

22nd
Annual Report & Accounts
2013-14



VIPPY SPINPRO LTD.



Board of Directors	: Shri Piyush Mutha (Managing Director) Shri Praneet Mutha Shri Mohan Lal Jain Shri Mangalore Maruthi Rao Shri Shailendra Kumar Jain Shri Subhash Kocheta Shri Raghuram Krishnamurthy
Company Secretary	: Shri Jitender Kumar Yadav
Auditors	: M/s. Sodani & Company Chartered Accountants
Cost Auditors	: M/s. M. Goyal & Company
Bankers	: Punjab National Bank
Registered Office	: 318, City Center, 570, M.G. Road, Indore (M.P.) - 452001 Phone: 0731-2546710
Works Office	: 14-A, Industrial Area No.1 A.B Road, Dewas (M.P.)-455001 Phone Nos.: 07272-258251/258252/405352 Fax No. 07272-400121
Registrar & Share Transfer Agent	: Ankit Consultancy Pvt. Ltd. 60, Electronic Complex, Pardeshipura, Indore (M.P.)-452010 Ph. 0731-3198601-602, 2551745-46 Fax.0731- 4065798

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**NOTICE**

Notice is hereby given that the 22nd Annual General Meeting of the Company will be held on Monday, 29th day of September, 2014 at 09.00 a.m. at Hotel Amar Vilas, 1 Chandra Nagar, A. B. Road, Opp. Sony World, Indore (M.P.)-452010 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statement of the Company for the year ended 31st March, 2014 including audited balance sheet as at 31st March, 2014 and the statement of Profit and Loss for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Mangalore Maruthi Rao, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. Sodani & Company, Chartered Accountant (Firm registration No. 000880C), as Auditors of the Company, from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and fix their remuneration.

SPECIAL BUSINESS

4. To appoint Shri Subhash Kocheta as an Independent Director and in this regard to consider and if through fit to pass with or without modification(s), the following resolution as Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of the Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of Listing Agreement, Shri Subhash Kocheta, who was appointed as Director liable to retire by rotation and whose terms expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and Shri Subhash Kocheta meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013, be and is appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 5 consecutive years for a term upto the conclusion of the 27th Annual General Meeting of the Company in the Calendar year 2019.”
5. To appoint Shri Raghuram Krishnamurthy as an Independent Director and in this regard to consider and if through fit to pass with or without modification(s), the following resolution as Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of the Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of Listing Agreement, Shri Raghuram Krishnamurthy, who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and who meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013, be and is appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 5 consecutive years for a term upto the conclusion of the 27th Annual General Meeting of the Company in the Calendar year 2019.”
6. To appoint Shri Mohan Lal Jain as an Independent Director and in this regard to consider and if through fit to pass with or without modification(s), the following resolution as Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of the Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of Listing Agreement, Shri Mohan Lal Jain, who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and who meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013, be and is appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 5 consecutive years for a term upto the conclusion of the 27th Annual General Meeting of the Company in the Calendar year 2019.”



7. To appoint Shri Shailendra Kumar Jain as an Independent Director and in this regard to consider and if through fit to pass with or without modification(s), the following resolution as Ordinary Resolution:
- “RESOLVED THAT** pursuant to the provisions of the Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies(Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of Listing Agreement, Shri Shailendra Kumar Jain, who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and who meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013, be and is appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 5 consecutive years for a term upto the conclusion of the 27th Annual General Meeting of the Company in the Calendar year 2019.”
8. To approve the remuneration of the Cost Auditors for the financial year ended 31st march, 2015 and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution.
- “RESOLVED THAT** pursuant to the provision of section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rule, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s M.goyal & Co., Cost Accountant, Jaipur (Reg. No. 000051) the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the company for the financial year ending 31st March, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this meeting;
- RESOLVED FURTHER THAT** the Board of Directors of The Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”
9. To consider and if thought fit, to pass with or without modification(s), if any, the following Resolution as Special Resolution.
- “RESOLVED THAT** in suppression of the resolution passed by the shareholders in this regard and pursuant to section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to Borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of the time, apart from temporary loans obtained/to be obtained from the Company’s Banker in the ordinary course of business, shall not be excess of ₹1,50,00,00,000/- (Rupees One Hundred fifty Crores only) over and above the aggregate of the paid up share capital and free reserves of the Company.”
- “RESOLVED FURTHER THAT** the Board of Directors of the Company be and is here by authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute, all such documents instruments and writings as may be required to give effect to this resolution.”
10. To consider and if thought fit, to pass with or without modification(s), if any, the following Resolution as Special Resolution.
- “RESOLVED THAT** in suppression of the resolution passed by the shareholders in this regard and pursuant to section 180(1) (a) and any other applicable provisions of the companies Act, 2013 and the rules made there under(including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the members of the Company be and is hereby accorded to the Board of directors of the Company for mortgaging and/or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the movable and/or immovable assets and properties of the Company, wherever situate, present and future, whether presently belonging to the company or not, in favour of any person including, but not limited to, financial/investment institution(s), bank(s), insurance company(ies), mutual fund(s), corporate body(ies), trustee(s) to secure the loan, borrowing, debenture, hire purchase and/or working capital facilities and other credit facilities up to sum not exceeding ₹1,50,00,00,000/- Crores (Rupees



One Hundred fifty Crores only).

RESLOVED FURTHER THAT the Board of Directors or such Committee or person/(s) as may be authorised by the Board be and is hereby authorised to finalise the form, extent and manner of, and the documents and deeds, as may be applicable, for creating the appropriate mortgage and/or charges on such of the immovable and/or movable properties of the Company on such terms and conditions and at such time(s) / tranch(es) as may be decided by the board of directors in consultation with the lenders and for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving effect to this resolution.”

By Order of the Board of Directors

For Vippy Spinpro Ltd.

Jitender Kumar Yadav

Company Secretary

Place: Dewas

Date: August 14th, 2014

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company.
2. The instrument appointing proxy should be deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the meeting is annexed hereto.
4. The register of members and share transfer books will remain closed from Monday, 22nd day of September, 2014 to Monday, 29th day of September, 2014 (both days inclusive) for the purpose of Annual General Meeting.
5. Members who are still holding the Company's shares in physical form and have not converted their shareholding in dematerialized form, are once again requested to convert their equity shares from physical form to dematerialized form.
6. Members are requested to notify immediately any change of address to their depository Participant(DPs) in respect of their electronic share accounts and to the Company's Registrar and Share Transfer Agent (RTA), M/s. Ankit Consultancy Pvt. Ltd., 60, Electronic Complex, Pardeshipura, Indore(M.P.)-452010, in respect of their physical share folio, if any.
5. Shareholders desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep information ready.
6. Members/proxies who wish to attend the meeting are requested to bring the enclosed attendance slip duly filled and deliver the same at the entrance of the Meeting Hall.
7. Members who hold the shares in dematerialized form are requested to bring details of their DP and client ID number for easier identification and attendance at the meeting.
8. Members are requested to bring their copies of Annual Report at the time of attending the Meeting.
9. Corporate Members intending to send their authorized representative are requested to send a duly certified copy of Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
10. Brief profile of Directors seeking appointment/re-appointment in ensuring Annual General Meeting are provided in Corporate Governance Report forming part of the Annual Report.
11. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at 22nd Annual general Meeting by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

1. The Company has entered into an arrangement with Central Depository Services Limited for facilitating



e-voting for AGM.

The instructions for shareholders voting electronically are as under:

- i. The voting period begins on Monday, 22nd day of September, 2014 at 09.00 a.m. and ends on Wednesday, 24th day of September, 2014 at 06.00 p.m. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, 29th day of August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iii. Click on Shareholders.
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for the relevant Vippy Spinpro Limited on which you choose to vote.
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



- xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xviii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

OTHER INSTRUCTIONS:

- (i) The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 29th August, 2014.
- (ii) Mr. Shilpesh Dalal Practising Company Secretary (FCS 5316 C.P.No. 4235) of M/s. Shilpesh Dalal & Co., Practicing Company Address , Indore (M.P.) 452001, has been appointed as the Scrutinizer to conduct the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- (iii) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and submit a Scrutinizer’s Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company
- (iv) The results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website www.vippyspinpro.com and on the website of CDSL www.evotingindia.com within two days of the passing of the resolutions at the AGM of the Company and communicated to BSE Limited where the shares of the Company are listed.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 4,5,6 & 7**

Shri Subhash Kocheta, Shri Raghuram Krishnamurthy, Shri Mohan Lal Jain, and Shri Shailendra Kumar Jain are Independent Directors of the Company and have held the positions as such for more than 5(five) years.

The Security Exchange Board of India (SEBI) has amended Clause 49 of Listing agreement inter alia stipulating the conditions for the appointment of Independent Directors by listed company.



In the opinion of Board, Shri Subhash Kocheta, Shri Raghuram Krishnamurthy, Shri Mohan Lal Jain, and Shri Shailendra Kumar Jain fulfills the conditions specified in the Companies Act, 2013 and rules made there under, and Clause 49 of Listing Agreement for their appointment as independent directors of the company.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Subhash Kocheta, Shri Raghuram Krishnamurthy, Shri Mohan Lal Jain, and Shri Shailendra Kumar Jain as Independent Directors. Accordingly, the Board recommends the resolutions in relation to appointment of Shri Subhash Kocheta, Shri Raghuram Krishnamurthy, Shri Mohan Lal Jain, and Shri Shailendra Kumar Jain as Independent Directors, for the approval by the shareholders of the Company.

Except Shri Subhash Kocheta, Shri Raghuram Krishnamurthy, Shri Mohan Lal Jain, and Shri Shailendra Kumar Jain, being appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4,5,6 & 7. This Statement may also be regarded as a disclosure under revised Clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 8

The Board, on the recommendation of Audit Committee, has approved the appointment and remuneration of the M/s M.Goyal & Co., Cost Accountant, Jaipur, (Reg. No. 000051) the Cost Auditors of the company to conduct the audit of cost records of the company for the financial year 2014-15 at a remuneration of ₹15000/-. In accordance with the provisions of section 148 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, Consent of the members is sought for passing Ordinary Resolution as set out at Item No. 8 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ended 31st March, 2015.

The Board of Directors recommends the said resolution set out at item no.8 of the notice for approval of Shareholders by the Ordinary Resolution.

Item No. 9

Section 180(1)(c) of the Companies Act, 2013, requires that the Board of Directors shall borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is therefore, necessary for the members to pass s Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 as set out at item No. 9 of the notice. To enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the company. Approval of members is being sought to borrow money upto ₹1,50,00,00,000/- Crores (Rupees One Hundred fifty crores only) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item no. 9.

Item No. 10

The Company would be borrowing monies by way of debentures, bonds, loans, hire purchase finance either in rupees or in foreign currency from Financial Institutions / Banks / Insurance Companies and other Corporate Bodies apart from working capital facilities from banks in ordinary course of business. This in turn would necessitate further creation of securities by suitable mortgages and/or charge on all or some of the immovable and movable properties of the company, both present and future, in favour of the lenders / trustees upto of ₹ 1,50,00,00,000/- Crores (Rupees One Hundred fifty crores only). To create mortgage and/or charge upto the said limit, approval of the Members is required to be obtained pursuant to Section 180(1)(a) of the Companies Act, 2013 authorizing the Board of Directors of the Company in this regard.

It is therefore, necessary for the members to pass s Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as to set out at item no. 10 of the notice.

None of the Directors and Key Managerial Personal of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item no. 10.

By Order of the Board of Directors

For Vippy Spinpro Ltd.
Jitender Kumar Yadav
Company Secretary

Place: Dewas
Date: August 14th, 2014

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 22nd Annual Report together with the Audited Financial Statements for the year ended March 31, 2014.

