

*23<sup>rd</sup>*  
*Annual Report & Accounts*  
*2014-15*



**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 (ceased w.e.f 31.10.2014)  
Shri Subhash Kocheta  
Shri Raghuram Krihnamurthy  
Smt. Deepa Sudhir Mekal  
(Woman Director appointed w.e.f. 31.03.2015)
- Company Secretary & CFO** : Ms. Sanju Patel
- Auditors** : M/s. Sodani & Company  
Chartered Accountants
- Bankers** : Punjab National Bank
- Registered Office** : 414, City Centre,  
570, M.G. Road,  
Indore (M.P.)- 452001  
Phone: 0731-2546710
- Works Office** : 14-A, Industrial Area  
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 23<sup>rd</sup> Annual General Meeting of the Company will be held on Monday, 21<sup>st</sup> day of September, 2015 at 9.00 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 Statements of the Company for the year ended 31<sup>st</sup> March, 2015 and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Praneet Mutha(DIN- 00424250) who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modification, the following resolution as Ordinary Resolution relating to re-appointment of the Auditors of the Company :

**“RESOLVED THAT** M/s. Sodani & Co., Chartered Accountants (Firm Registration No. 000880C ), the retiring Auditors of the Company, be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, to do Statutory Audit of the Company’s accounts for the Financial Year 2015-16 on a remuneration as may be fixed by the Board of Directors of the Company and that be paid, in addition, out of pocket and/or travelling expenses as may incur in carrying out their duties as such Auditors.”

### SPECIAL BUSINESS

4. To appoint Smt. Deepa Sudhir Mehal (DIN-05222280) as Woman Director 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 provisions of the section 149, 152 and all 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), Smt. Deepa Sudhir Mehal (DIN-05222280), who was appointed as a Woman Director as an Additional Director who holds office upto the date of Annual General Meeting and respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director be and is hereby appointed as a Woman Director of the Company liable to retire by rotation.”

5. To consider and if thought fit, to pass with or without modification(s), if any, the following Resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of section 196, 197, 203 and 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), read with Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, the consent of the Company be and is hereby accorded for the re-appointment of Shri Mangalore Maruthi Rao (DIN- 00775060), as a Whole Time Director for a period of two (2) years w.e.f 28.10.2014.

**“RESOLVED FURTHER THAT** Shri Mangalore Maruthi Rao being the Whole Time Director of the Company shall be entitled to get a remuneration of ₹ 30000/- (Rupees Thirty Thousand) per month.

**“RESOLVED FURTHER THAT** Shri Mangalore Maruthi Rao, Whole Time Director shall not be entitled to get any sitting fee for attending any meeting of the Board of Directors or a committee thereof.

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to increase, reduce, alter or vary the terms of remuneration in such manner from time to time as the Board may deem fit within the limits specified in Schedule V of the said Act, as existing or as amended, modified or re-enacted from time to time.

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and other things, as they may in their absolute discretion deem necessary expedient usual and proper.”

6. To consider and if thought fit, to pass with or without modification(s), if any, the following Resolution as a Special Resolution:



**“RESOLVED THAT** pursuant to the provisions of section 196, 197,203 and 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), read with Schedule V of the Companies Act,2013 , the consent of the Company be and is hereby accorded for the re-appointment of Shri Piyush Mutha (DIN- 00424206), as a Managing Director for a period of two (2) years w.e.f 01.04.2015 on the terms and conditions of appointment including remuneration as mentioned in the explanatory statement annexed hereto.

**RESOLVED FURTHER THAT** the remuneration as set out in the enclosed explanatory statement be paid as minimum remuneration to Shri Piyush Mutha.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to increase , reduce, alter or vary the terms of remuneration in such manner from time to time as the board may deem fit .

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors be and is hereby authorised to do all such act, deeds, matters and other things, as they may in their absolute discretion deem necessary expedient usual and proper.”

By Order of the Board  
For Vippy Spinpro Ltd.

Sanju Patel  
Company Secretary & CFO

Place: Dewas

Date: 25<sup>th</sup> May,2015

CIN: L01710MP1992PLC007043

Registered Office: 414, City Centre ,  
570, M.G. Road, Indore- 452001 (M.P.)

Tele: 0731-2546710

Email: admin@vippyspinpro.com, website: www.vippyspinpro.com

**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 14<sup>th</sup> day of September,2015 to Monday ,21<sup>st</sup> day of September, 2015 (both days inclusive) for the purpose of Annual General Meeting.
5. 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.
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. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of Listing Agreement with BSE Ltd., the Company is pleased to provide members facility to exercise their right to vote at 23<sup>rd</sup> Annual general Meeting by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).



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 Wednesday 16<sup>th</sup> day of September 2015 at 9.00 a.m. and ends on Friday, 18<sup>th</sup> Day of September, 2015 at 5.00 p.m..

During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday 14<sup>th</sup> Day of September ,2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● 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 sequence number in the PAN field</li> <li>● In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.



- (xii) Click on the EVSN for the relevant Vippy Spinpro Ltd. on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) 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](http://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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details 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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- (xx) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Other Instructions:**

- (i) The e-voting period commences on Wednesday, 16<sup>th</sup> day of September ,2015 at 9.00 a.m. and ends on Friday, 18<sup>th</sup> September ,2015 at 5.00 p.m.. During this period, Members of the Company, holding shares either in physical form or in electronic form, as on Monday ,14<sup>th</sup> day of September , 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.  
Once the vote on a resolution is cast and confirmed by the Member, shareholder shall not be allowed to change it subsequently.
- (iii) Mr. Shilpesh Dalal of M/s. Shilpesh Dalal & Co., Practicing Company Secretary (Membership No. FCS 5316, CP No.4235), 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.
- (iv) 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
- (v) The results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website [www.vippyspinpro.com](http://www.vippyspinpro.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(1) OF THE COMPANIES ACT, 2013**

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**Item No.4**

Smt. Deepa Sudhir Mekal (DIN-05222280) was appointed as a Woman Director as an Additional Director by the Board w.e.f. 31.03.2015. The Company has received a notice from the shareholder proposing the candidature of Smt. Deepa Sudhir Mekal (DIN-05222280) to be appointed as a Woman Director under provisions of section 149 and 152 of the Companies Act, 2013.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise in these resolutions.

The Board of Directors recommends the said resolutions set out at item nos. 4 of the notice for your approval by ordinary resolution.

**Item No.5**

The tenure of Shri Mangalore Maruthi Rao has expired on 27<sup>th</sup> October, 2014. The Nomination & Remuneration Committee has considered and recommended to the Board of Directors for re-appointment of Shri Mangalore Maruthi Rao as Whole Time Director w.e.f. 28<sup>th</sup> October, 2014 for a further period of two years on remuneration of ₹ 30,000/- per month.

He has practical working experience in various leading textiles mills since 1964. He has in depth experience in cotton industries. The Board of Directors of the Company is of the opinion that under the direction of Shri Mangalore Maruthi Rao, the Company has benefited overall. Hence the Board of Directors decided in their meeting held on 30.09.2014 to re-appoint him as Whole Time Director of the Company w.e.f. 28<sup>th</sup> October, 2014 for further period of two years subject to approval of shareholders.

Except Shri Mangalore Maruthi Rao himself, none other Directors/Key Managerial Personnel of the Company/their relatives are in any way concerned or interested, financially or otherwise, in the said resolution set out at item no.5 of the notice.

Board of Directors recommends resolution, as set out in item No. 5 of the notice for your approval by special resolution as required in Part I (c) of Schedule V of the Companies Act, 2013 because Shri Mangalore Maruthi Rao has attended the aged 77 years.

The appointment of Shri Mangalore Maruthi Rao as a Whole Time Director & payment of remuneration to him is subject to the approval of shareholders in ensuing Annual General Meeting.

**Item No.6**

The Nomination and Remuneration Committee has considered and approved the terms, conditions including remuneration as per Company's Remuneration Policy and recommended to the Board of Directors for the re-appointment of Shri Piyush Mutha as a Managing Director for a period of 2 years w.e.f. 01<sup>st</sup> April, 2015 whose terms has expired on 31.03.2015. The Board of Directors has considered that under his dynamic leadership, initiatives and directions, the Company has benefited in its overall operations since he is managing Director of the Company. He is the key factor behind the overall growth and success of the Company. His devotion, vision and experience are essential for the continuing growth of the Company. The Board of Directors at their meeting held on 31.03.2015, subject to approval of members in ensuing annual general meeting, approved his re-appointment as a Managing Director on the following terms and conditions including remuneration :

- I. Basic salary: ₹ 4,00,000/- (Rupees Four Lacs Only ) per month in the Scale of ₹ 4,00,000/- ₹ 50,000/- ₹ 4,50,000/-. Annual Increment of ₹ 50,000/-shall be payable on 1<sup>st</sup> April each year.
- II. Perquisites & Allowances: subject to ceiling of ₹10.00 Lacs per annum.
  - a) Electricity: Expenditure incurred by the Managing Director on Water & Electricity at residence will be provided by the Company and shall be valued as per the Income Tax Rules 1962.
  - b) Leave: Leave as per the Rules of the Company.



- c) Medical Reimbursement: Reimbursement of medical expenses including insurance premium for medical incurred for self and family subject to a ceiling of one month's salary or two months' salary over a period of two years, as per rules of the Company.
- d) Club Fees: Payment of club fees, Subject to a maximum of two clubs excluding life membership fees.
- e) Telephone: Free Telephone and mobile facility at residence for official use.
- f) Car with Driver: Free use of one car with driver for official use.
- g) Personal Accident Insurance: payment of personal accident insurance premium.
- h) Other benefits, perquisites and allowance as specified from time to time as per Company's Rules.

