



inspires growth

the alchemist at work, for you

2011
2010



Vikas Global  ne Ltd.

(India's Fastest Growing Speciality Additives & Compound Company)

CONTENTS

Company Information	1
Board Committees & its Composition	2
Notice of Annual General Meeting	3 - 13
Directors' Report	14 - 17
Management Discussion & Analysis	18 - 23
Report on Corporate Governance	24 - 37
Auditor's Report	38 - 40
Balance Sheet	41
Profit & Loss Account	42
Schedules to the Accounts	43 - 48
Schedule : Notes to Accounts	49 - 58
Cash Flow Statement	59 - 60
Balance Sheet Abstract and Company's General Business Profile	61
Vikas GlobalOne Consolidated	62 - 85

COMPANY INFORMATION**Board of Directors**

Nand Kishore Garg
Brij Behari Tandon
Pradip Kumar Banerji
Purushottam Dass Bhoot
Sumer Chand Tayal
Mukesh Aggarwal
Vikas Garg
Vivek Garg

Chairman & Managing Director
Independent-Non Executive Director
Independent-Non Executive Director
Independent-Non Executive Director
Independent-Non Executive Director
Independent-Non Executive Director
Executive Director
Executive Director

Company Secretary

Aditya Narayan Singh

Statutory Auditors

M/s RSPH & Associates
(Formerly R. K. Batra & Company)
906, Vikram Tower,
Rajendra Place, New Delhi -110008

Bankers

Oriental Bank of Commerce
ICICI Bank

Registered Office

Vikas House, 34/1,
East Punjabi Bagh,
New Delhi - 110026

Registrar & Share Transfer Agent

Alankit Assignments Limited
2E/21, Alankit House,
Jhandewalan Extension
Delhi - 110055

Manufacturing Plant***Jammu & Kashmir:***

Industrial Growth Centre,
Phase-I, SIDCO Complex
Distt. Samba-184121
Jammu & Kashmir

Rajasthan:

G-24-30, Vigyan Nagar,
RIICO Indl. Area,
Shahjahanpur,
Distt, Alwar-301706
Rajasthan

Board Committees & its Composition

Audit Committee

Mukesh Aggarwal	Chairman
Sumer Chand Tayal	Member
Purushottam Dass Bhoot	Member

Shareholder Grievance Committee

Sumer Chand Tayal	Chairman
Vivek Garg	Member
Mukesh Aggarwal	Member

Risk Management Committee

Pradip Kumar Banerji	Chairman
Mukesh Aggarwal	Member
Vikas Garg	Member

Remuneration Committee

Brij Behari Tandon	Chairman
Pradip Kumar Banerji	Member
Mukesh Aggarwal	Member
Vikas Garg	Member

Equity Warrant Committee

Mukesh Aggarwal	Chairman
Sumer Chand Tayal	Member
Vivek Garg	Member

NOTICE

Notice is hereby given that the 26th (TWENTY SIXTH) Annual General Meeting of VIKAS GLOBALONE LIMITED will be held on Wednesday, the 28th day of September, 2011 at 11:30 A.M. at Haryana Maitri Bhawan, Pitampura, New Delhi-110034 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet and cash flow Statement as at 31st March, 2011, the Profit and Loss Account for the year ended on that date together with the reports of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2011.
3. To appoint a Director in place of Mr. Nand Kishore Garg, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vivek Garg, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Brij Behari Tandon, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint the Auditors of the Company to hold office from the conclusion of this Annual General 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 RSPH & Associates (formerly 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 Annual General 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

7. Appointment of Mr. Jagdish Capoor as a Director of the Company

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

“**RESOLVED THAT** Mr. Jagdish Capoor who was appointed by the Board of Directors in its meeting held on 10th August, 2011 as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 (“the Act”), and who is eligible for appointment as Director of the Company and the Company has received a notice in writing under Section 257 of the Companies Act, 1956 in respect of the candidate, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company and whose office shall be liable to retirement by rotation.”