FINANCIAL RESULTS

(₹ In Lacs)

Particulars	March 31 , 2014	March 31 , 2013
Income		
Revenue from Operations	9984.03	8905.82
Other Income	70.09	66.48
Total Revenue	10054.12	8839.34
Profit before finance cost, depreciation & amortization ,prior period expenditure and tax	851.51	887.67
Finance Costs	139.81	276.33
Depreciation and amortization expenses	247.24	259.43
Profit before prior period expenditure and tax	464.46	351.91
Less: prior period Expenditure	2.02	0.12
Profit before Tax	462.44	351.79
Less: Tax Expenses		
Current Tax	162.00	100.80
Deferred Tax(Assets)/Liabilities	(17.80)	1.01
Profit for the year	318.24	249.98
Earning per equity share		
Basic	5.42	4.26
Diluted	5.42	4.26

OPERATIONAL PERFORMANCE

During the year under review, the Company's revenue was ₹ 10054.12 lacs compared to ₹8839.34 lacs for the previous year . The Profit before Tax was ₹ 462.44 lacs compared to ₹ 351.79 lacs for the previous year registered growth by 31.45% The Profit After Tax was ₹318.24 lacs compared to ₹ 249.98lacs for the previous year and registered growth by 27.31%.

EXPORT

Your Company's export performance in the year under review has improved from last year. The Export was ₹ 2311.97 lacs compared to ₹ 1137.44 lacs for the previous year registered growth by 103.26%.

DIVIDEND

In order to conserve resources for future growth and with a view to ensure sufficient liquidity, your Directors do not recommend any dividend for the year 2013-14.

DIRECTORS

Shri Manglore Maruthi Rao and Shri Subhash Kocheta are being liable to retire by rotation and being eligible, offer them selves for the re-appointment.

Pursuant to the provisions of Companies Act, 2013 and amended clause 49 of the listing agreement requires appointment of independent directors. In compliance of provisions of Companies Act, 2013 and amended clause 49 of the listing agreement it was decided to appoint Shri Subhash Kocheta, Shri Raghuram Krishnamurthy, Shri Mohan Lal Jain, and Shri Shailendra Kumar Jain as Independent directors under section 149 of the Companies Act, 2013 and clause 49 of Listing Agreement to hold office for 5 (five) consecutive years for a term upto the conclusion of the 27th Annual General Meeting of the Company in the Calendar year 2019."

**PUBLIC DEPOSITS**

The Company has not invited/accepted any deposit from public within the meaning of Section 58A of the Companies Act, 1956 and rules made there under during the year under review.

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 205C of the Companies Act, 1956 the company has transferred an amount of ₹ 3,23,919.50/- (Rupees Three lacs twenty three thousand nine hundred nineteen and fifty Paise only) being the amount of unclaimed Dividend for the year 2005-2006 to the Investor Education and Protection Fund.

INSURANCE

The Company's buildings, plant and machineries, stocks, stores and spares are adequately insured against various risks.

PARTICULARS OF EMPLOYEES

Particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, as amended, is not applicable as no employee is covered under the said rules.

CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Particulars required under section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the statement annexed as Annexure –A hereto forming a part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at end of the financial year and of the profit /loss of the Company for that period.
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

The Company is committed to maintain the high standards of Corporate Governance. Your Directors adhere to the requirement set out in the listing Agreement with the Bombay stock exchange and have Complied all the prescribed requirement pursuant to clause 49 of listing agreement with the Bombay Stock Exchange Ltd.

A Report on Corporate Governance along with a Certificate thereon, from Company Secretary in Practice, is appended to and forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Clause 49 of the Listing Agreement with Bombay Stock Exchange Ltd., Management Discussion and Analysis Report is appended to and forms part of this Annual Report.

AUDITORS

M/s. Sodani & Co., Chartered Accountants (Firm Registration No.000880C), The Statutory Auditors of the Company retire at the conclusion of forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment for the Financial Year 2014-15.

The Board on the recommendation of Audit Committee, recommends their re-appointment to conduct audit of accounting record of the company.

There being no reservation, qualification or adverse remark in the Auditor's Report no explanation on part of the Board of Directors if called for.

**COST AUDITORS**

On the recommendation of the Audit Committee, the Board of Directors has appointed M/s. M.Goyal & Co., Cost Accountants, Jaipur, (Firm Registration No. 000051) as Cost Auditors of the Company to conduct the Audit of Cost Accounting records of the company for the year 2014-15 subject to approval of the Central Government.

LISTING OF THE SHARES

The Equity Shares of the Company are presently listed with Bombay Stock Exchange Ltd.(BSE). Further the Company has paid listing fees to Bombay Stock Exchange Ltd. for the year 2014-2015.

ENVIRONMENT & SOCIAL CONCERN

Your Company is committed to build business with save energy and save environment. Wind energy is the most mature and cost-effective renewable energy source, wind energy is generally recognized as a key solution in the fight against climate change and the desire to free society from its dependence on fossil fuels. In line of this, the company had set up the wind mill that generates electricity and contributed to displace emissions from the nation's coal-fired power plants and eliminates the nation's major source of acid rain, reduce total emissions of CO₂, and helps to contain the spread of respiratory disease aggravated or caused by air pollution in the country.

Your Company is committed to the sustainable use of all natural resources and minimizes waste at source and recycle where possible.

Considering the scarcity of natural resources, the Company continue to maintain "Rain Water Harvesting System" at the factory premises at Dewas. The 8040 sq meters of roof area has been covered under the rain water harvesting and approx 9500 cubic meters of water has been collected at factory premises at Dewas, resulting in saving water and recharging the five bore wells consequently, and also the cost thereof. The Company is also continuing to generate electricity through Company's Wind Mill situated at Dewas District, Madhya Pradesh.

Your Company continues to give top priority importance to pollution control and environment protection. The Company complies with various emission standards and other environmental requirements as per pollution control norms.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In line with the objective of being a committed corporate citizen, company had taken significant efforts in the area of Corporate Sustainability, encompassing Corporate Governance, Social Responsibility and Environment care. Company believes to actively contribute to the social and economic development of the community in which we operates & build a better, sustainable way of life for the weaker sections of society.

In memory of founder Late Shri Prakash Mutha, During the year, Company has involved in inspirable activities in the area around the plant situated at Dewas such as giving awards to meritorious students and distribute bicycle, School Dress, School Bags, School Books & Education Material. Total 67 Students got such benefit during the year.

The Company has provided training to women to develop their skills & quality. The Company has also organized the various health awareness programmes during the year.

COMPANY POLICY FOR PROMOTION OF EMPLOYMENT OF YOUTH COMING FROM THE UNDER-PRIVILEGED/DISADVANTAGED SECTION OF THE SOCIETY

The employment in the company is totally based on eligibility and merit of the applicant without any discrimination against their gender, religion, caste, colour, ancestry, marital status, nationality and disability. And among equally qualified individuals, preference are given to people from the disadvantaged groups.

The Company makes all efforts for up-skilling and continual training of employees from socially disadvantaged sections of society in order to enhance their capabilities, and competitive skills.

ACKNOWLEDGEMENTS

The Board of Directors of the Company wish to place on record their thanks and appreciation to all employees for their contribution to the operation of the Company. The Directors are thankful to the Banker for its continued support to the company. The Directors also place on record their sincere thanks to the customers, dealers, suppliers and investors for their continued support, co-operation and confidence in the Management of the Company.

For and on behalf of the Board of Directors

Dewas
May 24th 2014

Piyush Mutha
Managing Director

Mohan Lal Jain
Director



ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE-A

Information as per section 217(1)(e) of the Companies Act, 1956 read with Companies(Disclosures of Particulars in the Report of Board of Directors) Rules,1988 and forming part of the Directors' Report for the year ended 31st March 2014.

I. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

- i. Reduce the DC motor current in carding Department.
- ii. Reduce the main motor pulley in filter & maintain the suction air pressure in Blow Room department.
- iii. Reduce the Open End Suction pressure & maintain the yarn quality.
- iv. Humidification Plant No. 1 & 2:- Adjusted CFM, without affecting RH%.
- v. Rotary Drum Filter is run as per requirement of department for saving of energy.

(b) Additional investment and proposal for reduction of consumption of energy:

N.A.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and Consequent impact on cost of production.

- The above measures of energy conservation have resulted in saving of ₹1472250/- during the year.

FORM-A

Particulars with respect to conservation of energy

Particulars	Current year 2013-14	Previous Year 2012-13
A. Power & Fuel Consumption		
1. Electricity		
a. Purchased		
Units	10,191,375	1,02,42,280
Total Amt. ₹ (excluding cess)	57,523,890	5,73,67,881
Rate/ unit ₹	5.64	5.60
b. Own Generation		
(i) Through Diesel Generator		
Units	25,760	31,160
Units / liter of HSD/LDO (₹)	4.04	3.05
Cost / Unit (₹)	11.58	17.78
(ii) Through Steam Turbine /Generator	-	-
2. Coal		
Quality Consumed (in MT)	-	-
Total Cost (₹)	-	-
Average Rate (₹ /MT)	-	-
3. Furnace Oil	-	-
4. Others /internal generation	-	-
B. Consumption per unit of production		
Electricity (Unit /MT)	1296	1,390
Furnace Oil	-	-
Coal (Kg/MT)	-	-
Others	-	-

**II. TECHNOLOGY ABSORPTION:****FORM-B****Form of disclosures of particulars with respect to absorption:****(A) RESEARCH & DEVELOPMENT: N.A.****(B) TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION: N.A.****III. FOREIGN EXCHANGE EARNING AND OUTGO**

		Current Year	Previous Year
1.	Earning (₹)(FOB basis)	23,11,97,127	11,37,44,852
2.	Outgo (₹)	54,56,054	1,41,18,789

For and on behalf of the Board of DirectorsDewas
May 24th 2014**Piyush Mutha**
Managing Director**Mohan Lal Jain**
Director

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****ECONOMY-OVERVIEW**

The global economy in 2014 appears to be in a better shape than what it was in 2012 and 2013. India Ratings forecasts India's GDP to grow at 5.6 % in 2014-15. Despite a good monsoon, the manufacturing indices had declined, commodity prices stayed at the high levels and food inflation reached on all time high, which results in sustained consumer price index inflation of over 10% in the last financial year.

The global economy began its modest recovery in FY 2013-14. A combination of persistent inflation, fiscal imbalances, external sector vulnerabilities and low investments resulted in sluggish domestic demand growth. Fiscal and monetary initiatives taken by the Indian government and the Reserve Bank of India (RBI) helped stabilise financial market conditions, but the domestic macro-economic environment still remains challenging.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. Abundant availability of raw materials such as cotton, wool, silk and jute and skilled workforce has made India a sourcing hub.

The potential size of the Indian textile and apparel industry is expected to reach US\$ 221 billion by 2021, according to Technopak's Textile and Apparel Compendium 2012. Garment exports from India is expected to touch US\$ 60 billion over the next 3 years, with the help of government support, according to Apparel Export Promotion Council (AEPC).

The company is engaged in the manufacturing of cotton yarn for different applications by Rotor Spinning. Rotor Spinning is economical, since the process is very short, consumes less energy and offer substantial cost benefits in the choice of raw material in comparison to Ring Spinning especially in coarse counts. The Company is also engaged in generation of power through Wind Mill for captive consumption.

OPPORTUNITY AND THREATS**Opportunities**

The opportunity for Indian yarn industry seems to be better in the coming years as china has turned to India for huge purchase of yarns. A study conducted by the Cotton Textiles Export Promotion Council (Texprocil) has said that India's cotton yarn exports are meeting their targets. The high quality of Indian yarns is ensuring firm orders from international markets. There is an increasing anxiety in the industry due to recent developments in -Chinese cotton policy since China is the major importer of cotton and cotton yarns from India.