Contribution to provident fund and Superannuation fund to the extent not taxable under the Income Tax Act 1961, and Gratuity as per rules of the Company are excluded from the aforesaid limits.

Except Shri Piyush Mutha, himself & Shri Praneet Mutha, Director being relative of Shri Piyush Mutha, no other Directors/Key Managerial Personnel of the Company/their relatives are in any way concerned or interested, financially or otherwise, in the said resolution set out at item no.6 of the notice.

Board of Directors recommends resolution, as set out in item No. 6 of the notice for your approval by special resolution as required in proviso first of section II of Part II of Schedule V of the Companies Act, 2013 because the said remuneration exceeds the limits as specified in aforesaid section II of Part II of Schedule V .

The appointment & payment of remuneration to Shri Piyush Mutha is subject to the approval of shareholders in ensuing Annual General Meeting.

The statement containing required information as required pursuant to item (iv) of third proviso of section II of Part II of Schedule V of the Companies Act, 2013.

## **I. GENERAL INFORMATION**

1. Nature of Industry: The Company is engaged in manufacturing of cotton yarn.
2. Date or expected date of commencement of commercial production:

The Company was incorporated on 01.04.1992 & is an existing operating Company.

3. Financial performance based on given indicators: (₹ In Lacs)

<b>Financial year ended</b>	<b>March 31,2015</b>	<b>March 31,2014</b>
<b>Income</b>		
Revenue from Operations	<b>9451.00</b>	<b>9984.03</b>
Other Income	<b>74.19</b>	<b>70.09</b>
Total Revenue	<b>9525.19</b>	<b>10054.12</b>
Profit before finance cost, depreciation and amortization & tax and exceptional Items	<b>846.45</b>	<b>851.51</b>
Less: Finance Costs	<b>109.15</b>	<b>139.81</b>
Less: Depreciation and amortization expenses	<b>261.14</b>	<b>247.24</b>
Less: Prior period expenditure	<b>0.31</b>	<b>2.02</b>
Profit before Tax	<b>475.85</b>	<b>462.44</b>
Less: Tax Expenses	<b>150.63</b>	<b>144.20</b>
Profit for the period	<b>325.22</b>	<b>318.24</b>

4. Foreign Investments or Collaborators if any: N.A.

## **II. INFORMATION ABOUT THE APPOINTEE**

1. Background Details: Shri Piyush Mutha is a B.E. and MBA. Shri Piyush Mutha is a Director of the Company since 1<sup>st</sup> April, 1992. He is a Managing Director of the Company since 1<sup>st</sup> May 2001. He has





over 22 years of experience in the industry and business. He is skillfully steering the Company business during his tenure.

2. Past Remuneration :The total remuneration including perquisites paid to Shri Piyush Mutha during the period 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015 was ₹ 5433093/-.
3. Recognition or awards: Nil.
4. Job Profile and his suitability: Shri Piyush Mutha exercises substantial power of management subject to the superintendence, control and direction of the Board of Directors of the Company. He is responsible for the operations and affairs of the Company. He has rich experience in conceptualizing, planning, directing and implementing business decision and translates them in terms of business growth. Under his dynamic leadership, initiatives and directions, the Company has benefited in its overall operations. He is the key factor behind the overall growth and success of the Company. His devotion, vision and experience are essential for continuing growth of the Company. Taking into consideration his qualifications and experience, Shri Piyush Mutha is best suited for the responsibilities assigned to him .
5. Remuneration Proposed: As referred above.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: The remuneration proposed is commensurate with the remuneration packages paid to similar level appointees in similar cotton yarn companies operating in India taking into consideration the experience of Shri Piyush Mutha.
7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel: Shri Piyush Mutha is one of the promoter of the Company and he is holding 8.89% shares of the Company. Apart from this, he doesn't have any other pecuniary transactions with Company except by way of drawing remuneration during employment with the Company. He is related only with Shri Praneet Mutha , Director of the Company being relative and he is not related with other Directors and Key Managerial Personnel of the Company and their relatives& is not concerned or interested, financially or otherwise.

### **III. OTHER INFORMATION**

1. Reasons of loss or inadequate profits: Stiff market competition, fluctuation in price of raw material, and other factors affected the profits of the Company.
2. Steps taken or proposed to be taken for improvement: Company has taken the following steps for improvement in performance:
  - i) Development of New Export Markets
  - ii) Focus on Value added product
  - iii) Training program for employees
  - iv) Continuous product development and cost reduction
3. Expected increase in productivity and profits in measurable terms: With the aforesaid measures taken by the Company, the productivity and profitability of the Company is expected to increase in coming years.

### **IV. DISCLOSURES**

- i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors:



Name	Designation	Stock Options	Salary (₹)	Perquisites and other benefits (₹)	PF & other fund (₹)	Pension (₹)	Total (₹)
Shri Piyush Mutha	Managing Director	NIL	4200000	99093	1134000	-	5433093
Shri Mangalore Maruthi Rao	Executive Director	NIL	360000	-	-	-	360000

Sitting fees are paid to Non Executive Directors of the Company for attending of meeting of the Board of Directors.

- ii) Details of fixed component and performance linked incentives along with performance criteria.  
Fixed component given as above. Presently no performance linked incentives are given by the Company.
- iii) Service contracts, notice of period, severance fees: There is no severance fees prescribed by the Company. The notice period is 1 month from either side.
- iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable: N.A.

By Order of the Board  
For Vippy Spinpro Ltd.

Sanju Patel  
Company Secretary & CFO

Place: Dewas

Date: 25<sup>th</sup> May, 2015

CIN: L01710MP1992PLC007043

Registered Office: 414, City Centre, 570, M.G. Road,

Indore- 452001 (M.P.)

Tele: 0731-2546710

Email: admin@vippyspinpro.com, website: www.vippyspinpro.com

**Details of the Directors seeking appointment /re-appointment in the Annual General Meeting (Pursuant to clause 49 of the Listing Agreement)**

- 1) Shri Praneet Mutha  
Non Executive Director

Name of Director	Shri Praneet Mutha
Date of Birth	11/09/1971
Date of Appointment	19.12.2000
Qualification	M.Com.
Experience in specific functional area	Shri Praneet Mutha is Master of Commerce (M.Com.) and possess vast experience in the field of Finance and Marketing. He has more than 19 years experience in cotton industry and other industries.
Directorship held in other Indian Public Companies	01
Chairmanship/Membership of Committees of other public companies (includes only Audit Committee and Stakeholder Relationship Committee only)	NIL
Number of Shares held in the Company	521050



- 2) Smt. Deepa Sudhir Mekal  
Woman Director

Name of Director	Smt. Deepa Sudhir Mekal
Date of Birth	07.10.1956
Date of Appointment	31.03.2015
Qualification	B.A.
Experience in specific functional area	She has vast experience over 30 years in Public Relations.
Directorship held in other Indian Public Companies	01
Chairmanship/Membership of Committees of other public companies (includes only Audit Committee and Stakeholder Relationship Committee only )	NIL
Number of Shares held in the Company	NIL

- 3) Shri Mangalore Maruthi Rao  
Whole Time Director

Name of Director	Shri Mangalore Maruthi Rao
Date of Birth	30.01.1938
Date of Appointment	28.10.2002
Qualification	B.Sc in Textile
Experience in specific functional area	He has over 51 years practical experience in various leading textile mills.
Directorship held in other Indian public companies	Nil
Chairmanship/Membership of Committees of other public companies(includes only Audit Committee and Stakeholder Relationship Committee only )	Nil
Number of Shares held in the Company	Nil

- 4) Shri Piyush Mutha  
Managing Director

Name of Director	Shri Piyush Mutha
Date of Birth	23.04.1969
Date of Appointment	01.04.1992
Qualification	B.E, MBA
Experience in specific functional area	He has over 22years experience in the industry and business. He has rich experience in conceptualizing, planning, directing and implementing business decision .
Directorship held in other Indian Public Companies	NIL
Chairmanship/Membership of Committees of other public companies(includes only Audit Committee and Stakeholder Relationship Committee only )	NIL
Number of Shares held in the Company	521750

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report together with the Audited Financial Statement for the year ended 31<sup>st</sup> March, 2015.

**FINANCIAL HIGHLIGHTS**

(₹ In lacs)

Particulars	2014-15	2013-14
<b>Income</b>		
Revenue from Operations	9451.00	9984.03
Other Income	74.19	70.09
Total Revenue	9525.19	10054.12
<b>Profit before finance cost, depreciation &amp; amortization ,prior period expenditure and tax</b>	846.45	851.51
Finance Costs	109.15	139.81
Depreciation and amortization expenses	261.14	247.24
<b>Profit before prior period expenditure and tax</b>	476.16	464.46
<b>Less: prior period Expenditure</b>	0.31	2.02
<b>Profit before Tax</b>	475.85	462.44
<b>Less: Tax Expenses</b>		
Current Tax	184.00	162.00
Deferred Tax(Assets)/Liabilities	(33.37)	(17.80)
<b>Profit for the year</b>	325.22	318.24
Earning per equity share		
Basic	5.54	5.42
Diluted	5.54	5.42

**PERFORMANCE REVIEW**

During the year under review, the Company's revenue was Rs ₹ 9525.19 lacs compared to ₹ 10054.12 lacs for the previous year. The Profit before Tax was ₹ 475.85 lacs compared to ₹ 462.44 lacs for the previous year registered growth by 2.90% The Profit After Tax was ₹ 325.22 lacs compared to ₹ 318.24 lacs for the previous year and registered growth by 2.19%.

Your 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.

The Indian textile industry is one the most important industries for the Indian economy. Its importance is underlined by the fact that it accounts for around 4% of GDP, 14% of the industrial production and 17% of the country's total export earnings. Besides; the textile industry is the second-largest employment generating industry in both rural and urban areas, after the agriculture industry.

