board has chosen the new name as "Vikas GlobalOne Limited" showing the activities of the business in multiple area. Also the application in this regard was duly placed before the Registrar of Companies for availability of name and the same was approved by the Registrar of Companies, NCT of Delhi & Haryana as "Vikas GlobalOne Limited". In the opinion of the Board of Directors the new name would show multiple business activities and would be in the interest of the Company. As per section 21 of the Companies Act, 1956 the name of the Company can be changed by passing the special resolution so the Directors of your company has recommended for passing of the necessary special resolution as mentioned in the notice.

None of the directors of the Company is concerned or interested in the above resolution except as a member of the Company.

By order of the Board

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

Place New Delhi

Date 31<sup>ST</sup> October, 2008

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **OVERVIEW 2007-08**

#### **Value Creation**

The merger of Hulchul International Private Limited (HIPL), Vikas Utilities Private Limited (VUPL) and South Delhi Projects Private Limited (SDPPL) (Transferor Companies) with Vikas Profin Limited (VPL) (Transferee Company) has been completed.

As per the approval of the Hon'ble High Court of Delhi all the assets and liabilities of the transferee companies have been transferred to Vikas Profin Limited w.e.f. 1st April, 2007.

Following the merger, Vikas Profin Limited along with its registered office at New Delhi will have manufacturing facilities in the state of Rajasthan and Jammu & Kashmir as the existing manufacturing facilities at Rajasthan, which were under the group concern, M/S Vikas Utilities Private Ltd has come to the fold of Vikas Profin Limited. Moreover, the Company is about to set up manufacturing plant at SIDCO Industrial Complex, IGC Sambha, Jammu (J & K), which is a well-developed industrial area having the required infrastructure. The unit is expected to commence production in January 2009.

#### **Financial Performance**

During the year several benchmarks for sales, profits, net worth etc were set up by the Company. The merger of the Company will result in new growth momentum across all its businesses and markets. Also during the year ended March 2008 the earnings of the Company before interest, depreciation etc. was of Rs. 165.95 lacs as compared to the previous year Rs. 20.52 lacs. Also the profits of the Company before tax were Rs. 39.12 lacs as against Rs. 13.29 lacs in the previous year. The Company is further focusing on various other factors for accelerating growth such as:

strengthening business in existing markets and optimizing efforts across the entire Company.

#### **Post merger Operations**

The post amalgamation core business operations will revolve round plastics and Chemicals segment. It will include manufacturing as well as import and distribution of TPR, EVA, PVC and Plastic Compounds. Vikas Profin Limited intends to restrict their earlier exposure in real estate segment and shall now onwards be focusing on the trading and manufacturing segment of the newly setup plants. The real estate segment shall be auxiliary/supplementary to the core business and shall add to bottom line and consolidate the financial condition of the company down the line.

The Company will further expand its activities in the field of manufacturing. It has selected to foray in manufacturing of PVC heat stabilizers in technical collaboration with Chinese Company and install Pet washing and Recycling plant. The manufacturing of PVC stabilizers will be operative under Jammu Plant and the pet recycling plant will be located at Rajasthan

The merger will also enable the group to integrate its resources and will be in commanding position to expand its existing business line and improve the bottom line by achieving operational efficiencies and economies of scale. The merger will result in:

- Greater size and strength to listed entity of the group
- Instantaneous growth, snuffing competition & increased market share
- Enhancement in capabilities and capacities;
- Leveraging of Human and Physical resources of the companies
- Tax Benefits