Threats

Cotton is raw material of the company which is sourced from domestic market. Cotton is an agriculture product and its supply and quality are subject to force of nature. Any material shortage or interruption in the domestic supply are deterioration in the quality of cotton due to natural causes or other factors could results in increased production costs. High power costs, interest rates, volatility in crude oil prices and increasing of inflation may have an adverse impact.

FUTURE OUTLOOK

The Indian textile industries has positioned itself as an international sourcing destination for a large number of international players and brands. It is also one of the largest contributing sectors of India's exports worldwide. The report of Working Group constituted by the Planning Commission on boosting India's manufacturing exports during 12th Five Year Plan (2012-17), envisages India's exports of Textiles and Clothing at USD 64.11 billion by the end of March 2017. The textiles industry accounts for 14% of industrial production, which is 4% of GDP; employs 45 million people and accounts for nearly 11% share of the country's total exports basket.

The Company believes that the Government also has significant role to play in the growth of this industry. The Government recognizes the potential of this industry and is taking a number of steps to improve competitiveness of this industry in the global market.

**RISK AND CONCERN**

Apart from the risk on account of interest rate, foreign exchange & regulatory changes, the business of the company is exposed to certain operating risk, The risk management policy of the company are manage and identify the nature and magnitude of risk associated with the Company and to take steps for mitigating the impact of such risks. These are reviewed periodically by the Board of Directors of the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has proper and adequate system of internal controls to provide reasonable assurance that assets are safeguard and transactions are properly authorised, recorded and correctly reported.

The Internal Audit is conducted by outside auditing firms which evaluate the functioning and quality of internal controls and check; and provides assurance of its adequacy and effectiveness. The Internal Audit Reports are reviewed by the top management, the Audit Committee and adequate remedial measures, if any, are taken and in time.

FINANCIAL ANALYSIS

During the year under review, the Company's revenue was ₹ 10054.12 lacs compared to ₹8839.34 lacs for the previous year. The Profit before Tax was ₹462.44 lacs compared to ₹ 351.79 lacs for the previous year registered growth by 31.45%. The Profit After Tax was ₹318.24 lacs compared to ₹ 249.98 lacs for the previous year and registered growth by 27.30%.

DEVELOPMENT IN HUMAN RESOURCE AND INDUSTRIAL RELATIONS

The Company believes that human resources are valuable assets of the company and provides them an environment, where each employee is motivated to contribute his best to achieve the Companies objective. The company lays great emphasis on proper management of human resources and believes that this is the most important ingredient for achieving excellence in performance and sustainable growth. The company has a progressive HR policy for helping employees to develop their organization skills, knowledge and abilities to achieve greater efficiency. The company's effort has always been to retain the best professional and technical talent.

The Industrial Relations of the company with its personnel has continued to be cordial and friendly during the year.

CAUTIONARY STATEMENT

Statement in the "Management Discussion and Analysis" describing the Company's objectives, estimates, expectations or projections may be "forward looking statements" within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include demand/supply conditions, finished goods, prices, raw material costs, changes in government regulations, tax laws and other statues and other incidental factors.

**CORPORATE GOVERNANCE REPORT**

The detailed report on implementation by the company of Corporate Governance code as incorporated in Clause 49 of the Listing Agreement with Stock Exchange is set out below:

1. The Company's Philosophy

Your Company is committed to attain the highest standard of Corporate Governance by placing emphasis on transparency, accountability, integrity and to promote ethical conduct throughout the organization with the main object to enhance the value of all stakeholders.

2. Board of Directors**Composition and Attendance**

The Company has total Seven(7) Directors out of which Four(4) Non Executive Independent Directors, One(1) Non independent non executive and two(2) executive non independent directors(Managing Director and Whole Time Director), Total Four(4) Directors are Independent, Thus it meets the stipulated requirement.

The Composition of the Board of Directors and their attendance at the Board Meetings during the year and at last Annual General Meeting of the Company and also the number of Directorship/Chairmanship/Membership in other Indian public Limited Companies are as follows:

S. No.	Name	Category	No. of Board Meetings		Attendance at last AGM	Total no. of Directorship in other public incorporated in India	No. of Committee Positions# held in other public companies incorporated in India	
			Held	Attended			Chairman	Member
1	Shri Piyush Mutha	Promoter-Executive	6	6	Yes	-	-	-
2	Shri Praneet Mutha	Promoter – Non-Executive	6	6	Yes	1	-	-
3	Shri Mohan Lal Jain	Independent Non -Executive	6	6	Yes	-	-	-
4	Shri Mangalore Maruthi Rao	Non-Independent Executive	6	5	No	-	-	-
5	Shri Shailendra Kumar Jain	Independent Non- Executive	6	-	No	4	-	1
6	Shri Subhash Kocheta	Independent Non- Executive	6	4	No	-	-	-
7	Shri Raghuram Krishnamurthy	Independent Non- Executive	6	1	No	-	-	-

Only Audit Committee and Shareholders/Investors Grievance Committee have been considered.

None of the Directors of the company were members in more than ten committees or acted as chairman of more than five companies across all companies in which they are directors.

None of the Independent Non-executive Directors of the Company have any pecuniary relationships or transactions with the company.

**Information of Directors appointment/re-appointment as required under clause 49 of the Listing Agreement**

Shri Mangalore Maruthi Rao and Shri Subhash Kocheta are being liable to retire by rotation and being eligible, offer them selves for the re-appointment.

Pursuant to the provisions of Companies Act, 2013 and amended clause 49 of the listing agreement requires appointment of independent directors. In compliance of provisions of Companies Act, 2013 and amended clause 49 of the listing agreement it was decided to appoint Shri Subhash Kocheta, Shri Raghuram Krishnamurthy, Shri Mohan Lal Jain, and Shri Shailendra Kumar Jain as Independent directors under section 149 of the Companies Act, 2013 and clause 49 of Listing Agreement to hold office for 5 (five) consecutive years for a term upto the conclusion of the 27th Annual General Meeting of the Company in the Calendar year 2019.”

The profile of the Shri Mangalore Maruthi Rao, Director is as under:

Name of Director	Shri Mangalore Maruthi Rao
Date of Birth	30 th January, 1938
Date of Appointment	28.10.2002
Qualification	B.sc in Textile
Experience in specific functional area	He has over 50 years practical experience in various leading textiles mills.
Directorship held in other Indian Companies	NIL
Membership/Chairmanship of Committees of other public companies(includes only Audit Committee and Shareholders/Investors Grievance Committee)	NIL
Number of Shares held in the Company	NIL

The Profile of the Shri Subhash Kocheta, Director is as under:

Name of Director	Shri Subhash Kocheta
Date of Birth	1 st September, 1946
Date of Appointment	31.03.2003
Qualification	M.Com.
Experience in specific functional area	Shri Subhash Kocheta has over 34 years experience in finance, trade & industry
Directorship held in other Indian Companies	NIL
Membership/Chairmanship of Committees of other public companies(includes only Audit Committee and Shareholders/Investors Grievance Committee)	NIL
Number of Shares held in the Company	NIL

The Profile of the Shri Raghuram Krishnamurthy, Director is as under:

Name of Director	Shri Raghuram Krishnamurthy
Date of Birth	6 th September, 1969
Date of Appointment	31.10.2000
Qualification	B.E. in electronics and, MBA
Experience in specific functional area	He has over 24 years vast experience in the field of technical, commercial, finance and various other areas.



Directorship held in other Indian Companies	NIL
Membership/Chairmanship of Committees of other public companies(includes only Audit Committee and Shareholders/Investors Grievance Committee)	NIL
Number of Shares held in the Company	NIL

The Profile of the Shri Mohan Lal Jain, Director is as under:

Name of Director	Shri Mohan Lal Jain
Date of Birth	28 th April, 1939
Date of Appointment	01.04.1992
Qualification	M.Com
Experience in specific functional area	He has over 49 years experience in finance, production and marketing in textile sector.
Directorship held in other Indian Companies	NIL
Membership/Chairmanship of Committees of other public companies(includes only Audit Committee and Shareholders/Investors Grievance Committee)	NIL
Number of Shares held in the Company	NIL

The Profile of the Shri Shailendra Kumar Jain, Director is as under:

Name of Director	Shri Shailendra Kumar Jain
Date of Birth	04 th December, 1943
Date of Appointment	01.09.1992
Qualification	B.Sc. & B.E. and has also done MS from Massachusetta Institute of Technology, USA
Experience in specific functional area	He possess vast experience in the field of Finance and Production and Marketing. He is also on the Board of Grasim Industries Ltd.
Directorship held in other Indian Companies	04
Membership/Chairmanship of Committees of other public companies(includes only Audit Committee and Shareholders/Investors Grievance Committee)	01
Number of Shares held in the Company	5000

Board Procedures

The Board has established procedures to enable the Board to periodically review compliance report of all laws applicable to the company, and takes steps to rectify instance of non-compliance, if any.

Apart from receiving sitting fees, Independent Directors do not have any material relationship or transaction with the company, its promoters, its Directors, and its senior management which may affect independence of directors.



During the Financial year ended 31st March, 2014, total 6 meetings of Board Of Directors were held on May 30,2013, August 14,2013, October 26,2013, November 14,2013, December 25, 2013 & February 14,2014 Maximum gap between two meetings was less than four months. The key information was placed before the Board of Directors to apprise the directors of the affairs of the company.

Code of Conduct

The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct is available on the website of the Company www.vippyspinpro.com. A declaration by Managing Director regarding compliance by the Board Members and Senior Management Personnel, with the said Code of Conduct is enclosed and form part of this report.

3. Audit Committee

The Audit Committee comprises of three members which is non-executive & independent directors. The Committee composition meets with the requirements of section 177 of the Companies Act, 2013 and Clause 49 of Listing Agreement. The Chairman of the Committee has a strong financial and accounting background. The terms of reference to the Committee was confirmed on 24.05.2014 pursuant to section 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

Shri Jitender Kumar Yadav appointed as Company Secretary on December 26, 2013, and Shri Jitender Kumar Yadav acts as Secretary w.e.f December 26, 2013 to the Audit Committee.

During the financial year ended 31st March, 2014, the committee met four(4) times. The dates of the meetings are May 30, 2013, August 14,2013, November 14,2013, & February 14,2014.

Composition and Attendance

As on March 31, 2014, the composition of the Audit Committee and details of meeting attended by the Directors are as under:

Name	Position	Category	No. of Meetings during the year	
			Held	Attended
Shri Mohan Lal Jain	Chairman	Independent Non- Executive	4	4
Shri Subhash Kocheta	Member	Independent Non -Executive	4	4
Shri Raghuram Krishnamurthy	Member	Independent Non -Executive	4	1

The Audit committee Meetings are usually held at the works Office of the Company and the Committees invites the CFO, Internal Auditor & Statutory Auditors, and Managing Director. Chairman of the Committee has attended previous Annual General Meeting of the Company held on 30th September, 2013.

4. Nomination & Remuneration Committee

The Nomination & Remuneration Committee comprises of three members which is non-executive & independent directors. The Committee composition meets with the requirements of section 178 of the Companies Act, 2013 and Clause 49 of Listing Agreement.

The terms of reference to the Committee was confirmed on 24.05.2014 pursuant to section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

Shri Jitender Kumar Yadav appointed as Company Secretary on December 26, 2013, and Shri Jitender Kumar Yadav acts as Secretary w.e.f December 26, 2013 to the Committee.

Composition and Attendance

As on March 31, 2014, the composition of the Remuneration Committee are as under:

Name	Position	Category
Shri Raghuram Krishnamurthy	Chairman	Independent Non- Executive
Shri Mohan Lal Jain	Member	Independent Non -Executive
Shri Subhash Kocheta	Member	Independent Non -Executive

During the year 2013-14, No meeting of Remuneration Committee was held.