With rising demand in domestic and international markets, we are hopeful that we will be able to grow our business.

**RESERVES**

There is no amount proposed to be carried to any Reserve.

**DIVIDEND**

With a view of conserving resources, your Directors do not recommended any dividend for the year under review.

**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 2015-2016.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of provisions of section 134(3) (c) read with section 134(5) of the Companies Act, 2013, your Directors state that:

- in the preparation of the annual accounts for the year ended 31<sup>st</sup> March ,2015, the applicable accounting standards have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March,2015 and of the profit of the Company for the year ended on that date ;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**DIRECTORS & KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Praneet Mutha Director (DIN: 00424250), will retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for his re-appointment as Director.

During the year under review, the members approved the appointments of Shri Mohan Lal Jain, Shri Subhash Kocheta , Shri Raghuram Krishnamurthy and Shri Shailendra Kumar Jain as independent directors under the Companies Act, 2013 for 5 consecutive years for a term upto the conclusion of the 27<sup>th</sup> Annual General Meeting.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet criteria of independence as prescribed under section 149(6) of the Companies Act, 2013.

Pursuant to the provisions of the section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, the Board of Directors has appointed Smt. Deepa Sudhir Mekal (DIN-05222280) , as a Woman Director as an Additional Director and She shall hold office only up to the date of ensuing Annual General Meeting and being eligible, offer herself for re-appointment as Director. The Company has received a proposal from shareholder of the Company proposing candidature to appoint her as a Woman Director.

The Board of Directors has re- appointed Shri Mangalore Maruthi Rao as Whole Time Director for further period of two years w.e.f. 28.10.2014 and Shri Piyush Mutha (DIN: 00424206) as Managing Director for a further period of 2 years w.e.f.01.04.2015 subject to approval of Shareholders in the ensuing Annual General Meeting.

During the year under review, Shri Shailendra Kumar Jain Director (Independent-Non-Executive) of the Company had resigned w.e.f 31.10.2014.

During the year, Shri Jitender Kumar Yadav, Company Secretary of the Company also appointed as Chief Financial Officer of the Company pursuant to compliance of section 203 of the Companies Act, 2013, has resigned from the post of Company Secretary & Chief Financial Officer of the Company w.e.f .20.11.2014. Ms. Sanju Patel has been appointed as Company Secretary & Chief Financial Officer of the Company w.e.f. 15.01.2015.

**BOARD EVALUATION**

Pursuant to the provisions of Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out performance evaluation of its own, the Board Committees and of the Independent Directors.

Independent Directors at a separate meeting evaluated performance of the Non Independent Directors, Board as whole. The manner in which the evaluation has been carried out has been detailed in Corporate Governance Report.

**INSURANCE**

Assets of the Company are adequately insured.

**SUBSIDIARIES, ASSOCIATE & JOINT VENTURE COMPANIES**

Companies have no subsidiaries, associates Companies & joint venture companies.

**RELATED PARTY TRANSACTIONS**

There were no contracts or arrangements entered into by the Company in accordance with provisions of section 188 of the Companies Act, 2013 except payment of remuneration to Managing Director & Whole Time Director during the year. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company except payment of remuneration to Managing Director & Whole Time Director during the year. The Company has adopted a policy on Related Party Transactions & the same is displayed on the website of the Company, weblink: <http://vippyspinpro.co.in/Related-Party-Transaction-Policy.pdf>

**INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. All the transactions are properly authorized and recorded. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. 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 Audit Committee and adequate remedial measures, if any, are taken and in time.

During the year, not reportable material weakness in the design or operation were observed.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY**

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. 31<sup>st</sup> March, 2015 and the date of the Directors' report i.e. 25<sup>th</sup> May 2015.

**DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

The Company has long been following the principle of risk minimization as is the norm in every industry; it has now become a compulsion. Therefore, the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the Company. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Company Assets and Property, Employees, Foreign Currency Risks, Operational Risks, Non-compliance of statutory enactments, Competition Risks, Contractual Risks, and Volatility in prices of Raw Material. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case of any of these risks materialize. During the year, your directors have constituted a Risk Management Committee.

**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 the Annual Report.

**CORPORATE GOVERNANCE**

Your Company has always strived to maintain appropriate standards of good corporate governance. The Report on Corporate Governance as stipulated under clause 49 of the listing agreement forms part of this Report. The requisite certificate from Company Secretary in Practice confirming compliance with the conditions of corporate governance is attached to report on corporate governance .

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

The people are recruited in the Company on the basis of their qualification/eligibility and merits 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 also conducts training programme from time to time for up-skilling, training of employees from socially disadvantaged sections of society.

**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 CO<sub>2</sub>, and helps to reduce 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 4838 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.

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 55 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.

**DISCLOSURES****Particulars of Loan given, Investments made, Guarantee given and Securities provided under section 186 of the Companies Act, 2013**

There are no Loans, Guarantees, Investments and Securities provided which are covered under the provisions of Section 186 of the Companies Act, 2013.

**Conservation of Energy, Technical Absorption and Foreign Exchange Earning & Outgo**

The Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed under the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, are provided in Annexure -I- to this Report.

**Extract of Annual Return**

Extract of Annual Return of the Company is annexed herewith as Annexure -II- to this Report.

**Meeting of Directors**

During the year under review, our Board met Ten (10) times. For further details please refer to Report on Corporate Governance of this Annual Report. During the year under review One(1) Board meeting of Independent Directors was held .

**Audit Committee**

The Audit Committee comprises Independent Directors namely, Shri Mohan Lal Jain (Chairman), Shri Subhash Kocheta , & Shri Raghuram Krishnamurthy , as other members.

All the recommendations made by the Audit Committee were accepted by the Board.

**Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprises Independent Directors namely Shri Subhash Kocheta (Chairman) , & Shri Mohan Lal Jain as other member.

**Nomination & Remuneration Committee**

The Nomination & Remuneration Committee comprises Independent Directors namely Shri Raghuram Krishnamurthy (Chairman) , Shri Mohan Lal Jain & Shri Subhash Kocheta , as other members.

**Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee adopted a Remuneration policy of the Company for Directors, Key Managerial Personnel & other employee's .The Remuneration Policy is annexed herewith as Annexure-III to this Report.

**Vigil Mechanism / Whistle Blower Policy**

Pursuant to Companies Act, 2013 & Listing Agreement with Bombay Stock Exchange Ltd., and in order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior, the Company has adopted a vigil mechanism policy. This policy may be accessed on the Company's website, Weblink:<http://vipypspinpro.co.in/Whistle-Blower-Policy.pdf>

**Particulars of employees and related disclosures**

Particulars of employees as required under section 197(12) of the Companies Act, 2013 read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable as no employee is covered under the said rules.

Particulars pertaining to remuneration and other details as required under section 197(12) of the Act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as Annexure -IV- to this Report.

**GENERAL**

Yours Directors state that no disclosures or reporting is required in respect of the following items as there were not transactions on these items during the year under review:

- details relating to deposits covered under chapter V of the companies Act, 2013
- Issue of shares during the year
- no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

**AUDITORS & AUDITORS' REPORT****Statutory Auditors**

M/s. Sodani & Co., Chartered Accountants (Firm Registration No.000880C), Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits





under the Act and that they are not disqualified for re-appointment .The Board recommends their re-appointment to conduct audit of accounting records of the Company.

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

**Secretarial Auditors**

The Board has appointed M/s Shilpesh Dalal & Co. Practicing Company Secretaries, to conduct secretarial audit. The Secretarial Audit Report for the financial year ended 31.03.2015, is annexed herewith as Annexure-V.

The Secretarial Audit Report does not contain any reservation, qualification or adverse remark and no explanation on part of the Board of Directors is called for.

**PREVENTION OF SEXUAL HARASSMENT POLICY**

The Company has a Prevention of Sexual Harassment Policy in force in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The objective of this policy is to ensure a safe, secure and friendly work environment where employees will deliver their best without any inhibition, threat of fear .During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**HUMAN RESOURCES**

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 Industrial Relations of the Company with its personnel has continued to be cordial and friendly during the year. The Company has 106 employees on 31.03.2015.

**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 Bank 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

Place: Dewas  
25<sup>th</sup> May, 2015

Piyush Mutha  
(Managing Director)

Mohan Lal Jain  
(Director )



## Annexure-I

**Details of conservation of energy, technology absorption, foreign exchange earnings and outgo****(a) Conservation of energy**

(i)	the steps taken or impact on conservation of energy	a) Reduce the current in Blowroom & 2TFO machine by replacing cables & power panel. b) Reduce the current in RSK machine by D.C drive conversion. c) Reduce the current in compactor by replacing old motor with new. Consequently total saving was ₹ 794950/-
(ii)	the steps taken by the Company for utilizing alternate sources of energy	NIL
(iii)	the capital investment on energy conservation equipments	NIL

**(b) Technology absorption**

(i)	the efforts made towards technology absorption	NIL
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	NIL
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NIL
	(a) the details of technology imported	NIL
	(b) the year of import;	NIL
	(c) whether the technology been fully absorbed	NIL
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NIL
(iv)	the expenditure incurred on Research and Development	NIL

**(c) Foreign exchange earnings and Outgo**

	Particulars	Year ended 31.03.2015 (₹ In Lacs)
1.	Foreign Exchange earned in terms of Actual Inflows(FOB basis)	17,57,69,752
2.	Foreign Exchange outgo in terms of Actual Outflows(FOB basis)	30,40,072



**Annexure-II  
FORM MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on financial year ended on 31.03.2015**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.**