8. Appointment of Mr. Vikas Garg as Managing Director of the Company

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

“**RESOLVED THAT** pursuant to Section 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 and all other applicable provisions, if any, (including any statutory modifications or re-enactment thereof that may hereafter be made by the Central Government), approval of the Members of the Company be and is

hereby accorded for the appointment of Mr. Vikas Garg, as the Managing Director, with effect from 10th August, 2011 for a period of 5 (five) years, as per the agreement as approved by the Board and on the terms and conditions, as set out in the Explanatory Statement annexed to the Notice.

RESOLVED FURTHER THAT subject to the limits contained in Section 198, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof that may hereafter be made by the Central Government), Mr. Vikas Garg be paid remuneration as ceiling set out in the agreement as recommended by the remuneration committee and approved by the Board of Directors, be and is hereby specifically sanctioned.

RESOLVED FURTHER THAT notwithstanding anything to the contrary contained herein, where in any financial year the Company has no profits or its profits are inadequate, during the currency of the tenure of Mr. Vikas Garg, the Company shall pay remuneration by way of salary and perquisites as minimum remuneration subject to such approvals, if any, as may be required under Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company including any Committee thereof be and is hereby authorized to alter, vary, modify and revise the terms and conditions including remuneration of the said appointee and/or agreement in such manner and from time to time, as may be agreed to between the Board and Mr. Vikas Garg provided the same is in conformity with Schedule XIII appended to the Companies Act, 1956 and to do all such acts, deeds, things, in its absolute discretion, consider necessary, expedient or desirable, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deemed fit."

9. **Approval of ESOS (Employee Stock Option Scheme), 2011**

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 81(1A) and other applicable provisions of the Companies Act, 1956 and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the Memorandum and Articles of Association of the Company and other statutory enactment as may be applicable subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the ESOS Compensation Committee) to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in employment of the Company, including any Directors of the Company, whether whole time or otherwise, options exercisable into equity shares being not more than 5,00,000 Nos. of Equity Shares of Rs. 10/- each of the Company under the Scheme titled "Employee Stock Option Scheme, 2011", in one or more tranches, and on such terms and conditions as may be fixed or determined by the Compensation Committee in accordance with the provisions of the law and guidelines issued by the relevant Authority, each option granted being exercisable for one equity share of the company.

RESOLVED FURTHER THAT the Compensation Committee be and is hereby authorized to issue and allot Equity Shares upon exercise of such options from time to time in accordance with the ESOS, 2011 and such Equity Shares shall rank pari passu in all respects with the existing equity shares of the company.

RESOLVED FURTHER THAT in case the equity shares are either sub-divided or consolidated, than the number of shares to be allotted and the price of acquisition of the shares by the aforesaid allottees under the ESOS, 2011 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- each bears to the revised face value of the Equity Share of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Compensation Committee be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said ESOS, 2011 as it may deem fit, from time to time in its

sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and any other Regulations in force for the time being.”

NOTES:

- a. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND SUCH PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.**
- b. Members Companies / Organization are requested to send a copy of the resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- c. In accordance with the provision of Articles of Association of the Company, Mr. Nand Kishore Garg, Mr. Vivek Garg and Mr. Brij Behari Tandon retire by rotation at this Annual General Meeting and being eligible offer themselves for re-appointment.
- d. Members are requested to bring their admission slips along with a copy of the Annual Report to the Annual General Meeting.
- e. The Register of Members and Share Transfer Books of the Company will be closed from Thursday, the 22nd day of September, 2011 to Wednesday, the 28th day of September, 2011 (both days inclusive).
- f. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or after 28th day of September, 2011 as under:
 - i. To all Beneficial Owners in respect of shares held in electronic form, as per the data made available by the National Securities Depository Limited and the Central Depository Services (India) Limited, as on the close of business hours on 21st day of September, 2011.
 - ii. To all Members in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 21st day of September, 2011.
- g. Alankit Assignments Ltd. having Corporate Office at 'Alankit House' 2E/21, Jhandewalan Extension, New Delhi-110055 is the Registrar and Share Transfer Agent of the Company for physical shares as well as depository interface with NSDL and CDSL.
- h. (A) In order to provide protection against fraudulent dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrar and Share Transfer Agents (RTA), M/s Alankit Assignments Limited under the signature of Sole/First joint holder, the following information to be printed on Dividend Warrants:
 - (i) Name of the Sole/First joint holder and the Folio number
 - (ii) Particulars of Bank Accounts, viz:
 - (iii) Name of the Bank
 - (iv) Name of the Branch
 - (v) Complete address of the Bank with the pin code number
 - (vi) Account type, whether Saving Account or Current Account
 - (vii) Bank Account number
- (B) Members who hold shares in dematerialized form, may kindly note that their Bank account details, as furnished by the Depositories to the Company, will be printed on their Dividend Warrants as per the applicable regulation of the Depositories.