Director Remuneration

Remuneration policy

The Company while deciding the remuneration package takes into consideration the following:

- (a) Present employment scenario
- (b) Remuneration package of the industry/other industries for the requisite managerial talent.
- (c) Qualification and experience held by the appointee.

Remuneration to Executive Directors

The details of remuneration paid to Executive Directors for the year ended March 31, 2014 are as under.

Name of Director	Designation	Salary (₹)	Perquisites and other benefits (₹)	PF & other Fund (₹)	Total (₹)
Shri Piyush Mutha	Managing Director	36,00,000	1,06,975	4,32,000	41,38,975
Shri Mangalore Maruthi Rao	Whole Time Director	3,60,000	-	-	3,60,000

Remuneration to Non Executive Directors

All the Non- Executive Directors are entitled to receive sitting fees for each meeting of the Board of Directors. The Company did not have any pecuniary relationship or transactions with non executive directors during the year ended 31st March, 2014 except for payment of sitting fees.

Criteria of Making Payments to Non –Executive Directors

The following are the criteria of making payments to non executive directors.

-Number of Board meetings attended by such Directors.

During the year 2013-14 sitting fees were paid to Non –Executive Directors as amounted to ₹1000/-

Number of shares held by Non-Executive Directors as on March 31,2014

Name	No. of Shares held
Shri Shailendra Kumar Jain	5000
Shri Praneet Mutha	521050

5. Stakeholders Relationship Committee

The Board has constituted Stakeholders Relationship Committee on 24.05.2014 in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms of reference of shareholder’s/Investors Grievance Committee was conferred on the Stakeholders Relationship Committee and consequently, the shareholder’s/Investors Grievance Committee was dissolved.

The Stakeholders Relationship Committee is primarily responsible to review all matters connected with the Company’s transfer/transmission/dematerialisation/rematerialisation of securities including approval of transfer/transmission/dematerialisation/rematerialisation and redressal of shareholder’s/investors/security holder’s complaints. The committee composition and terms of reference meet with the requirements of clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

The Secretarial Department of the company and the Registrar and Share Transfer Agents (Ankit Consultancy Pvt. Ltd. Indore), attend all grievances of the Shareholders/Investors received directly through SEBI, Stock Exchange, Ministry of Company Affairs, Registrar of Companies, etc.

During the financial year ended 31st March, 2014 the committee meet four(4) times, The dates of meetings were May 30, 2013, August 14,2013, November 14,2013 & February 14,2014.

The composition of the Shareholder’s/Investors Grievance Committee and attendance of the members of the Committee meetings held during the year under review are as under.

Name	Position	Category	No. of Meetings during the year	
			Held	Attended
Shri Subhash Kocheta	Chairman	Independent -Non Executive	4	4
Shri Mohan Lal Jain	Member	Independent -Non Executive	4	4



Shri Jitender Kumar Yadav appointed as Company Secretary on December 26, 2013, and Shri Jitender Kumar Yadav acts as Secretary w.e.f December 26, 2013 to the Committee.

[a] Name and Compliance Officer : Shri Jitender Kumar Yadav
Company Secretary
Email-id- admin@vipypspinpro.com

Registered Office/Corporate Office : Vippy Spin Pro Ltd.
318, City Center, 570, M.G. Road, Indore-452001,
Madhya Pradesh.

[b] The company has received complaints during the year from the shareholders. All the complaints have been redressed to the satisfaction of the shareholders.

[c] Details of number of grievances/complaints received and replied/resolved during the year are as under:

Particulars	Total Grievances/ Complaints Received	Total Grievances/ Complaints Resolved/ Redressed	Ending Grievances/ Complaints an on 31.03.2014
SEBI	0	0	0
Other than SEBI	06	06	0
Total	06	06	0

There is no grievances / complaints received from shareholders remaining unresolved except disputed as every efforts is maintained to immediately redress investors grievances / complaints without loss of time. The number of pending share transfer request as on March 31, 2014 is Nil.

6. Insider Trading

The Company had adopted a Code of Conduct for Prevention of Insider Trading in the shares of the Company. This code is applicable to all Directors/Officers/Designated Employees. The Code ensures the prevention of dealing in Company's Shares by person having access to unpublished price sensitive information in relation to the Company.

7. General Body Meeting

The details of Annual General Meeting held in last three years are given below:

Year	Annual General Meeting (AGM)	Day, Date & Time	Venue
2012-13	21 st	Monday, Sept.30 th , 2013 ,10.00 a.m.	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010(M.P.)
2011-12	20 th	Saturday, Sept.29 th , 2012 ,10.00 a.m.	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010(M.P.)
2010-11	19 th	Saturday, Sept.30 th , 2011 ,10.00 a.m.	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010(M.P.)

The following are the special resolutions passed at the Annual General Meeting held in the last three years:

AGM held on	Special Resolutions passed	Summary
30.09.2013	Yes	a) Re-appointment of Whole Time Director b) Re-appointment of Managing Director
29.09.2012	No	N.A.
30.09.2011	Yes	a) Re-appointment of Whole Time Director b) Re-appointment of Managing Director

**Passing of resolution by postal ballot**

During the year under review, there was no special resolution proposed and /or transacted through Postal Ballot. None of the business proposed to be transacted in the ensuing Annual General Meeting require passing Special Resolution through postal ballot.

8. Disclosures

- I. The Company has not entered into any transaction of material nature with related parties that may have potential conflict with the interest of the Company. The transactions with related parties are disclosed in the Notes to the Financial Statment of the Company forming part of the Annual Report.
- II. The Company has Risk Assessment and Minimization Procedures, which are periodically reviewed by the Board.
- III. The Company has complied with requirement of Stock Exchange, SEBI and other statutory authorities on matters related to capital markets during last three years. No penalties have been imposed on the Company or strictures passed by any Stock Exchange or SEBI or any authorities relating to capital markets.
- IV. In preparation of the financial statements, the company has followed the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- V. The Company has adopted a Whistle Blower Policy for directors and employees of the Company to report genuine concerns or grievances in accordance with section 177(9) of the Companies Act, 2013 read with Companies (Meetings of Board & its Powers) Rules, 2014 and listing agreement.
- VI. The Company complies with all the mandatory requirement and one non-mandatory requirement of Clause 49 viz. constitution of Nomination & Remuneration Committee of Directors.

9. CEO/CFO Certification

The requisite certification from the Managing Director / CFO as required to be given under Clause 49 (V) was placed before the Board of Directors of the Company.

10. Means of Communication

The Company communicates with the shareholders at large through its Annual Report, filing made with the Stock Exchange and by filing report & returns with Statutory Bodies like the Registrar of Companies and Stock Exchange. The Quarterly Results / Half Yearly / Audited Annual Financial Results are published in English (Pioneer) and Hindi (Swadesh) Newspapers.

The Quarterly Results / Half Yearly / Audited Annual Financial Results, Shareholding Pattern, Quarterly Report on Corporate Governance etc. & other news are also made available at the Company's website www.vippyspinpro.com.

The Company has designated the following exclusive e-mail Id for the convenience of investors. admin@vippyspinpro.com

No presentation was made to the Institutional Investors or to the Analysts during the year 2013-2014.

Management Discussion and Analysis Report forms part of Annual Report.

SEBI Complaints Redress System (Scores):

The Company had adopted the SEBI Complaints Redress System (Scores) for redressing the investor complaints in a centralized web based complaints redress system provided by SEBI.

The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.



11. Means of Communication

A Practicing Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued /paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

12. General Shareholders Information

(a)	Annual General Meeting	
	Day ,Date & Time	Monday ,29 th day of September,2014,09.00 a.m.
	Venue	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010(M.P.)
(b)	Financial Calendar for F.Y.2014-15	
	1st Quarter Results	1st /2nd Week of August
	2nd Quarter Results	1st /2nd Week of November
	3rd Quarter Results	1st /2nd Week of February
	4th and Audited Annual Accounts for the year ended March 31,2015	3rd /4th Week of May
(c)	Date of Book Closure	Monday,22 nd day of September,2014 to Monday, 29 th day of September,2014 (both days inclusive)
(d)	Dividend Payment Date	No Dividend has been proposed by Board of Director of the company for the year 2013-14
(e)	Listing of Securities on the Stock Exchanges	Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai -400051
(f)	Stock Code	Scrip Code: 514302 Scrip ID : VIPPYSP
(g)	ISIN Number	INE660D01017

(h) Market Price Data:

The monthly high and low quotation of shares at the Bombay Stock Exchange Ltd., Mumbai during the year ended March 31, 2014 are as under:

Month	High (₹)	Low (₹)
April,2013	9.48	7.71
May,2013	8.07	7.01
June,2013	8.50	7.80
July,2013	9.40	7.20
August,2013	8.60	7.90
September,2013	7.60	7.32
October, 2013	7.68	7.00
November,2013	7.75	6.50
December,2013	7.50	7.14
January,2014	8.19	7.09
February,2014	9.60	6.75
March,2014	9.90	7.81

**(i) Distribution of Shareholding as on March 31, 2014**

	No. of Shareholders	% of Shareholders	No. of Share held	% of Shareholding
Upto 1000	7162	77.86	706253	12.03
1001-2000	586	6.37	116141	1.98
2001-3000	208	2.26	61405	1.05
3001-4000	113	1.23	44449	0.76
4001-5000	534	5.80	266695	4.54
5001-10000	357	3.88	295352	5.03
10001-20000	131	1.42	193667	3.30
20001-30000	27	0.29	67430	1.15
30001-40000	6	0.07	22599	0.38
40001-50000	33	0.36	162562	2.77
50001-100000	21	0.23	155468	2.65
100000 & Above	21	0.23	3777979	64.36
TOTAL	9199	100.00	5870000	100.00

(j) Shareholding Pattern of the Company as on March 31, 2014

	Category of Holders	No. of Shares	% (Percentage)
a)	Promoters	3173442	54.06
b)	Mutual Funds/UTI	3800	0.06
c)	Financial Institutions/Banks/Insurance Companies	-	-
d)	Foreign Institutional Investors	-	-
e)	Corporate Bodies	328904	5.60
f)	Residential Individuals	2114661	36.04
g)	NRIs & OCBs	248893	4.24
h)	Any others(Clearing Members)	300	0.00
Total		5870000	100

(k) Registrar and Share Transfer Agents of the Company

Ankit Consultancy Pvt. Ltd.
60, Electronic Complex, Pardeshipura,
Indore (M.P.)-452010
Ph. 0731-3198601-602 ,2551745-46
Fax.0731- 4065798
e-mail: ankit_4321@yahoo.com
Time : 10.00 a.m. to 6.00 p.m.

(l) Share Transfer System

The transfer of shares in physical form is processed and completed by Ankit Consultancy Pvt. Ltd., Register and transfer Agents (RTA) within 15 days from the date of receipt thereof provided all the documents are in order in respect of shares held in dematerialized mode, the transfer take place instantly between the transferor and transferee at the depository participant(s) through which electronics debit/ credit of the accounts are involved.

Detail of transfer of shares of the company are placed at every meeting of shareholders/Investors Grievances Committee

**(m) Dematerialization of Shares and Liquidity**

The details of shares under dematerialized and physical mode as on March 31,2014 are as under:

Particulars	No. of Equity Shares	% (percentage)
National Securities Depository Ltd.(NSDL)	4143067	70.58
Central Depository Services (India) Ltd.(CDSL)	465363	7.92
Total Dematerialized	4608430	78.50
Physical	1261570	21.50
Total	5870000	100

(n) Outstanding Securities

There are no securities outstanding at the end March 31,2014.

(o) Unclaimed Dividends

The unpaid and unclaimed Dividend pertaining to the Financial Year 2006-2007 lying in the unpaid Dividend Account at Punjab National Bank, Mid Corporate Branch Siyagang, 24 M.G. Road, Indore-452007(M.P.) shall be transferred to the Investor Education and Protection Fund established under section 125(1) of the Companies Act, 2013 on 04.11.2014 as per section 124(5) of the Companies Act, 2013 and Rules made there under. As such, concerned shareholders are requested to claim the same at the earliest.