<b>I.</b>	<b>REGISTRATION AND OTHER DETAILS</b>		
	i)	CIN	L01710MP1992PLC007043
	ii)	Registration Date	01.04.1992
	iii)	Name of the Company	Vippy Spinpro Ltd.
	iv)	Category/Sub-category of the Company	Public Company /Limited by Shares
	v)	Address of the Registered Office and contact details	414, City Centre, 570, M.G Road, Indore(M.P.)-452001, Phone: 0731-2546710
	vi)	Whether listed Company	Yes
	vii)	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Ankit Consultancy Pvt. Ltd. 60, Electronic Complex, Pardeshipura, Indore (M.P.)-452010 Ph. 0731-3198601-602, 2551745-46 Fax.0731- 4065798
<b>II.</b>	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>		
	All the business activities contributing 10% or more of the total turnover of the Company		As per Attachment A
<b>III.</b>	<b>PARTICULARS OF HOLDING ,SUBSIDIARY &amp; ASSOCIATES COMPANY</b>		N.A.
<b>IV.</b>	<b>SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)</b>		
	i)	Category –wise Shareholding	As per Attachment B
	ii)	Shareholding of Promoters	As per Attachment C
	iii)	Change in Promoters Shareholding	As per Attachment D
	iv)	Shareholding Pattern of top ten Shareholders(other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment E
	v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment F
<b>V.</b>	<b>INDEBTEDNESS</b>		
	Indebtedness of the Company including interest outstanding/accrued but not due for payment		As per Attachment G
<b>VI.</b>	<b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>		
	A.	Remuneration to Managing Director, Whole-time Directors and/ or Manager	As per Attachment H
	B.	Remuneration to other Directors	As per Attachment I
	C.	Remuneration to Key Managerial Personnel other than MD/ Manager/WTD	As per Attachment J
<b>VII.</b>	<b>PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES</b>		
	As per Attachment K		

**Attachment A****II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated.

Sl No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1.	Cotton Yarn	13111	100%

**Attachment B****IV SHAREHOLDING PATTERN (Equity Share capital Break up as percentage of Total Equity)****(i) Category- wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
(a) Individual/HUF	3071380	-	3071380	52.32	3082932	100	3083032	52.52	0.20
(b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(C) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	102062	0	102062	1.74	102062	0	102062	1.74	0.00
(e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (1):-</b>	<b>3173442</b>	<b>0</b>	<b>3173442</b>	<b>54.06</b>	<b>3184994</b>	<b>100</b>	<b>3185094</b>	<b>54.26</b>	<b>0.20</b>
<b>(2) Foreign</b>									
(a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>3173442</b>	<b>0</b>	<b>3173442</b>	<b>54.06</b>	<b>3184994</b>	<b>100</b>	<b>3185094</b>	<b>54.26</b>	<b>0.20</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	0	3800	3800	0.06	0	3800	3800	0.06	0.00
(b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(C) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00



Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B) (1):-</b>	0	3800	3800	0.06	0	3800	3800	0.06	0.00
<b>(2) Non Institutions</b>									
(a) Bodies Corp.									
(i) Indian	315804	13100	328904	5.60	112686	13100	125786	2.14	-3.46
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	830628	965070	1795698	30.59	929712	946770	1876482	31.97	1.38
(ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	231163	87800	318963	5.43	358785	87800	446585	7.61	2.18
(c) Others									
(i) NRI	57093	191800	248893	4.24	43548	187300	230848	3.93	-0.31
(ii) Clearing Member	300	0	300	0.00	1405	0	1405	0.02	0.02
<b>Sub-total (B) (2):-</b>	1434988	1257770	2692758	45.87	1446136	1234970	2681106	45.67	-0.20
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	1434988	1261570	2696558	45.94	1446136	1238770	2684906	45.74	-0.20
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	4608430	1261570	5870000	100	4631130	1238870	5870000	100	0.00

**Attachment C****(ii) Shareholding of Promoters**

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1	Usha Mutha	681768	11.61	0.00	681768	11.61	0.00	0.00
2	Sunita Mutha	468400	7.98	0.00	468400	7.98	0.00	0.00
3	Chandrakala Mutha	259550	4.42	0.00	259550	4.42	0.00	0.00
4	Praneet Mutha	521050	8.88	0.00	521050	8.88	0.00	0.00
5	Piyush Mutha	521750	8.89	0.00	521750	8.89	0.00	0.00
6	Sungem Impex Pvt. Ltd.	102062	1.74	0.00	102062	1.74	0.00	0.00
7	Priti Mutha	101496	1.73	0.00	101496	1.73	0.00	0.00
8	Piyush Mutha (HUF)	104491	1.78	0.00	104491	1.78	0.00	0.00
9	Vimal Chand Mutha (HUF)	93285	1.59	0.00	93285	1.59	0.00	0.00
10	Rahul Mutha (HUF)	319590	5.44	0.00	331242	5.64	0.00	0.20
	<b>Total</b>	<b>3173442</b>	<b>54.06</b>		<b>3185094</b>	<b>54.26</b>	<b>0.00</b>	<b>0.20</b>

**Attachment D****(iii) Change in Promoters' Shareholding**

Sl No.		Shareholding at the beginning of the year (As on 01.04.2014) / end of the year (31/03/2015)		Date	Increase /Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No of shares	% of total Shares of the Company				No of shares	% of total Shares of the Company
1.	Rahul Mutha (HUF)	319590	5.44	01.04.2014				
				02.04.2014	100	Purchase	319690	5.45
				04.04.2014	7	Purchase	319697	5.45
				07.04.2014	109	Purchase	319806	5.45
				11.12.2014	1000	Purchase	320806	5.47
				12.12.2014	1000	Purchase	321806	5.48
				15.12.2014	513	Purchase	322319	5.49
				16.12.2014	1500	Purchase	323819	5.52
				18.12.2014	1000	Purchase	324819	5.53
				19.12.2014	1000	Purchase	325819	5.55
				23.12.2014	2000	Purchase	327819	5.58
				24.12.2014	2500	Purchase	330319	5.63
				26.12.2014	517	Purchase	330836	5.64
				29.12.2014	306	Purchase	331142	5.64
		331242	5.64	31.03.2015	100	Purchase	331242	5.64

**Attachment E****(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl No.		Shareholding at the beginning of the year(As on 01.04.2014)		Cumulative Shareholding at the end of the year (As on 31.03.2015)	
		No of shares	% of total Shares of the Company	No of shares	% of total Shares of the Company
1.	Swastika Investmart Limited	274124	4.67	17630	0.30
2.	Mahendra Girdharilal	107882	1.84	170111	2.90
3.	Usha Jain	52800	0.90	52800	0.90
4.	Vijayaben Pravinchandra Parikh*	48000	0.82	-	-
5.	Ashok Kumar Jain	35000	0.60	35000	0.60
6.	Kusum Agrawal	25471	0.43	25471	0.43
7.	Vibgyor Commercial Pvt. Ltd.*	18450	0.31	-	-
8.	Kishor Pravinchandra Parikh*	15040	0.26	-	-
9.	Ramesh Chandra Mantri*	12707	0.22	-	-
10.	Narendra Shantilal Nagarwala*	11063	0.19	-	-
11.	Anita Gupta#	-	-	107403	1.83
12.	Angel Broking Private Limited#	-	-	23118	0.39
13.	Raga Finvest Limited#	-	-	20025	0.34
14.	K. Navalan#	-	-	20000	0.34
15.	Ganesh Krihnan Iyer#	-	-	13737	0.23

Note: the change in the shareholding in the above shareholders was due to buying/selling of shares by the shareholders on various dates. The company has not allotted any shares during the year under review.

\*ceased to be in the list of Top 10 shareholders as on 31.03.2015.

#Not in list top 10 shareholders as on 01.04.2014.

**Attachment F****(v) Shareholding of Directors and Key Managerial Personnel**

Sl No.	Name	Shareholding at the beginning of the year(As on 01.04.2014)/end of the year(31/03/2015)		Date	Increase /Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No of shares	% of total Shares of the Company				No of shares	% of total Shares of the Company
1.	Piyush Mutha (Managing Director)	521750	8.89	01.04.2014	-	Nil movement during the year		
		521750	8.89	31.03.2015			521750	8.89
2.	Praneet Mutha (Promoter - Non Executive Director)	521050	8.88	01.04.2014	-	Nil movement during the year		
		521050	8.88	31.03.2015			521050	8.88
3.	Mangalore Maruthi Rao (Whole Time Director)	0	0.00	01.04.2014	-	Nil holding / movement during the year		
		0	0.00	31.03.2015			0	0.00



Sl No.	Name	Shareholding at the beginning of the year(As on 01.04.2014)/ end of the year(31/03/2015)		Date	Increase /Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No of shares	% of total Shares of the Company				No of shares	% of total Shares of the Company
4.	Mohan Lal Jain (Independent Non-Executive Director)	0	0.00	01.04.2014	-	Nil holding / movement during the year		
		0	0.00	31.03.2015			0	0.00
5.	Shailendra Kumar Jain (Independent Non-Executive Director)	5000	0.09	01.04.2014	-	Nil movement during the respective period	-	-
		5000	0.09	31.10.2014*	-		3000	0.09
6.	Subhash Kocheta (Independent Non-Executive Director)	0	0.00	01.04.2014	-	Nil holding / movement during the year		
		0	0.00	31.03.2015			0	0.00
7.	Raghuram Krishnamurthy (Independent Non-Executive Director)	0	0.00	01.04.2014	-	Nil holding / movement during the year		
		0	0.00	31.03.2015			0	0.00
8.	Deepa Sudhir Mehal (Woman Director)	0	0.00	31.03.2015**			0	0.00
9.	Jitender Kumar Yadav (Company Secretary & Chief Financial Officer)	0	0.00	01.04.2014	-	Nil holding / movement during the respective period		
		0	0.00	20.11.2014***			0	0.00
10.	Sanju Patel (Company Secretary & Chief Financial Officer)	0	0.00	15.01.2015****		Nil holding / movement during the respective period		
		0	0.00	31.03.2015			0	0.00