- i. Members are requested to intimate to the Company about their 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.
- j. 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.
- k. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office on all working days except Sundays and Holidays between 11:00 A.M. to 1:00 P.M. upto the date of Annual General Meeting.
- l. Members are requested to promptly notify to the Company any change in their addresses.
- m. In terms of Section 109A of the Companies Act, 1956, the shareholders of the Company may nominate a person to whom the shares held by him shall vest in the event of his death.
- n. The shares of the Company are currently listed at Delhi Stock Exchange and Bombay Stock Exchange and the Annual Listing Fee including service tax has been duly paid for the financial year 2011-12.
- o. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business under item no.7, 8 and 9 set out above and details under Clause 49 of the Listing Agreement of the Stock Exchanges.

The Ministry of Corporate Affairs has taken a Green Initiative in the Corporate Governance by allowing paperless compliances by the Companies and has issued circulars stating that the service of notices/documents including Annual Report sent by e-mail to its members.

The Company in support of the Green Initiative of MCA, propose to send its notices, annual report etc. in electronic form to the members. The members who wish to receive the said documents in electronic form are requested to register/update their e-mail addresses as per the following:

- Members holding equity shares of the Company in the electronic form are requested to update/register their e-mail addresses with their respective depository participants.
- Members holding equity shares in physical form are requested to update/register their e-mail addresses with the Company by sending a mail to **investors@vikasglobal.in** and **cs@vikasglobal.in** mentioning their name and folio number.

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

As required under Section 173(2) of the Companies Act, 1956, the following explanatory statement sets out the matter in relation to item no. 7, 8 and 9 of the accompanying notice dated 10th August, 2011.

ITEM NO. 7

The Board of Directors ('the Board'), at its Meeting held on 10th August, 2011 appointed Mr. Jagdish Capoor as an Additional Director with effect from 10th August, 2011 pursuant to Section 260 of the Companies Act, 1956. Mr. Capoor will hold office upto the date of forthcoming Annual General Meeting and is eligible for appointment as a Director. 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.

Mr. Jagdish Capoor aged about 72 years and holds Masters Degree in Commerce from Agra and a Fellow member of the Indian Institute of Banking and Finance. He has overall experience of over 45 years. He has formerly been a Deputy Governor of RBI and has also been a member on the boards of several banks, e.g. Bank of Baroda, State Bank of India, National Housing Bank, NABARD, Exim Bank, and HDFC Bank (as Chairman), and also on the board of Bombay Stock Exchange (BSE).

None of the Directors except Mr. Capoor is concerned or interested in this Ordinary Resolution.

The Board recommends this Ordinary Resolution for the approval of the members.

ITEM NO. 8

Mr. Nand Kishore Garg has resigned from the post of Managing Director of the Company on 10th August, 2011. The Board in its meeting held on 10th August, 2011 has accepted his resignation and recommended Mr. Vikas Garg to be appointed as Managing Director in his place for the period of five years w.e.f. 10th August, 2011 to manage the affairs of the Company. Mr. Vikas Garg has been working as an Executive Director of the Company since 30th June, 2009.

Mr. Vikas Garg aged about 38 years is a Commerce Graduate from Delhi University. He has been holding the post of Executive Director in the Company, since 30th June, 2009 and has rich experience of more than 10 years in the line of plastics and chemicals. He spearheaded the Group's diversification into plastics and chemicals and has been instrumental in getting distributorship rights from various global giants.