(p) Plant Location

14-A, Industrial Area No.1
A.B Road, Dewas(M.P.)-455001

(q) Address for correspondence

14-A, Industrial Area No.1
A.B. Road, Dewas (M.P.)-455001
Phone Nos.: 07272-258251/258252/405352
Fax No. 07272-400121
website :www.vippyspinpro.com
Email: admin@vippyspinpro.com
vippyspinpro@dataone.in

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,
The Members of **Vippy Spinpro Ltd.**

We have examined the compliance of conditions of Corporate Governance by Vippy Spinpro Ltd. for the year ended 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd. .

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

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

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 **Shilpesh Dalal & Co.,**
Company Secretary
SHILPESH DALAL
(Proprietor)

Indore
May 24th ,2014

Annual Declaration pursuant to clause 49(I) (d) (ii) of the Listing Agreement

As per the requirements of clause 49 (I) (D) (ii) of the Listing Agreement, I hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March,2014.

Dewas
May 24th 2014

Piyush Mutha
Managing Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIPPY SPINPRO LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **VIPPY SPINPRO LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2014 the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements 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:

- (i) In the case of the Balance Sheet, of the State of affairs of the Company as at March 31, 2014;
- (ii) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



2. As required by section 227(3) of the Act, 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 accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e) On the basis of the written representations received from the Directors as on March 31, 2014 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014 from being appointed as a director in terms of section 274(1)(g) of the Act.

For **SODANI & COMPANY**
Chartered Accountants
(FRNo.: 000880C)

Date : May 24th, 2014

Place : Dewas

Rajesh Sodani
(Partner)
M.No. F-077005

**ANNEXURE TO THE AUDITOR'S REPORT****(Referred to in our report of even date)**

- (i) In respect of its Fixed assets:
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, the assets have been physically verified by the management during the year in accordance with a phased program of verification, which in our opinion is reasonable, considering size and the nature of the Company. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
 - c) The Company has not disposed off any substantial part of fixed assets during the year.
- (ii) In respect of its Inventory:
 - a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventory and the discrepancies noticed between the physical verification of inventories as compared to book records, wherever physical verification have been conducted, adjusted to material consumption account at the year end and no material discrepancies noticed on physical verification.
- (iii) As informed to us the company has neither granted nor taken any loans, secured or unsecured, to/from companies, firm or other parties listed in register, maintained under section 301 of the Companies Act, 1956 and as such clauses 4 (iii) (a) to (g) of the order not applicable.
- (iv) There are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control systems.
- (v) In respect of the contracts or arrangement referred to in Section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information and explanations given to us, there is no transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
 - b) In our opinion and according to the information and explanations given to us, there is no transactions made in pursuance of Contracts or Arrangements, that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000 during the year as per information available with the company.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Accordingly the provisions of clause 4(vi) of the Order are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size & nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011, prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prime facie the prescribed cost records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the record of the company and information and explanations given to us, the Company have been generally regularly in depositing with appropriate authorities undisputed Statutory dues including Provident fund, Employees' Estate Insurance, Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid statutory dues were



outstanding as at 31st March, 2014 for a period of more than six months from the date they becoming payable.

- (b) According to the record of the Company as on 31st March, 2014 outstanding dues to Sales tax on account of any dispute is as follows:

Forum where disputes is pending	Name of the Statute	Nature of the dues	Amount Outstanding as on 31.03.2014	Period to which amount relates
M.P.Tax Tribunal Board, Bhopal	Entry Tax Act	Entry Tax	₹ 6,31,496/-	2007-08

- (x) The company has no accumulated losses at the end of the financial year ended March 31, 2014 and it has not incurred cash loss in the current financial year and immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of its dues to banks.
- (xii) The company has not granted 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 to the company.
- (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 to the company.
- (xiv) The company has maintained proper records of transactions and contracts in respect of dealing in shares, securities and other investments and timely entries have been made therein. All shares, securities and other investments have been held by the company in its own name.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions. Accordingly the provisions of the clause 4(xv) of the Order are not applicable to the company.
- (xvi) According to the information and explanation given to us, the company has not obtained any new term loan during the year from bank and financial institutions. The term loans outstanding at the beginning of the year have been applied for the purposes for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
- (xviii) The company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year. Accordingly, the provision of clause 4(xviii) of the order not applicable to the company.
- (xix) The company has not issued any debentures during the year. Accordingly, the provisions of clause 4(xix) of the order are not applicable to the Company.
- (xx) The company has not raised any money through public issue during the year. Accordingly the provisions of the clause 4(xx) of the order are not applicable to the company.
- (xxi) According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit, which causes us the financial statements to be materially misstated.

For SODANI & COMPANY
Chartered Accountants
(FRNo.:000880C)

Date : May 24th, 2014

Place : Dewas

Rajesh Sodani
(Partner)
M.No.F-077005

**BALANCE SHEET AS AT 31st MARCH, 2014**

	Notes	March 31, 2014 (₹)	March 31, 2013 (₹)
EQUITY AND LIABILITIES			
Shareholders' fund			
(a) Share capital	3	5,87,00,000	5,87,00,000
(b) Reserves and surplus	4	16,72,62,637	13,51,90,494
		<u>22,59,62,637</u>	<u>19,38,90,494</u>
Non-current liabilities			
(a) Long term borrowings	5	4,41,37,998	6,89,63,430
(b) Deferred tax liability (Net)	6	1,68,15,827	1,85,96,220
(c) Long term provisions	7	28,07,073	28,07,073
		<u>6,37,60,898</u>	<u>9,03,66,723</u>
Current liabilities			
(a) Short term borrowings	8	17,85,73,431	15,39,48,068
(b) Trade payables	9	48,44,408	83,16,546
(c) Other current liabilities	10	3,79,12,665	3,61,46,082
(d) Short term provisions	11	2,36,49,255	1,72,61,897
		<u>24,49,79,759</u>	<u>21,56,72,593</u>
	TOTAL	<u>53,47,03,294</u>	<u>49,99,29,810</u>
ASSETS			
Non-current assets			
(a) Fixed assets			
Tangible assets	12	15,31,83,086	16,89,83,060
Capital work in progress	12	-	37,16,085
(b) Non-current investments	13	11,95,472	12,48,783
(c) Long-term loans and advances	14	74,83,192	61,32,362
		<u>16,18,61,750</u>	<u>18,00,80,290</u>
Current assets			
(a) Inventories	15	20,48,78,125	21,99,03,187
(b) Trade receivables	16	13,36,93,997	8,17,69,405
(c) Cash and bank balances	17	39,44,932	16,87,310
(d) Short term loan and advances	18	2,96,17,714	1,55,88,391
(e) Other current assets	19	7,06,776	9,01,227
		<u>37,28,41,544</u>	<u>31,98,49,520</u>
	TOTAL	<u>53,47,03,294</u>	<u>49,99,29,810</u>

Significant accounting policies and notes to the account **1 & 2**

The accompanying notes form an integral part of the financial statements.

As per our report of even date.

For Sodani & Company

Firm registration No. 000880C

Chartered Accountants

Rajesh Sodani

Partner

Membership No. 077005

Dewas

May 24th, 2014

Piyush Mutha
Managing DirectorMohan Lal Jain
DirectorJitender Kumar Yadav
Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014**

	Notes	March 31, 2014 (₹)	March 31, 2013 (₹)
INCOME			
Revenue from operations	20	99,84,03,366	89,05,81,795
Other income	21	70,08,960	66,48,026
Total revenue		<u>1,00,54,12,326</u>	<u>89,72,29,821</u>
EXPENSES			
Cost of material consumed	22	74,61,32,216	64,88,40,384
Change in inventories of finished goods and work in progress	23	66,00,480	(85,54,094)
Employees benefits expense	24	2,41,84,082	2,23,75,824
Financial costs	25	1,39,80,587	2,76,32,736
Depreciation and amortization expenses	12	2,47,24,222	2,59,43,039
Other expenses	26	14,33,44,953	14,58,00,440
Total expenses		<u>95,89,66,540</u>	<u>86,20,38,329</u>
Profit before prior period expenditure and tax		4,64,45,786	3,51,91,492
Prior period expenditure		2,01,912	12,644
Profit before tax		4,62,43,874	3,51,78,848
Tax expense			
Current tax		1,62,00,000	1,00,80,000
Deferred tax (Assets)/Liabilities		(17,80,393)	1,00,659
Profit for the year		<u>3,18,24,267</u>	<u>2,49,98,189</u>
Earnings per equity share of nominal value of ₹ 10/- (₹10/-)			
Basic		5.42	4.26
Diluted		5.42	4.26

Significant accounting policies and notes to the account **1 & 2**

The accompanying notes form an integral part of the financial statements.

As per our report of even date.

For Sodani & Company

Firm registration No. 00880C

Chartered Accountants

Rajesh Sodani

Partner

Membership No. 077005

Dewas
May 24, 2014

Piyush Mutha
Managing Director

Mohan Lal Jain
Director

Jitender Kumar Yadav
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

(₹)

	For the Year ended on 31.03.2014	For the Year ended on 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extraordinary items:	4,64,45,786	3,51,91,493
Adjustment For :		
Depreciation & Write offs	2,47,24,222	2,59,43,039
Loss/ (Profit) on sale of Fixed assets	(4,152)	(3,19,507)
Financial Charges	1,39,80,587	2,76,32,736
Dividend Income	(2,74,664)	(1,72,184)
Interest Income	(20,92,987)	(7,86,914)
Hedging Reserve	2,47,876	-
Loss/ (Gain) on variation on Foreign exchange rates	19,03,305	(28,661)
Premium on foreign Exchange contract	(6,64,138)	(1,28,988)
Prior period Adjustment	(2,01,912)	(12,644)
Operating Profit before Working Capital Changes	8,40,63,923	8,73,18,370
Adjustment For :		
Increase / (Decrease) in trade payable	(36,07,704)	(10,06,121)
Increase / (Decrease) in other current liabilities	17,66,583	4,06,647
Increase / (Decrease) in short term provisions	65,22,924	(2,25,803)
Increase / (Decrease) in long term provisions	-	-
Decrease / (Increase) in trade receivable	(5,19,24,592)	1,57,08,930
Decrease / (Increase) in short term loan & advances	(1,40,29,323)	76,28,004
Decrease / (Increase) in inventories	1,50,25,062	(2,39,04,510)
Decrease / (Increase) in other current assets	1,94,451	3,17,838
Decrease / (Increase) in long term loan & advances	(13,50,830)	(9,03,229)
Cash Generated from operation	3,66,60,494	8,53,40,126
Financial Charges	(1,39,80,587)	(2,76,32,736)
Direct Taxes paid	(1,62,00,000)	(1,00,80,000)
NET CASH FROM OPERATING ACTIVITIES:	64,79,907	4,76,27,390
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(51,65,700)	(2,88,76,182)
Sale of Fixed Assets	15,000	16,15,000
Dividend Income	2,74,664	1,72,184
Interest Income	20,92,987	7,86,914
Gain on variation on Foreign exchange rates	(19,03,305)	28,661
Premium on foreign Exchange contract	6,64,138	1,28,988
NET CASH USED IN INVESTING ACTIVITIES	(40,22,216)	(2,61,44,435)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long term borrowings	-	2,05,37,970
Repayment of long term borrowings	(2,48,25,432)	(2,56,10,021)
Proceeds from Short term borrowings	2,46,25,363	(1,69,50,776)
NET CASH FLOW FROM FINANCING ACTIVITIES:	(2,00,069)	(2,20,22,827)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	22,57,622	(5,39,872)
Cash and Cash Equivalents as at 1/4/2013 (Opening Balance)	16,87,310	22,27,182
Cash and Cash Equivalents as at 31/3/2014 (Closing Balance)	39,44,932	16,87,310

As per our report of even date.