\*Ceased from directorship w.e.f. 31.10.2014

\*\* Appointed as Woman Director w.e.f. 31.03.2015

\*\*\*Ceased from Company Secretary & CFO w.e.f. 20.11.2014

\*\*\*\*Appointment as Company Secretary & CFO w.e.f. 15.01.2015

## Attachment G

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

				(Amount ₹ In Lacs)	
Particulars		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
(i)	Principal Amount	2470.91	-	-	2470.91
(ii)	Interest due but not paid	7.53	-	-	7.53
(iii)	Interest accrued but not due		-	-	
	<b>Total (i+ii+iii)</b>	<b>2478.44</b>			<b>2478.44</b>





Particulars	Secured Loans excluding deposits	Unsecured Loans	(Amount ₹ In Lacs)	
			Deposits	Total Indebtedness
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	1300.59	-	-	1300.59
<b>Net Change</b>	1300.59	-	-	1300.59
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	1170.32	-	-	1170.32
(ii) Interest due but not paid	4.65	-	-	4.65
(iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	1174.97	-	-	1174.97

**Attachment H****VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (₹ in Lacs)
		Piyush Mutha (MD)	Mangalore Maruthi Rao (WTD)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42.00	3.60	45.60
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.99	-	0.99
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	42.99	3.60	46.59
	Ceiling as per the Act	As per Section 198, 309, Schedule XIII of companies Act, 1956 read with Section 197 & Schedule V of the Companies Act, 2013		

**Attachment I****B. Remuneration to other directors**

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount (In ₹)
		Mohan Lal Jain	Subhash Kocheta	Shailendra Kumar Jain	Raghuram Krisnamurthy	Praneet Mutha	Deepa Sudhir Mehal	
1.	Independent Directors							
	• Fee for attending board/ committee meetings	4500	3000	-	500	-	-	8000
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	4500	3000	-	500	-	-	8000
2.	Other Non-Executive Directors							
	• Fee for attending board - committee meetings	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)= (1 + 2)	4500	3000	-	500	-	-	8000
	Total Managerial Remuneration							
	Overall Ceiling as per the Act	No remuneration, only sitting fee as per section 197 & Schedule V of the Companies Act, 2013						

**Attachment J****C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (₹ In Lacs)
		Company Secretary & CFO ( Jitender Kumar Yadav)	Company Secretary & CFO ( Sanju Patel)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.17	0.44	1.61
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	1.17	0.44	1.61



**Attachment K**

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty Punishment None Compounding					
B. DIRECTORS					
Penalty Punishment None Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment None Compounding					

**Annexure-III**

**Remuneration Policy**

**INTRODUCTION**

The Nomination and Remuneration Policy is being adopted by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee in compliance of Section 178 of the Companies Act, 2013 and the Listing Agreement, entered into by the Company with Bombay Stock Exchanges Ltd.

**BRIEF OVERVIEW UNDER COMPANIES ACT 2013**

{Section 178 & Companies [Meetings of Board and its Powers] Rules 2014}

- Constitution of the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors .
- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director’s performance.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and senior management personnel i.e. employees at one level below the Board including functional heads.
- The Nomination and Remuneration Committee shall, while formulating the policy ensure that:—
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- Such policy shall be disclosed in the Board’s report.

**BRIEF OVERVIEW OF THE REVISED CLAUSE 49 OF LISTING AGREEMENT**

- The Company shall set up a Nomination and Remuneration committee which shall comprise at least three directors, all of whom shall be non-executive directors and at least half shall be independent. Chairman of the committee shall be an independent director.
- The role of the committee shall, INTER-ALIA, include the following:
  - Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
  - Formulation of criteria for evaluation of Independent Directors and the Board;
  - Devising a policy on Board diversity;
  - Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

**TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE**

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on the Board diversity.
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
- Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits such as Commission, if any, payable to the Non- Executive Directors.
- Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.

**CRITERIA FOR DETERMINING THE FOLLOWING****Qualifications for appointment of Directors (including Independent Directors)**

- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Their industrial experience.
- Appropriate other qualification/experience to meet the objectives of the Company.
- As per the applicable provisions of Companies Act 2013, Rules made there under and Clause 49 of Listing Agreement.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

**Positive attributes of Directors (including Independent Directors)**

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the industry, market conditions and applicable legal provisions.
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities



- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and Clause 49 of the Listing Agreement as amended from time to time

**Criteria for appointment of KMP/Senior Management**

- To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.
- To practice and encourage professionalism and transparent working environment.
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission.
- To adhere strictly to code of conduct

**POLICY RELATING TO REMUNERATION OF DIRECTORS, KMP & SENIOR MANAGEMENT PERSONNEL**

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.  
No director/KMP/ other employee is involved in deciding his or her own remuneration and the trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration & It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Following criteria are also to be considered:-
  - Responsibilities and duties;
  - Time & efforts devoted; Value addition;
  - Profitability of the Company & growth of its business;
  - Analyzing each and every position and skills for fixing the remuneration yardstick;
  - Standards for certain functions where there is a scarcity of qualified resources.
  - Ensuring tax efficient remuneration structures.
  - Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
  - Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

**REVIEW**

The policy shall be reviewed by the Nomination & Remuneration Committee and the Board, from time to time as may be necessary.

**Annexure-IV-****Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (i) The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, and Company Secretary of the Company in the financial year 2014-15.

Name & Designation	Remuneration# of each Director& KMP for Financial Year 2014-15	% increase/ decrease in remuneration in the Financial Year 2014-15	Ratio of remuneration of each Directors to median remuneration of employees
<b>A. Directors</b>			
Shri Piyush Mutha (Managing Director )	5433093	16.12%	51.48
Shri Manglore Murthy Rao (Whole Time Director)	360000	0%	3.41
Shri Praneet Mutha (Promoter –Non-Executive Director)	-	-	-
Shri Shailendra Kumar Jain* (Independent Non –Executive Director )	-	-	-
Smt. Deepa Sudhir Mekal** (Woman Director)	-	-	-
Shri Mohan Lal Jain (Independent Non –Executive Director )	##	##	##
Shri Raghuram Krishnamurthy (Independent Non –Executive Director )	##	##	##
Shri Subhash Kocheta (Independent Non –Executive Director )	##	##	##
<b>B. Key Managerial Personnel</b>			
Ms. Sanju Patel***Company Secretary & CFO (appointed w.e.f. 15-01-2015)	47196	NA	NA
Shri Jitender Kumar Yadav, Company Secretary & CFO (Ceased w.e.f. 20-11-2014)	126450	11.57	NA

- \*Shri. Shailendra Kumar Jain (Independent-Non-Executive) Director of the Company had resigned w.e.f. 31.10.2014.
- \*\*Smt. Deepa Mekal was appointed as Woman Director w.e.f. 31.03.2015.
- \*\*\*Details are not given as Ms. Sanju Patel was appointed during the Financial Year 2014-15 and thus the comparative figures for FY 2013-14 are not available.
- # Remuneration excludes provision for gratuity .
- ##No remuneration only sitting fee paid.

(ii) The percentage increase in the median remuneration of employees in the financial year 2014-15 is 2.45%.

(iii) The number of permanent employees on the rolls of Company

There were 106 permanent employees on the rolls of Company as on 31st March, 2015.



(iv) The explanation on the relationship between average increase in remuneration and Company performance:

The Company takes various things like inflation, market trend and other related issue at the time of increase in remuneration of the employee. Performance is also one of the major criteria in increase of remuneration.

(v) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

The total remuneration of Key Managerial Personnel (KMPs) increased from ₹ 5075132 in the Financial Year 2013-14 to ₹ 5966739 in the Financial Year 2014-15, an increase of 17.57% whereas Profit Before Tax increased by 2.90% in financial year 2014-15. The Company takes various things like inflation, market trend and other related issue at the time of increase in remuneration of the employee. Performance is also one of the major criteria in increase of remuneration of Key Managerial Personnel.

(vi) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

- a) The market capitalization as on 31.03.2014 was ₹ 494.25Lacs which was increased to ₹1047.80 Lacs as on 31.03.2015
- b) Price Earnings ratio of the equity shares of the Company was 1.55 as on 31.03.2014 which was increased to 3.22 as on 31.03.2015
- c) Percentage increase or decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer:

The Company had come out with initial public offer (IPO) in 1993 at a price of ₹ 10 per share. The closing price of the Company's Equity share on the BSE as on 31.03.2015 was ₹ 17.85. The % increase in share price as on 31.03.2015 at BSE with respect to issue price was 78.5%.

(vii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase in the salaries of employee other than the Managerial personnel in the Financial Year 2014-15 was 6.66 % and the increase in the salary of the Managerial personnel was 16.12%. The Company takes various things like inflation, market trend and other related issue at the time of increase in remuneration of the employee. The Individual Performance is also one of the major criteria in increase of remuneration.

(viii) The comparison of the each remuneration of Key Managerial Personnel against the performance of the Company during the Financial Year 2014-15 is as under:

Name and Designation	Remuneration# of each KMP for FY 2014-15	% increase/ decrease in remuneration in FY 2014-15	Comparison of remuneration of the KMPs against the performance of the Company
Shri Piyush Mutha(MD)	5433093	16.12%	Profit Before Tax increased by 2.90% in financial year 2014-15.
Shri Manglore Murthy Rao(WTD)	360000	0.00%	
Ms. Sanju Patel (CS & CFO)## (Appointed w.e.f. 15.01.2014)	47196	NA	
Shri Jitender Kumar Yadav (CS & CFO) (ceased w.e.f. 20.11.2014)	126450	11.57	

The remuneration of the Key Managerial Personnel of the Company are commensurate with the size & Performance of the Company.