Mr. Vikas Garg in his working hands has set up plant for the production of Tin Mate and Add Flex, the first manufacturing facility for the product in India.

On the recommendation of the Remuneration Committee and subject to the approval of the Members, the Board of Directors of the Company has approved the appointment of Mr. Vikas Garg, as the Managing Director of the Company for a period of 5 years from 10th August, 2011 to 09th August, 2016. The terms of appointment and remuneration of Mr. Vikas Garg, include the following:

1. **Salary:** Upto maximum limit of Rs. 1,00,000 (Rupees One Lacs only) per month as per the agreement with authority to the Board or Committee of Board, to fix the salary within the above maximum amount from time to time.
2. **Perquisites:** Perquisites shall be restricted to an amount equivalent to annual salary and shall be valued in terms of the provisions of Income Tax Act, 1961:
 - I. *Housing:* The expenditure to the company on hiring furnished accommodation shall not exceed 60% of the salary. In case the Managing Director is provided accommodations owned by the company, he will pay 10% of his salary towards house rent.
 - II. *Medical Reimbursement:* Medical expenses incurred by the appointee on self, spouse and dependent children will be reimbursed to him subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
 - III. *Club Fees:* Fees of two clubs subject to a maximum of two clubs excluding admission and life membership fees.

- IV. *Annual Leave*: 30 days annual leave with pay for every completed service of eleven months.
- V. *Leave Travel Concession*: For self and family once a year in accordance with the rules of the company.
- VI. *Personal Accident Insurance*: The annual premium on a policy shall be as per the rules of the Company.
- VII. *Provident fund and superannuation*:
 - A. Company's contribution towards provident fund as per rules of the company, but not exceeding 10% of salary and company's contribution towards superannuation fund which shall not, together with the company's contribution to provident fund, exceed 25%.
 - B. Gratuity payable at the rate of half month's salary for each completed year of service with a service of six months or more being treated as a full year.
 - C. Encashment of leave at the end of tenure.
- VIII. Use of Company's car for official duties and telephone at residence (including long distance calls) shall not be considered as perquisites;
- IX. The company can reimburse actual entertainment and traveling expenses incurred by the managing director in connection with the company's business.

3. **Remuneration approved by the Board**: The Board approved in its meeting held on 10th August, 2011, a remuneration of Rs. 50,000 (Rupees Fifty Thousand only) to Managing Director, including allowances and perquisites;

The terms and conditions as specified above shall also be treated as an abstract of his terms of appointment and memorandum of disclosure of nature of interest or concern therein in terms of Section 302 of the Companies Act, 1956.

None of the Director except Mr. Vikas Garg, Mr. Vivek Garg and Mr. Nand Kishore Garg are concerned or interested in this resolution.

The Board recommends Special Resolution for the approval of the members.

ITEM NO. 9

Human Resource is the key resource for the continuing growth and development of the Company. To motivate the employees and enable them to participate in the long term growth and financial success of the organization, with a common objective of maximizing the shareholder's value, the Company is introducing an Employee Stock Option Scheme ("**ESOS 2011 or the Scheme**") for the benefit of the employees. The ESOS 2011 would not only enable the Company to attract and motivate employees by rewarding performance as also to retain best talents but also to enable the employees to develop a sense of ownership with the organization.

It is proposed that an Employee Stock Option Scheme, 2011 be set up with 5,00,000 stock options. The Compensation Committee will administer the ESOS, 2011 and formulate the detailed terms and conditions.

The Compensation Committee will perform all such functions as mentioned in the Scheme.

The salient features of the ESOS, 2011 are presented below:-

1. Total number of options to be granted

Options exercisable into not more than 5,00,000 Equity shares of Rs. 10/- each of the Company will be available for being granted to Eligible Employees (as defined in the Scheme)

2. Identification of class of employees entitled to participate in the ESOS

All Employees (as defined in the Scheme) and as may be decided by the Compensation Committee, from time to time (subject to applicable law), would be entitled to options under the ESOS, 2011.

However, the employees would be granted Stock options based on performance and such other criteria as the Compensation committee may on its absolute discretion decide.