For Sodani & Company

Firm registration No. 000880C

Chartered Accountants

Rajesh Sodani

Partner

Membership No. 077005

Dewas

May 24th, 2014

Piyush Mutha
Managing DirectorMohan Lal Jain
DirectorJitender Kumar Yadav
Company Secretary

**Notes to the financial statements as at March 31, 2014****(annexed to and forming part of the financial statement for the year ended 31st March, 2014)****Note 1 - CORPORATE INFORMATION**

Vippy Spinpro Ltd. was established in 1993 as a public limited company. The company is incorporated under the provisions of Companies Act, 1956. Its shares are listed on Mumbai Stock Exchange. The company is engaged in manufacturing of Cotton Yarn. The factory is situated at Dewas, with close proximity to Indore, a main commercial city of Madhya Pradesh. Company specialises in slub yarns, fancy yarns, multi count yarns and multi twist yarns, waxed yarn plied yarn etc. The company has an ISO certification, certified by Bureau Veritas ISO 9001:2008 since 2004

Note 2 - SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting except for certain financial instruments which are measured at fair values and comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the act') which as per clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the companies Act, 2013 (which has superseded section 211 (3C) of the Companies Act, 1956 w.e.f. 12th September, 2013), other pronouncements of the Institute of Chartered Accountants of India ('ICAI') the provision of the Companies Act, 2013 (to the extent notified and applicable) and the Companies Act, 1956 (to the extent applicable) and guidelines issued by the Securities and Exchange Board of India ('SEBI') to the extent applicable.

2.2 USE OF ESTIMATES

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles ("GAAP") in India requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, assets and liabilities and disclosures relating to contingent liabilities as of the date of the financial statements. Actual result could differ from those estimates. Any revision to accounting estimates is recognised prospectively in future periods.

2.3 FIXED ASSETS AND CAPITAL WORK IN PROGRESS

2.3.1 Fixed assets, are stated at cost of acquisition inclusive of duties (net of TED) taxes, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost related to the acquisition and installation of the respective asset to bring the asset to its working condition for its intended use.

2.3.2 Interest on borrowed money allocated to and utilized for fixed assets, pertaining to the period up to the date of capitalization is capitalized.

2.3.3 Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the Balance Sheet date.

2.4 GOVERNMENT GRANTS & SUBSIDIES

Capital grant relating to specific assets are reduced from the gross value of the fixed assets. Other revenue grants are credited to the statement of profit & loss account as deducted from the related expenses.

2.5 IMPAIRMENT OF ASSETS

If internal/ external indications suggest that an assets of the company may be impaired, the recoverable amount of assets/cash generating asset is determined on the balance sheet date and; if it is less than its carrying amount, the carrying amount of the assets/ cash generating unit is reduced to the said recoverable amount. The recoverable amount is measured as the higher of the net selling price and value in use of assets/ cash generating unit, which is determined by the present value of the estimated future cash flows. As at the balance sheet date, there was no such indication.

2.6 INVESTMENT

2.6.1 Non current investments are carried at cost less any other than temporary diminution in value, determined on the specific identification basis



2.6.2 Current investments are carried at lower of cost fair value. The comparison of cost and fair value is carried out separately in respect of each investment.

2.6.3 Profit or loss on sale of investments is determined as the difference between the sale price and carrying value of investment, determined individually each investment.

2.7 INVENTORIES

Raw materials, packing materials, stores and spares are valued at the lower of cost and net realisable value; cost being computed on “weighted Average basis. Finished goods (ascertained on FIFO basis) and stock in process valued at lower of estimated cost and net realisable value (cost being a composition of direct material cost, direct labour cost and overheads necessary to bring the inventories to their present location and condition).

2.8 DEPRECIATION

Company has charged the Written Down Value (WDV) Method in respect of Assets acquired under Technology Upgradation Fund Scheme and all Assets acquired after 31st March, 2002, excluding Wind Mill at the rate specified in Schedule XIV of the Companies Act, 1956. On Wind Mill depreciation is charged on straight line method (SLM). Depreciation on all fixed assets acquired before 31st March 2002 is provided on the straight-line method basis at the rate specified in schedule XIV of the Companies Act. 1956. Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis

2.9 REVENUE RECOGNITION

Sales are recognized on delivery or on passage of title of the goods to the customer. They are accounted net of trade discounts and rebates but exclusive of CST /VAT.

2.10 BORROWING COSTS

Borrowing Cost that are directly attributable to the acquisition or construction of fixed assets are capitalized up to the time all substantial activities necessary to prepare such assets for their intended use are complete or put to use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

2.11 EMPLOYEE BENEFITS

2.11.1 Post Employment Benefits:

Defined Benefit Plans: The Company’s Gratuity scheme and Superannuation Scheme for key persons are defined benefit plans. In accordance with the requirements of Accounting Standard-15 “Employee Benefits”, the Company provides for gratuity covering eligible employees on the basis of actuarial valuation. Under the gratuity plan, every employee who completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The both schemes are funded with Life Insurance Corporation of India in the form of qualifying insurance policy.

2.11.2 Defined Contribution Plans:

Contributions payable by the Company to the concerned government authorities in respect of provident fund, family pension fund and employees state insurance are defined contribution plans. The contributions are recognized as an expense in the Statement of Profit and Loss Account during the period in which the employee renders the related service. The Company does not have any further obligation in this respect, beyond such contribution.

2.12 FOREIGN CURRENCY TRANSACTIONS

2.12.1 The company is exposed to foreign currency transactions including foreign currency revenues receivables and borrowings. With a view to minimise the volatility arising from fluctuations in currency rates, the company enters into foreign exchange forward contracts.

2.12.2 Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the period are reconised in the statement of profit and loss for the period



- 2.12.3 Monetary assets and liabilities denominated in foreign currencies as at balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the statement of profit and loss. Non -monetary items which are carried in terms of historical cost denominated in the foreign currency are reported using the exchange rate at the date of the transaction.
- 2.12.4 Forward exchange contracts are not in respect of forecasted transactions are accounted for using the guidance in Accounting Standard ('AS') 11, 'The effects of changes in foreign exchange rates'. For such forward exchange contracts covered by AS 11, based on the nature and purpose of the contract are restated at year end rate. The difference between the year end rate and rate on the date of contract is recognised as exchange difference in profit & loss a/c. and the premium/discount on forward contracts at the inception is amortized as income or expenses over the life of contract.
- 2.12.5 For forward exchange contracts that are not covered by AS 11 and that relate to a firm commitment or highly probable forecasted transactions, the Company has adopted Accounting Standard ('AS') 30. 'Financial Instruments: Recognition and Measurement' to the extent that the adoption did not conflict with existing accounting standards and other authoritative pronouncements of the Company Law and other regulatory requirements. In accordance with AS 30, such derivative financial instruments, which qualify for cash flow hedge accounting and where the Company has met all the conditions of cash flow hedge accounting, are fair valued at balance sheet date and the resultant exchange loss/ gain is debited/ credited to the hedge reserve until the transaction is completed

2.13 COMMODITY HEDGING TRANSACTION

In receipt of derivative contracts, premium paid, gains/losses on settlement and losses on restatement are recognised in statement of the profit and loss account

2.14 TAXES ON INCOME

- 2.14.1 The accounting treatment followed for taxes on income is to provide for Current Tax and Deferred Tax. Provision for current income tax is made for the tax liability payable on taxable income ascertained in accordance with the applicable tax rates and laws.
- 2.14.2 Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods

2.15 EARNINGS PER SHARE

In determining earning per share, the company considers the net profit after tax and includes the post-tax effect of any extra-ordinary item. The number of equity shares used in computing basic earning per share is the weighted average number of equity shares outstanding during the period. The number of equity shares used in computing diluted earning per share comprises weighted average number of equity shares considered for deriving basic earning per share.

2.16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity period of three months or less.

2.17 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

2.18 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.



	March 31, 2014 (₹)	March 31, 2013 (₹)
Note 3 - SHARE CAPITAL		
Authorised		
70,00,000 (70,00,000) equity shares of ₹10 (₹10) each	<u>7,00,00,000</u>	<u>7,00,00,000</u>
Issued, subscribed, and paid up		
58,70,000 (58,70,000) equity shares of ₹ 10 (₹ 10) each fully paid up	<u>5,87,00,000</u>	<u>5,87,00,000</u>
	<u>5,87,00,000</u>	<u>5,87,00,000</u>

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting quarter

Particulars	March 31, 2014		March 31, 2013	
	Nos.	(₹)	Nos.	(₹)
Equity				
Outstanding at the beginning of the year	58,70,000	5,87,00,000	58,70,000	5,87,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	58,70,000	5,87,00,000	58,70,000	5,87,00,000

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Detail of shareholders holding more than 5% shares in the Company

S.No.	Name of shareholder	March 31, 2014		March 31, 2013	
		Nos.	%age	Nos.	%age
Equity shares of ₹ 10/- each fully paid up					
(i)	Smt. Usha Mutha	6,81,768	11.61%	6,81,768	11.61%
(ii)	Smt. Sunita Mutha	4,68,400	7.98%	4,68,400	7.98%
(iii)	Shri Piyush Mutha	5,21,750	8.89%	5,21,750	8.89%
(iv)	Shri Praneet Mutha	5,21,050	8.88%	5,21,050	8.88%
(v)	Shri Rahul Mutha (HUF)	3,19,590	5.44%	3,02,504	5.15%

Note 4 - RESERVES AND SURPLUS

	March 31, 2014 (₹)	March 31, 2013 (₹)
Capital reserve		
Balance at the beginning of the year	<u>5,80,000</u>	<u>5,80,000</u>
Balance at the end of the year (a)	<u>5,80,000</u>	<u>5,80,000</u>
General reserve		
Balance at the beginning of the year	<u>25,00,000</u>	<u>25,00,000</u>
Add: Amount transferred from surplus	-	-
Balance at the end of the year (b)	<u>25,00,000</u>	<u>25,00,000</u>



	March 31, 2014	March 31, 2013
	(₹)	(₹)
Hedging reserve		
Balance at the beginning of the year	-	-
Add: Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year	2,47,876	
Balance at the end of the year (c)	<u>2,47,876</u>	<u>-</u>
Surplus		
Balance at the beginning of the year	13,21,10,494	10,71,12,305
Add: Profit for the year	3,18,24,267	2,49,98,189
Balance at the end of the year (d)	<u>16,39,34,761</u>	<u>13,21,10,494</u>
(a+b+c+d)	<u>16,72,62,637</u>	<u>13,51,90,494</u>

Note 5 - LONG TERM BORROWINGS

(a) Term loans from Banks (secured)		
Punjab National Bank-Term loan- II	-	46,64,900
Punjab National Bank-Term loan- III	27,84,512	64,97,112
Punjab National Bank-Term loan- IV	1,95,85,675	2,83,33,675
Punjab National Bank-Term loan- V	2,09,30,000	2,89,80,000
(b) Vehicle Loan	8,37,811	4,87,743
	<u>4,41,37,998</u>	<u>6,89,63,430</u>

(a) Term Loan

- i) Term loan-II, III, IV and V under Technology upgradation fund scheme (TUFS), secured against, (i) Charge by way of equitable mortgage of Land and Building. (ii) first charge land and Building, plant and machinery both present and future. The above said term loans are also collaterally secured by way of personal guarantees of 2 (two) directors/promoters of the Company.
- ii) The Term loan is repayable as under

S. No.	Term Loan	No. of Instl	Periodicity	Installment (₹)
1	Term Loan II	32	Quarterly	25,44,500
2	Term Loan III	32	Quarterly	9,28,149
3	Term Loan IV	32	Quarterly	21,87,000
4	Term Loan V	20	Quarterly	16,10,000

- iii) The Company has not made any default as at the reporting date in repayment of term loan installment and interest.
- iv) The Term loan carries interest @ 7.00% (net of interest subvention under TUF Scheme @ 5% except 4% on T/L No. V)

(b) Vehicle Loan HDFC Bank

- i) Vehicle loan secured by hypothecation of vehicle.
- ii) Vehicle loan is repayable 36 monthly installment
- iii) The Company has not made any default as at the reporting date in repayment of vehicle loan installment and interest.
- iv) The vehicle loan carries interest @ 9.25%



The Company has not received the necessary information from the supplier/ service provider covered under Micro Small & Medium Enterprises Development Act 2006 with respect to their registration with the appropriate authority. Hence the information required to be disclosed U/s 22 of the said act is not given or nil.