- # The above remuneration is inclusive of perquisites excluding provisions of Gratuity .
- ## Details are not given as Ms. Sanju Patel was appointed during the the Financial Year 2014-15 and thus the comparative figures for FY 2013-14 are not available.
- (ix) The key parameters for any variable component of remuneration availed by the Directors:  
The Company did not provide any variable component to its directors. The bonus was paid to eligible employees other than directors as per Payment of Bonus Act, 1965.
- (x) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: Not Applicable.
- (xi) Affirmation that the remuneration is as per the Remuneration Policy of the Company:  
Remuneration is as per the Remuneration Policy of the Company.



**Annexure-V****SECRETARIAL AUDIT REPORT**

For the Financial Year ended on 31<sup>st</sup> March,2015

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
VippySpinpro Limited  
414, City Centre,  
570, M.G. Road,  
Indore-452001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vippy Spinpro Ltd.(hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Vippy Spinpro Ltd. for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
  - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (ii) The Securities and Exchange Board of India(Prohibition of Insider Trading) Regulations, 1992.
  - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;(Not applicable to the Company during the Audit Period);
  - (iv) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations,2014 notified on 28 October,2014;(Not applicable to the Company during the Audit Period)
  - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable to the Company during the Audit Period)
  - (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



- (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period)
  - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable to the Company during the Audit Period).
6. The other laws as may be applicable specifically to the Company are:
- (i) The Factories Act,1948
  - (ii) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund,ESIC,compensation etc.;
  - (iii) Labour welfare Act of respective States.
  - (iv) Act prescribed under Direct and Indirect Taxes
  - (v) The Competition Act,2002
  - (vi) The Negotiable Instruments Act, 1881
  - (vii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
  - (viii) Other Applicable Laws.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India (Not applicable to the Company for the year under review).
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act .

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Shilpesh Dalal & Co.,

Company Secretary

Shilpesh Dalal

(Proprietor)

M.No. FCS-5316

C.P. No. 4235

Indore

25<sup>th</sup> May,2015

This report is to be read with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report



To,  
The Members,  
VippySpinpro Limited  
414, City Centre,  
570, M.G. Road,  
Indore-452001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Shilpesh Dalal & Co.,  
Company Secretary

SHILPESH DALAL  
(Proprietor)  
M.No. FCS-5316  
C.P. No. 4235  
Indore  
25<sup>th</sup> May,2015



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **ECONOMY-OVERVIEW**

The global economy is set for a modest growth of 3.5% in 2015, as against 3.4% in 2014, and IMF forecasts global growth to rise moderately to 3.8% in 2016. The US economy is poised to grow strongly, exceeding expectations on account of domestic demand, supported by the upward trend in the US economy in 2014. The UK is well on its way to recovery.

In 2014-15, Indian Economy grew at 7.3% (GDP Growth). India is set to become the world's fastest-growing major economy by 2016 ahead of China, the International Monetary Fund (IMF) said in its recent latest forecast. India is expected to grow by 2016 and it is likely to cross China's projected growth rate.

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

The Indian textile industry is one the most important industries for the Indian economy. The textile industry is the second-largest employment generating industry in both rural and urban areas, after the agriculture industry.

The vast pool of skilled and unskilled workers, availability of labour at low costs, strong base for production of raw materials characterise the textile industry in India. The increase in domestic demand and ability of the units in the industry to process small or customised orders are some of the advantages for the textile industry in India.

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**

With rising demand in domestic and international markets, we are hopeful that we will be able to grow our business. The high quality of Indian yarns is ensuring orders from international markets.

#### **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, and volatility in crude oil prices may have an adverse impact.

There is also 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.

### **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 Company believes that the Government also has significant role to play in the growth of this industry.

### **RISK AND CONCERN**

The Company has long been following the principle of risk minimization as is the norm in every industry; it has now become a compulsion. Therefore, the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the Company. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Company Assets and Property, Employees, Foreign Currency Risks, Operational Risks, Non-compliance of statutory enactments, Competition Risks, Contractual Risks, and Volatility in prices of Raw Material. The management is however, of the view that none of the above risks may threaten the existence of



the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case of any of these risks materialize. During the year, your directors have constituted a Risk Management Committee. These are reviewed periodically by the Board of Directors of the Company.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has in place adequate internal financial controls with reference to financial statements. All the transactions are properly authorized and recorded. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. 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 Audit Committee and adequate remedial measures, if any, are taken and in time

During the year, not reportable material weakness in the design or operation were observed.

### **OPERATIONAL & FINANCIAL PERFORMANCE**

#### **OPERATIONAL PERFORMANCE**

(Qty. in MT.)

<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
Production	8490.559	7883.181
Sales	8505.916	7934.344

#### **FIANCIAL PERFORMANCE**

(₹ In Lacs)

<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
Total Revenue	9525.19	10054.12
Profit before Financial Costs, Depreciation and Amortization, Prior Period Expenditure and Tax	846.45	851.51
Less: Financial Costs	109.15	139.81
Less: Depreciation and Amortization	261.14	247.24
Less: Prior period expenditure	0.31	2.02
Profit before Tax	475.85	462.44
Less: Tax Expenses	150.63	144.20
Profit after Tax	325.22	318.24

During the year under review, the Company's revenue was ₹ 9525.19 lacs compared to ₹ 10054.12 lacs for the previous year. The Profit before Tax was ₹ 475.85 lacs compared to ₹ 462.44 lacs for the previous year registered growth by 2.90% The Profit After Tax was ₹ 325.22 lacs compared to ₹ 318.24 lacs for the previous year and registered growth by 2.19%.

### **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 Industrial Relations of the Company with its personnel has continued to be cordial and friendly during the year. The Company has 106 employees on 31.03.2015.

### **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.



## REPORT ON CORPORATE GOVERNANCE

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 Three (3) Non Executive Independent Directors, One (1) Non Executive Promoter Director, One(1) Executive Promoter Director and One (1) Executive Non Independent Directors, one(1) Woman (Non Executive Non Independent) Director and it meets the stipulated requirement.

The details of Board composition, attendance of Directors at the Board Meetings and at the last Annual General Meeting held during the year and the number of directorship and committee chairmanship/membership held by the Directors in other companies are given below.

S. No.	Name	Category	No. of Board Meetings Attended	Attendance at last AGM	Total no. of directorship in other public companies incorporated in India	No. of Committee Positions# held in other public companies incorporated in India	
						Chairman	Member
1	Shri Piyush Mutha	Promoter- Executive	10	Yes	-	-	-
2	Shri Praneet Mutha	Promoter – Non-Executive	10	Yes	1	-	-
3	Shri Mohan Lal Jain*	Independent Non -Executive	9	Yes	-	-	-
4	Shri Mangalore Maruthi Rao	Non- Independent Executive	7	No	-	-	-
5	Shri Shailendra** Kumar Jain	Independent Non- Executive	-	No	N.A.	N.A.	N.A.
6	Shri Subhash Kocheta	Independent Non- Executive	5	No	-	-	-
7	Shri Raghuram Krishnamurthy	Independent Non- Executive	1	No	-	-	-
8	Smt. Deepa Sudhir Mekal***	Non Independent Non-Executive	N.A.	N.A.	1	-	-

# Only Audit Committee and Stakeholders Relationship Committee have been considered.

\*Shri Mohan Lal Jain Independent Non Executive Director has been nominated as Non Executive Chairman of the Board w.e.f 01.06.2015.

\*\* Shri Shailendra Kumar Jain , Independent Non Executive Director has resigned w.e.f. 31.10.2014 from the Directorship of Company

\*\*\* Smt. Deepa Sudhir Mekal has been appointed as Woman Director w.e.f. 31.03.2015.

As detailed in the table above, none of the Directors is a member of more than 10 board-level committees of public companies in which they are Directors, nor Chairman of more than five such committees.

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year ended March 31, 2015 apart from paying sitting fees.

No Director is related to any other Director except Shri Piyush Mutha and Shri Praneet Mutha who are related to each other. Shri Piyush Mutha is the elder brother of Shri Praneet Mutha.



**Appointment & Reappointment of Director:** Particulars of Directors seeking appointment/re-appointment are given in the Annexure annexed to the notice for the ensuing Annual General Meeting.

**Performance Evaluation**

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other Individual Directors. The said Policy is in consonance with the existing industry practice.

The said policy sets out criteria for performance evaluation of Board, Executive Directors, Non Executive Directors including Independent Directors, Chairperson of the Company and Board's Committees.

**Performance Evaluation of Board, Committees & Directors**

The Independent Directors of the Company shall hold at least one meeting in a year, without attendance of non independent Directors and members of management.

The Independent Directors in the meeting shall:

- i) Review the performance of non-independent directors and the Board as a whole;
- ii) Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non executive directors;
- iii) Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The performance evaluation of its own, the Board Committees and of the Independent Directors shall be carried by the Board.

The evaluation of Independent Directors shall be carried out by the entire Board excluding the Director being evaluated.

In accordance with Schedule IV of the Companies Act, 2013, the extension or continuance of the term of appointment of Independent Directors would be determined based on their evaluation.