Note 10 - OTHER CURRENT LIABILITIES

	March 31, 2014	March 31, 2013
	(₹)	(₹)
Current maturities of long term borrowing	2,51,33,373	2,72,98,725
Unpaid dividends	3,58,840	6,96,009
Other payables		
Duties and taxes	11,05,203	7,20,306
Employees salary and other payable	7,61,965	7,46,269
Advances from customers	31,29,699	10,94,332
Other Payable (Exps)	74,23,585	55,90,441
	<u>3,79,12,665</u>	<u>3,61,46,082</u>

(a) Term Loan

i) Term loan-II, III, IV and V under Technology upgradation fund scheme (TUFS), secured against, (i) Charge by way of equitable mortgage of Land and Building. (ii) first charge land and Building, plant and machinery both present and future. The above said term loans are also collaterally secured by way of personal guarantees of 2 (two) directors/promoters of the Company.

ii) The Term loan is repayable as under

S. No.	Term Loan	No. of Instl	Periodicity	Installment (₹)
1	Term Loan II	32	Quarterly	25,44,500
2	Term Loan III	32	Quarterly	9,28,149
3	Term Loan IV	32	Quarterly	21,87,000
4	Term Loan V	20	Quarterly	16,10,000

iii) The Company has not made any default as at the reporting date in repayment of term loan installment and interest.

iv) The Term loan carries interest @ 7.00% (net of interest subvention under TUF Scheme @ 5% except 4% on T/L No. V)

vi) There are no outstanding dues to be paid to investor education and protection fund.

Note 11 - SHORT TERM PROVISIONS

	March 31, 2014	March 31, 2013
	(₹)	(₹)
Provision for employee benefits	-	-
Others		
Proposed equity dividend	-	-
Corporate dividend tax	-	-
Income tax	1,62,00,000	1,00,80,000
Wealth tax	-	-
Other Provisions	74,49,255	71,81,897
	<u>2,36,49,255</u>	<u>1,72,61,897</u>



Note - 12

TANGIBLE ASSETS

In (₹)

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at April 1, 2013	Additions	Disposal	As at March 31, 2014	Upto March 31, 2013	For the year	Written back	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
TANGIBLE ASSETS											
1.	Leasehold Land	8,67,683	-	-	8,67,683	-	-	-	-	8,67,683	8,67,683
2.	Plant & Machinery	29,77,39,813	71,10,694	-	30,48,50,507	18,01,14,540	1,95,36,976	-	19,96,51,516	10,51,98,991	11,76,25,273
3.	Office equipments	4,45,486	-	-	4,45,486	3,75,082	12,743	-	3,87,825	57,661	70,404
4.	Furniture fixtures	20,05,431	-	-	20,05,431	16,09,440	71,674	-	16,81,114	3,24,317	3,95,991
5.	Vehicles	38,82,906	16,04,208	2,27,340	52,59,774	19,52,775	6,09,553	2,16,492	23,45,836	29,13,938	19,30,131
6.	Building	5,66,98,750	-	-	5,66,98,750	2,77,15,220	27,44,769	-	3,04,59,989	2,62,38,761	2,89,83,530
7.	Computers	25,08,597	1,66,883	-	26,75,480	21,84,694	1,55,997	-	23,40,691	3,34,789	3,23,903
8.	Wind Mill	2,91,51,490	-	-	2,91,51,490	1,03,65,345	15,39,199	-	1,19,04,544	1,72,46,946	1,87,86,145
Total		39,33,00,156	88,81,785	2,27,340	40,19,54,601	22,43,17,096	2,46,70,911	2,16,492	24,87,71,515	15,31,83,086	16,89,83,060
Previous Year (2012-13)		36,61,25,083	3,39,17,644	67,42,571	39,33,00,156	20,38,74,446	2,58,89,728	54,47,078	22,43,17,096	16,89,83,060	
Capital Work in Progress											37,16,085



	March 31, 2014 (₹)	March 31, 2013 (₹)
Note 13 - NON CURRENT INVESTMENTS		
Investment property (at cost less accumulated depreciation)		
Cost of Building given on operating lease	15,96,127	15,96,127
Less: accumulated depreciation	<u>8,30,835</u>	<u>7,77,524</u>
Net Block	<u>7,65,292</u>	<u>8,18,603</u>
Other companies		
i) 20,000 Shares of Asit C. Mehta Financial Services Ltd. (Previous year 20,000, shares)	32,200	32,200
ii) 7,372 Shares of Punjab National Bank (Previous year 7,372, shares)	3,97,980	3,97,980
Aggregate amount of quoted investments	<u>4,30,180</u>	<u>4,30,180</u>
Aggregate amount of investment property & non trade investment	<u>11,95,472</u>	<u>12,48,783</u>
Aggregate market value of quoted investments	<u>58,57,505</u>	<u>60,31,410</u>
Note 14 - LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Capital advances	-	-
Security deposits MPEB	74,38,609	60,86,579
Security deposits Sales Tax	10,000	10,000
Security deposits Others	<u>34,583</u>	<u>35,783</u>
	<u>74,83,192</u>	<u>61,32,362</u>
Note 15 - INVENTORIES		
(Valued at lower of cost and net realizable value)		
(a) Raw materials	17,52,56,021	18,24,40,067
(b) Goods in Process	62,58,058	39,82,389
(c) Finished goods:		
Yarn	1,56,72,453	2,37,01,709
Saleable Waste	16,55,059	25,01,952
(d) Stores and spares	59,25,885	69,24,130
(e) Fuel	<u>1,10,649</u>	<u>3,52,940</u>
	<u>20,48,78,125</u>	<u>21,99,03,187</u>
Note 16 - TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Allowance for bad and doubtful debts	<u>-</u>	<u>-</u>
(a)	<u>-</u>	<u>-</u>
Other trade receivables		
Secured, considered good	-	-
Unsecured, considered good	13,36,93,997	8,17,69,405
Doubtful	<u>-</u>	<u>-</u>
(b)	<u>13,36,93,997</u>	<u>8,17,69,405</u>
(a+b)	<u>13,36,93,997</u>	<u>8,17,69,405</u>



	March 31, 2014 (₹)	March 31, 2013 (₹)
Note 17 - CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with Banks		
On current accounts	3,78,159	47,189
Cash on hand	2,99,803	3,07,782
Other bank balances		
Deposits with original maturity for more than 12 months	29,08,130	6,36,330
Deposits with original maturity for more than 3 months but less than 12 months	-	-
Embarked balances with Banks:		
Unpaid dividend accounts	3,58,840	6,96,009
	<u>39,44,932</u>	<u>16,87,310</u>
<p>The deposit maintained by the company with the banks comprises time deposit which can be withdrawn by the company at any time without prior notice or penalty on the principal.</p> <p>Deposits with Banks ₹ 3,48,130/- given to bank as margin money against bank guarantee issued by bank.</p> <p>During the year the company has transferred the un-paid dividend amounting to ₹ 3,23,919/- to Investor Education and Protection Fund pertaing to the year 2005-06.</p>		
Note 18 - SHORT TERM LOAN AND ADVANCES		
Unsecured, considered good		
Loans and advances for goods and Exps	48,41,078	17,88,453
Others		
Advance tax	1,04,50,000	92,50,000
VAT Receivable	80,96,093	24,20,140
Advance to employee	2,74,380	2,30,718
TED Receivable	3,26,866	4,31,253
Tax deducted at Sources	2,75,035	1,42,479
Others	53,54,262	13,25,348
	<u>2,96,17,714</u>	<u>1,55,88,391</u>
Note 19 - OTHER CURRENT ASSETS		
Prepaid expenses	7,06,776	9,01,227
	<u>7,06,776</u>	<u>9,01,227</u>
Note 20 - REVENUE FROM OPERATIONS		
Sales		
Sale of Finished Goods	98,21,73,920	88,06,84,295
Sale of Waste	1,02,79,737	55,10,972
Sales of Others	43,25,745	32,29,153
Other operating revenue		
Sales of Scrap	16,23,964	11,57,375
	<u>99,84,03,366</u>	<u>89,05,81,795</u>
Less: Excise duty	-	-
	<u>99,84,03,366</u>	<u>89,05,81,795</u>



	March 31, 2014 (₹)	March 31, 2013 (₹)
Note 21 - OTHER INCOME		
Interest income from		
Banks deposits	14,09,259	77,563
Customers	6,83,728	7,09,351
Dividend income on		
Long- term investments	2,74,664	1,72,184
Net gain on sale of fixed assets	4,152	3,19,507
Income from Wind Mill	37,67,125	45,83,932
Lease Rent	7,88,408	7,78,539
Insurance claim received	65,222	-
Other Income	16,402	6,950
	<u>70,08,960</u>	<u>66,48,026</u>
Note 22 - COST OF RAW MATERIAL CONSUMED		
Material consumed		
Opening stock	18,24,40,067	16,82,92,892
Add: Purchases	73,89,48,170	66,29,87,559
	<u>92,13,88,237</u>	<u>83,12,80,451</u>
Less: Closing stock	17,52,56,021	18,24,40,067
	<u>74,61,32,216</u>	<u>64,88,40,384</u>
Note 23 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		
Inventories at the beginning of the year		
Finished goods	2,37,01,709	1,87,22,606
Saleable Waste	25,01,952	3,86,780
Work in progress	39,82,389	25,22,570
	<u>3,01,86,050</u>	<u>2,16,31,956</u>
	(a)	
Inventories at the end of the year		
Finished goods	1,56,72,453	2,37,01,709
Saleable Waste	16,55,059	25,01,952
Work in progress	62,58,058	39,82,389
	<u>2,35,85,570</u>	<u>3,01,86,050</u>
	(b)	
	c=(a-b)	
	<u>66,00,480</u>	<u>(85,54,094)</u>
Note 24 - EMPLOYEE BENEFITS COST		
Salary, wages, bonus and allowances	2,13,30,317	1,94,00,075
Contribution to provident and other funds	21,11,851	19,20,648
Gratuity	2,74,000	5,34,549
Staff welfare	4,67,914	5,20,552
	<u>2,41,84,082</u>	<u>2,23,75,824</u>
Note 25 - FINANCE COST		
Interest expense on		
Borrowings from banks	1,26,83,039	2,62,87,768
Others	5,089	95,955
Other borrowing costs		
Bank charges	12,92,459	12,49,013
	<u>1,39,80,587</u>	<u>2,76,32,736</u>