**Criteria for Evaluation of the Board & their Committees and Directors**

The criteria for evaluation of performance of the Board, Executive Directors, Non Executive Directors including Independent Directors, Chairperson of the Company and Board's Committees are as follows:

**(I) Board**

Evaluation criteria for evaluation of Board inter- alia shall covers: Composition in light of business complexities and statutory requirements; establishment of vision, mission, objectives and values for the Company; laying down strategic road map for the Company , growth attained by the Company; providing leadership and directions to the Company and employees; effectiveness in ensuring statutory compliances and discharging its duties/responsibilities towards all stakeholders ; identification, monitoring & mitigation of significant corporate risks; composition of various committees, laying down terms of reference and reviewing committee's working etc.

**(II) Chairperson of the Company**

Evaluation criteria for evaluation of Chairperson of the Company are : providing guidance and counsel in strategic matters; providing overall direction to Board towards achieving Company's objectives; effectiveness towards ensuring statutory compliances; maintain critical balance between the views of different Board Members; ensuring maximum participation and contribution by each Board Member; monitoring effectiveness of Company's governance practices; conducting Board and Shareholders meetings in effective and orderly manner etc.

**(III) Committees of the Board**

Committees of the Board shall be evaluated for their performance based on: effectiveness in discharging duties and functions conferred; setting up and implementation of various policies, procedures and plans, effective use of committee's powers as per terms of reference, periodicity of meetings, attendance and participation of Committee members, providing strategic guidance to the Board on various matters coming under committee's purview etc.

**(IV) Executive Directors**

The performance of Managing Director and Chief Executive Officer and other Executive Directors, if any, shall be evaluated on the basis of achievement of performance targets/ criteria given to them by the Board from time to time.

**(V) Non Executive Directors including Independent Directors**

The performance of Non Executive Directors including Independent Directors shall be evaluated based on :Objectivity & constructivity while exercising duties, providing independent judgment on strategy, performance, risk management and Board's deliberations; devotion of sufficient time for informed decision making; exercising duties in bona fide manner; safeguarding interest of all shareholders; upholding ethical standards of integrity & probity; updating knowledge of the Company & its external environment etc.

The Board has carried out performance evaluation of its own , the Board Committees and of the Independent Directors, whereas at a separate meeting Independent Directors evaluated performance of the Non Independent Directors, Board as whole . All the Non-executive and Independent Directors are eminent personalities having wide experience in their field. Their presence on the Board is advantageous and fruitful in taking business decisions.

**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 31<sup>st</sup> March, 2015, total 10 meetings of Board Of Directors were held on,12.05.2014,24.05.2014,04.07.2014,14.08.2014,30.09.2014,14.11.2014 , 25.11.2014, 14.01.2015, 14.02.2015, and 31.03.2015.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.

**Separate Meeting of the Independent Directors:**

The meeting of Independent Directors held on 31.03.2015, without the attendance of Non-Independent Directors and members of Management. The following issues were discussed in detail:

- I) reviewed the performance of non-independent directors and the Board as a whole;
- II) assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**Familiarization Programme**

The Company has put in place a system to familiarize its Independent Directors with the Company, their roles, rights & responsibilities in the Company, nature of the industry in which Company operates, management techniques, board dynamics & functions, business model of Company etc. The details of programme for familiarization is placed on the website of the Company, Weblink: <http://vipypspinpro.co.in/Familiarisation-Programme.pdf>

**Code of Conduct**

The Company had 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.vipypspinpro.com](http://www.vipypspinpro.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**

**Composition and Attendance**

The Audit Committee comprises of three members who are 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.

During the year under review, Six (6) meeting of Audit Committee were held on 24.05.2014,14.08.2014,30.09.2014,14.11.2014,14.02.2015 and 31.03.2015.

As on 31<sup>st</sup> March 2015, 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	6	6
Shri Subhash Kocheta	Member	Independent Non -Executive	6	6
Shri Raghuram Krishnamurthy	Member	Independent Non –Executive	6	-

Company Secretary acts as Secretary to the Audit Committee.

The terms of reference to the Committee are in accordance with section 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

The Audit Committee Meetings are usually held at the works Office of the Company and the Audit 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 29<sup>th</sup> day of September, 2014.

**4. Nomination & Remuneration Committee**

**Composition and Attendance**

The Nomination & Remuneration Committee comprises of three members who are 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.

During the year under review, Four (4) meetings of Nomination & Remuneration Committee were held on 14.08.2014,30.09.2014,14.01.2015 and 31.03.2015.

As on 31<sup>st</sup> March, 2015, the composition of the Nomination & Remuneration Committee and details of meeting attended by the Directors are as under:

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

Company Secretary acts as Secretary to the Nomination & Remuneration Committee .

The terms of reference to the Committee are in accordance with section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

**5. Director Remuneration**

**Remuneration to Executive Directors**

The details of remuneration paid to Executive Directors for the year ended 31<sup>st</sup> March, 2015 are as under.

Name of Director	Designation	Salary (₹)	Perquisites and other benefits (₹)	PF& other Fund (₹)	Total (₹)
Shri Piyush Mutha	Managing Director	42,00,000	99,093	1134000	54,33,093
Shri Mangalore Maruthi Rao	Whole Time Director	360000	-	-	360000



**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 31<sup>st</sup> March, 2015 except for payment of sitting fees.

Details of sitting fees paid to Non Executive Directors during the year under review:

Name	Sitting fees(₹)
Shri Mohan Lal Jain	4500
Shri Subhash Kocheta	3000
Shri Raghuram Krishnamurthy	500
Shri Shailendra Kumar Jain	-
Shri Praneet Mutha	-
Smt. Deepa Sudhir Mekal*	-

\* Smt. Deepa Sudhir Mekal has been appointed as Woman Director w.e.f. 31.03.2015.

Number of shares held by Non-Executive Directors as on 31st March, 2015

Name	No. of Shares held
Shri Praneet Mutha	521050

The Company has adopted Remuneration Policy annexed as Annexure-III- to the Directors Report.

**6. Risk Management Committee**

The Board has constituted Risk Management Committee on 30.09.2014 in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The committee’s prime responsibility is to implement and monitor the risk management plan and policy of the Company. The committee’s constitution meets with the requirements of clause 49 of the Listing Agreement.

During the year under review, two (2) the meetings of Risk Management Committee were held on 14.11.2014 and 14.02.2015.

**Composition and Attendance**

As on 31<sup>st</sup> March , 2015, the composition of the Risk Management Committee and details of meeting attended by the Directors are as under:

Name	Position	Category	No. of Meetings during the year	
			Held	Attended
Shri Piyush Mutha	Chairman	Promoter- Executive	2	2
Shri Manglore Murthi Rao	Member	Non- Independent Executive	2	2
Shri Mohan lal Jain	Member	Independent Non -Executive	2	2

Company Secretary acts as Secretary to the Risk Management Committee.

**7. Stakeholders Relationship Committee**

The Board had constituted Stakeholders Relationship Committee in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Stakeholders Relationship Committee is primarily responsible to review all matters connected with the Company’s transfer of securities including approval of transfer and redressal of shareholder’s/investors/security holder’s complaints. The committee composition and terms of reference meet with the requirements of Section 178 of the Companies Act, 2013 & clause 49 of the Listing Agreement.

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 or through SEBI, Stock Exchange, Ministry of Company Affairs, Registrar of Companies, etc.

During the year under review, four (4) meetings of Stakeholders Relationship Committee were held on 24.05.2014 14.08.2014, 14.11.2014 and 14.02.2015.



**Composition and Attendance**

The composition of the Stakeholders Relationship 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

Company Secretary acts as Secretary to the Stakeholders Relationship Committee

[a] Name and Designation of Compliance Officer : Ms. Sanju Patel  
 Company Secretary & CFO  
 Email-id- admin@vippyspinpro.com

Registered Office : 414, City Centre, 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 31.03.2015
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 31<sup>st</sup> March 2015 is Nil.

**8. Insider Trading**

The Company has adopted a Code of Practice & Procedure for fair disclosure of Unpublished Price Sensitive Information and Code of Conduct for Prevention of Insider Trading of the Company pursuant to SEBI(Prohibition of Insider Trading) Regulations,2015.This code is applicable to all Directors/Promoters/Key Managerial Personnel /Designated Employees and other connected persons etc.. 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. The same is displayed on the website of the Company.

**9. 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
2013-14	22 <sup>nd</sup>	Monday, Sept.29 <sup>th</sup> , 2014, 09.00 a.m	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010(M.P.)
2012-13	21 <sup>st</sup>	Monday, Sept.30 <sup>th</sup> , 2013, 10.00 a.m.	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010(M.P.)
2011-12	20 <sup>th</sup>	Saturday, Sept.29 <sup>th</sup> , 2012, 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
29.09.2014	Yes	a) Approved borrowing powers of the Board Directors of the Company upto an aggregate ₹ 1,50,00,00,000/- (Rupees One Hundred Fifty Crores only) under section 180(1)(c) of the Companies Act,2013. b) Approved creation of mortgage/charges on the movable and immovable properties of the Company , both present and future , in respect of borrowings upto an aggregate amount not exceeding ₹ 1,50,00,00,000/- (Rupees One Hundred Fifty Crores only ) under section 180(1)(a) of the Companies Act,2013.
30.09.2013	Yes	a) Re-appointment of Whole Time Director b) Re-appointment of Managing Director
29.09.2012	NO	N.A.

**Extra Ordinary General Meeting:** No Extra Ordinary General Meeting of the Company was held during the last three years.

**Passing of resolution by postal ballot:**

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

**10. Disclosures**

- 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 Statements of the Company forming part of the Annual Report. The Company has adopted a policy on Related Party Transactions and the same is displayed on the website of the Company, Weblink: <http://vipppspinpro.co.in/Related-Party-Transaction-Policy.pdf>
- 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.
- 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.
- The Company has Risk Assessment and Minimization Procedures, which are periodically reviewed by the Board.
- The Company has adopted a Whistle Blower Policy to provide a vigil mechanism to Directors, employees for reporting illegal & unethical behaviour. It also provides adequate safeguards against the victimization of employees who avail of this mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases. The details of the said mechanism has been disclosed on the website of the Company, Weblink: <http://vipppspinpro.co.in/Whistle-Blower-Policy.pdf>. During the year under review, no employee was denied access to the Audit Committee.