	March 31, 2014 (₹)	March 31, 2013 (₹)
Note 26 - OTHER EXPENSES		
Manufacturing Exps :		
Stores and spares consumed	1,01,90,250	2,28,50,058
Power and fuel consumed	5,78,56,574	5,85,23,625
Repairs to Plant & Machinery	29,33,243	29,08,126
Testing Charges	13,314	30,000
Water Charges	2,04,248	2,86,314
Other manufacturing Exps	<u>97,76,902</u>	<u>88,88,482</u>
	8,09,74,531	9,34,86,605
Administrative Exps :		
Lease Rent	9,540	7,562
Vehicle running & Maintenance	4,91,568	5,49,387
Travelling and conveyance	3,30,366	3,34,578
Printing and stationery	2,53,435	2,21,739
Telephone Exps	1,58,669	1,97,579
Directors Travelling	3,47,162	5,91,148
Repair and maintenance Bldg	14,97,683	20,29,281
Legal and professional Fees	9,38,251	9,16,607
Rates and taxes	2,18,421	94,178
Insurance	7,98,586	11,39,444
Advertisement	1,06,006	99,427
Directors sitting Fees	1,000	5,000
Rent	96,000	96,000
Membership fee and subscription	1,02,662	1,55,366
Payments to Auditors	1,47,052	1,47,052
Other Administrative Exps	<u>8,13,920</u>	<u>6,58,200</u>
	63,10,321	72,42,548
Selling & distribution Exps		
Packing Materials & Exps	1,77,14,508	1,63,87,934
Sales commission	1,48,57,219	1,26,33,883
Freight on Sales	1,30,96,653	1,16,14,284
Loss/(Gain) on Forex (Net)	12,39,167	(1,67,584)
Export Exps	90,47,252	45,43,742
TCS Paid	<u>1,05,302</u>	<u>59,028</u>
	5,60,60,101	4,50,71,287
	<u>14,33,44,953</u>	<u>14,58,00,440</u>
Payment to Auditors :		
Statutory Audit fees	1,03,241	1,03,241
Tax Audit Fees	25,811	25,811
Cost Audit Fees	18,000	18,000
Certification Work	-	-
	<u>1,47,052</u>	<u>1,47,052</u>

Note 27 - CONTINGENT LIABILITIES (to the extent not provided for)

- a) Counter Guarantee:
For ₹ 32,24,500/- (₹ 40,24,300) given to Punjab National Bank for Guarantee given by them to Custom/DGFT department. against which Company has given to bank FDR for ₹ 3,48,130/- as margin money.
- b) Demand of Entry Tax by commercial tax department ₹ 6,31,496/- for assessment year 2007-08. Case pending with M.P. Tax Tribunal Board Bhopal. Company has provided liabilities for ₹ 3,20,856/- in the financial year 2007-08.

Note 28 - In the opinion of the management and to the best of their knowledge and belief, the value on realisation of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the balance sheet. The provision for known liabilities is adequate and not in excess of the amount considered reasonable and necessary



Note 29 - In Union Budget 2004-05 textile goods have been exempted from excise duty provided no credit under CENVAT Rule 2002 is taken. The company has decided to opt for exemption i.e. zero excise duty w.e.f. 9th July, 2004 under notification No. 30 dated 09.07.2004.

Note 30 - The Company has applied for assistance under M.P. Udyog Nivesh Samvardhan Sahayata Yojana 2004 and exemption for entry tax for its expansion programme. The exemption of entry tax approved by the govt.

Note 31 - Balances of creditors, debtors, and advances are almost confirmed.

Note 32 - RELATED PARTY DISCLOSURE

a) Managerial Remuneration

(₹)

1	Shri Piyush Mutha	Managing Director	Remuneration	36,00,000
			Provident Fund	4,32,000
			Super Annuation	5,40,000
			Perquisite	1,06,975

Note 33 - EARNING PER SHARES

	2013-14	2012-13
a) Net Profit after tax (₹)	3,18,24,267	2,49,98,189
b) Number of weighted average equity shares	58,70,000	58,70,000
c) Nominal value of shares (₹)	10	10
d) Earning per shares (₹)	5.42	4.26

Note 34 - FORWARD BOOKING CONTRACTS

The company in accordance with its risk management policies and procedure enters in to foreign currency forward contracts to manage its exposure in foreign exchange rates. These contracts are for period between one day and one year.

The Company has outstanding forward booking contracts at the year end

Foreign Currency	March 31,2014	March 31,2013
US Dollar / INR	11,09,678	1,93,500

The net gain on forward booking contract on mark to market basis as on 31.03.2014 is ₹ 0.75 lakh and has been recognised in the statement of profit & loss. During the previous year the company have a net profit of ₹ 0.38 Lakh which was not provided for on prudent basis.

Note 35 - MANAGERIAL REMUNERATION TO DIRECTORS

	2013-14	2012-13
	(₹)	(₹)
1. To the Managing Director		
a) Remuneration	36,00,000	24,00,000
b) Contribution to PF	4,32,000	2,88,000
c) Perquisites	1,06,975	1,14,884
d) Meeting Fees	Nil	Nil
e) Commission	Nil	Nil
2. To the Director other than Managing Director		
a) Remuneration	3,60,000	3,25,000
b) Contribution to PF	Nil	Nil
c) Perquisites	Nil	Nil
d) Meeting Fees	Nil	Nil
e) Commission	Nil	Nil
3. To Non executive Director		
a) Sitting Fees	1000	5000

Note 36 - PARTICULARS OF LICENCED & INSTALLED CAPACITIES

	2013-14	2012-13
	Rotors	Rotors
a) Licensed Capacity	N.A.	N.A.
b) Installed Capacity	3168	3168

**Note 37 - PRODUCTION & SALES**

	Production		Sales			
	2013-14	2012-13	2013-2014		2012-2013	
	M.T.	M.T.	M.T.	(₹)	M.T.	(₹)
Cotton Yarn	7883.181	7388.168	7934.344	98,64,00,365	7347.157	88,37,80,833
Waste	757.847	734.692	902.424	1,02,79,737	480.525	55,10,972
Scrap/Others	-	-	-	17,23,264	-	12,89,990

Note 38 - RAW MATERIALS CONSUMED

	2013-14		2012-13	
	M.T.	(₹)	M.T.	(₹)
a) Cotton	8725.154	74,61,32,216	8203.562	64,88,40,384

Note 39 - CLOSING STOCK OF FINISHED PRODUCTS

	M.T.	M.T.
	2013-14	2012-13
a) Cotton yarn	188.513	239.676
b) Waste	142.961	287.538

Note 40 - VALUE OF IMPORTS (On CIF Basis)

	March 31,2014	March 31,2013
	(₹)	(₹)
1. Capital Goods	36,13,051	1,39,78,817

Note 41 - EXPENDITURE IN FOREIGN EXCHANGE

	March 31,2014	March 31,2013
	(₹)	(₹)
1. Brokerage, Quality Allowance and travel etc	18,43,003	1,39,972

Note 42 - EARNING IN FOREIGN EXCHANGE

1. Export of Goods (FOB Basis)	23,11,97,127	11,37,44,852
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Note 43 IMPORTED AND INDIGENOUS RAW MATERIALS COMPONENTS AND SPARE PARTS CONSUMED

	Value in (₹)		Percentage	
	2013-14	2012-13	2013-2014	2012-2013
a) Raw Materials				
1 Imported	-	-	-	-
2 Indigenous	74,61,32,216	64,88,40,384	100%	100%
b) Stors & Spares				
1 Imported	6,49,241	1,32,85,085	06.37%	58.14%
2 Indigenous	95,41,009	95,64,973	93.63%	41.86%

As per our report of even date.

For Sodani & Company

Firm registration No. 00880C

Chartered Accountants

Rajesh Sodani

Partner

Membership No. 077005

Dewas
May 24, 2014Piyush Mutha
Managing DirectorMohan Lal Jain
DirectorJitender Kumar Yadav
Company Secretary

Vippy Spinpro Ltd.

CIN: L01710MP1992PLC007043

Regd. Office: 318, City Center, 570,M.G. Road, Indore-452001, Madhya Pradesh

Email: vippyspinpro@dataone.in,admin@vippyspinpro.com

Website: www.vippyspinpro.com, Phone:91-731-2546710.

Proxy Form

[Pursuant to section 105(6) of the companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules,2014]

Name of Member(s):

Registered Address:

E-mail Id:

Folio No./Client Id:

DP ID:

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

1. Name:_____, Address:-_____,
E-mail Id:_____, Signature:_____, or failing him
2. Name:_____, Address:-_____,
E-mail Id:_____, Signature:_____, or failing him
3. Name:_____, Address:-_____,
E-mail Id:_____, Signature:_____, or failing him

as my/our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the company, to be held on the Monday, 29th day of September, 2014 at 09.00 a.m. at Hotel, Amar Vilas, 1 Chandra Nagar, A.B. Road, Opp. Sony World, Indore(M.P.)-452010, India and at any adjournment thereof in respect of such resolutions are indicated overleaf:



Vippy Spinpro Ltd.

CIN: L01710MP1992PLC007043

Regd. Office: 318, City Center, 570,M.G. Road, Indore-452001, Madhya Pradesh

Email: vippyspinpro@dataone.in,admin@vippyspinpro.com

Website: www.vippyspinpro.com, Phone:91-731-2546710.

ATTENDANCE SLIP

22nd Annual General Meeting on Monday, 29th September 2014, at 9.00 a.m.

At Hotel, Amar Vilas, 1 Chandra Nagar, A.B. Road, Opp. Sony World, Indore(M.P.)-452010

Folio No. _____ **DP ID No.*** _____ **Client ID No.*** _____

Name of the Member _____ **Signature** _____

Name of the Proxy holder _____ **Signature** _____

*Applicable for members holding shares in electronic form.

1. Only Member/Proxy holder can attend the meeting
2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

	Resolution No.	
	Ordinary Business	
1.	Adoption of Financial Statements for the year ended 31 st March,2014.	
2.	Re-appointment of Shri Mangalore Maruthi Rao, who retires by rotation.	
3.	Appointment of M/s. Sodani & Company, Chartered Accountants as Auditors and fixing their remuneration.	
	Special Business	
4.	Appointment of Shri Subhash Kocheta as Independent Director .	
5.	Appointment of Shri Raghuram Krishnamurthy as Independent Director.	
6.	Appointment of Shri Mohan Lal Jain as Independent Director.	
7.	Appointment of Shri Shailendra Kumar Jain as Independent Director.	
8.	Appointment of M/s. M.Goyal & Co., Cost Accountants as Cost Auditors and fixing their remuneration	
9.	Special Resolution under section 180(1) (c) of the Companies Act,2013 for borrowing money upto ₹ 150 Crores over and above the aggregate of the paid up share capital and free reserves of the Company.	
10.	Special Resolution under section 180(1) (a) of the Companies Act,2013 for mortgaging and /or charging on immovable and movable properties of the Company to secure borrowing money in favour of lenders/ trustees upto ₹ 150 Crores .	

Signed this -----day of-----2014

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company , not less than 48 hours before the commencement of the Meeting.



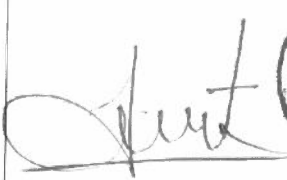

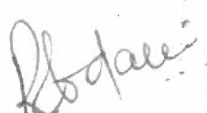

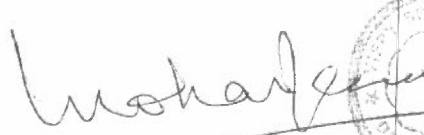



To, _____

If undelivered Please return to:
VIPPY SPINPRO LTD.
CIN : L01710MP1992PLC007043
14-A, Industrial Area, A. B. Road,
Dewas (M.P.) - 455 001, India.
Ph.: 07272-258251-52
Fax : 07272-400121

FORM A

Format of covering letter of the annual report to be filled with the Stock Exchange

1.	Name of the Company	Vippy Spinpro Limited
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	CEO/Managing Director	  Shri Piyush Mutha
	CFO/Person in-charge of Finance	  Shri Jitender K. Yadav
	Auditors of the Company	M/s. Sodani & Company Chartered Accountants   Shri Rajesh Sodani Partner
	Audit Committee Chairman	  Shri Mohan Lal Jain