The Company complied of the non-mandatory requirements of Clause 49 as follows:

- a) Appointed non –executive Chairman of the Board w.e.f.01.06.2015
- b) During the year under review, there were no audit qualifications in the Company’s financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.
- c) Reporting by Internal Auditor directly to the Audit Committee.



**11. CEO/CFO Certification**

The Managing Director and CFO certification on the financial statements and internal controls for FY15is attached with this report.

**12. Management discussion and Analysis:** The Management Discussion and Analysis Report forms part of this Annual Report.

**13. 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](http://www.vippyspinpro.com).

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

[admin@vippyspinpro.com](mailto:admin@vippyspinpro.com)

No presentation was made to the Institutional Investors or to the Analysts during the year under review.

Pursuant to clause of 52 of the Listing Agreement, information about the financial results, shareholding pattern and other specified details are also filed electronically through the Corporate Filing & Dissemination System(CFDS).

**14. 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.

**15. Reconciliation of Share Capital**

A qualified 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).

**16. General Shareholders Information**

(a) Annual General Meeting

Day ,Date & Time	Monday ,21 <sup>st</sup> day of September,2015 at 9.00 a.m.
Venue	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010(M.P.)
Financial Calendar for F.Y.2015-16	
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 Financial Statements for the FY 2015-16	3rd /4th Week of May
Date of Book Closure	Monday 14 <sup>th</sup> day of September,2015 to Monday, 21 <sup>st</sup> day of September, 2015 (both days inclusive)
Dividend Payment Date	No Dividend has been proposed by Board of Director of the Company for the year 2014-15



Listing of Securities on the Stock Exchanges	Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai -400051
Stock Code	Scrip Code: 514302 Scrip ID : VIPPYSP
ISIN Number	INE660D01017

**(b) Market Price Data**

The monthly high and low quotation of shares at the Bombay Stock Exchange Ltd., Mumbai during the year ended 31<sup>st</sup> March, 2015 are as under:

Month	High (₹)	Low (₹)
April,2014	12.43	8.06
May,2014	13.05	8.62
June,2014	14.23	10.00
July,2014	13.90	11.03
August,2014	21.50	12.00
September,2014	17.79	12.60
October, 2014	13.88	11.83
November,2014	17.21	11.57
December,2014	20.25	13.00
January,2015	26.20	15.10
February,2015	21.20	16.35
March,2015	21.30	15.20

**(c) Distribution of Shareholding as on 31<sup>st</sup> March , 2015**

Shareholding of Nominal Value(₹)	No. of Shareholders	% of Shareholders	No. of Share held	% of Shareholding
Upto 1000	7114	76.77	6966730	11.87
1001-2000	601	6.48	1178250	2.01
2001-3000	218	2.35	642500	1.09
3001-4000	124	1.34	485130	0.83
4001-5000	565	6.10	2819090	4.80
5001-10000	369	3.98	3087280	5.26
10001-20000	153	1.65	2300290	3.92
20001-30000	37	0.40	933020	1.59
30001-40000	11	0.12	397090	0.68
40001-50000	34	0.37	1662620	2.83
50001-100000	18	0.19	1239980	2.11
100000 & Above	22	0.25	36988020	63.01
<b>TOTAL</b>	<b>9266</b>	<b>100.00</b>	<b>5870000</b>	<b>100.00</b>

**(d) Shareholding Pattern of the Company as on 31<sup>st</sup> March , 2015**

	Category of Holders	No. of Shares	% (Percentage)
a)	Promoters	3185094	54.26
b)	Mutual Funds/UTI	3800	0.06
c)	Financial Institutions/Banks/Insurance Companies	-	-
d)	Foreign Institutional Investors	-	-
e)	Corporate Bodies	125786	2.14
f)	Residential Individuals	2323067	39.59



	Category of Holders	No. of Shares	% (Percentage)
g)	NRIs & OCBs	230848	3.93
h)	Any others(Clearing Members)	1405	0.02
Total		5870000	100

**(e) 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.

**(f) 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 Stakeholders Relationship Committee

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

The details of shares under dematerialized and physical mode as on 31<sup>st</sup> March,2015 are as under:

Particulars	No. of Equity Shares	% (percentage)
National Securities Depository Ltd.(NSDL)	4118079	70.15
Central Depository Services (India) Ltd.( CDSL)	513051	8.74
Total Dematerialized	4631130	78.89
Physical	1238870	21.11
Total	5870000	100

**(h) Outstanding Securities**

There are no securities outstanding at the end 31<sup>st</sup> March ,2015.

**(i) 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 Siyaganj, 24 M.G. Road, Indore-452007(M.P.) has been transferred to the Investor Education and Protection Fund pursuant to section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund(Awareness and Protection of Investors) Rules,2001.

**(j) Plant Location**

14-A, Industrial Area  
A.B Road, Dewas(M.P.)-455001

**(k) Address for correspondence**

14-A, Industrial Area  
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



**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 31<sup>st</sup> March 2015, 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 as stipulated in the said clause. 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 and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above mentioned Listing Agreement.

We 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)*  
*M.No. FCS-5316*  
*C.P. No. 4235*

*Indore*  
25<sup>th</sup> May,2015





**CEO/ CFO Certificate under clause 49 (IX)**

To,

The Board of Directors

Vippy Spinpro Ltd.

1. We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31<sup>st</sup> March 2015 and to best of our knowledge and belief:
  - a. these statement do not contain any materially untrue statement or omit to state a material fact or contain statement that might be misleading;
  - b. these statement together present a true & fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. there are , to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of Company's internal control system pertaining to financial reporting and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take rectify these deficiencies.
4. We have indicated to the Auditors and Audit committee:
  - (i) Significant changes, if any, in the internal control over financial reporting during the year;
  - (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Dewas

Date: 25<sup>th</sup> May ,2015

Piyush Mutha  
Managing Director

Sanju Patel  
Company Secretary & CFO

**Annual Declaration pursuant to clause 49 (II) (E) (2) of the Listing Agreement**

As per the requirements of clause 49 (II) (E) (2) of the Listing Agreement with Bombay Stock Exchange Ltd., I hereby declare that all Directors and Senior Management have affirmed compliance with the Code of Conduct as applicable to them for the year ended 31<sup>st</sup> March,2015.

Place: Dewas

Date: 25<sup>th</sup> May ,2015

Piyush Mutha  
Managing Director

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

1. We have audited the accompanying financial statements of **VIPPY SPINPRO LIMITED**, (“the Company”) which comprises the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

**Management’s Responsibility for the Financial Statements**

2. The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to 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 principles generally accepted in India, including the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial Statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial controls relevant to the Company’s preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

8. 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, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of sub section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - 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.
  - In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - On the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) Act.
  - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - The Company has disclosed the impact of pending litigations as at March 31, 2015 on its financial position in its financial statements included in note no. 27.
    - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
    - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Date : May 25<sup>th</sup>, 2015  
Place : Dewas

**Rajesh Sodani**  
(Partner)  
M.No. F-77005

**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of 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.
  - b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of fixed assets has been physically verified by the Management during the year and according to the information and explanations give to us no material discrepancies have been noticed on such verification.
- (ii) a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the company and the same have been properly dealt with.
- (iii) The Company has not granted any secured or unsecured loans to Companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weakness in the aforesaid internal control system.
- (v) The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the rules framed there under to the extent notified.
- (vi) We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the rule made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Provident fund, Employees' state insurance, Income tax, Sales tax, Service tax, Custom duty, Excise duty, Value added tax, Cess, Professional tax and other statutory dues, as applicable, have been regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Sales tax, Service tax, Custom duty, Excise duty, Value added tax, Cess, Professional tax and other statutory dues, as applicable, were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.



- b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service tax, Custom duty, Excise duty, Value added tax, Cess, and Professional tax as at March 31, 2015 which have not been deposited with appropriate authorities on account of any dispute other than those mentioned below :

Name of the Statue	Nature of dues	Amount ( in lacs)	Period to which the amount relates	Forum where dispute is pending
Entry Tax Act	Entry Tax	₹ 6,31,496/-	2007-08	M.P.Tax Tribunal Board, Bhopal

- c) The Company has transferred the amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and the rules made there under within time.
- (viii) The Company does not have any accumulated losses at the end of the financial year and it has not incurred any cash losses during the financial year and in the immediately preceding financial year.
- (ix) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to its banker. The company does not have any dues to any financial institutions and has not issued any debentures.
- (x) In our opinion, and according to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xi) In our opinion, and according to the information and explanations given to us, the term loans obtained have been applied, on an overall basis, for the purposes for which they were obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

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

Date : May 25<sup>th</sup>, 2015  
Place: Dewas

**Rajesh Sodani**  
(Partner)  
M.No.F-77005

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2015**

	Notes	March 31, 2015 (₹)	March 31, 2014 (₹)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' fund</b>			
(a) Share capital	3	5,87,00,000	5,87,00,000
(b) Reserves and surplus	4	19,98,65,096	16,72,62,637
		<u>25,85,65,096</u>	<u>22,59,62,637</u>
<b>Non-current liabilities</b>			
(a) Long term borrowings	5	2,56,53,910	4,41,37,998
(b) Deferred tax liability (Net)	6	1,34,79,108	1,68,15,827
(c) Long term provisions	7	28,07,073	28,07,073
		<u>4,19,40,091</u>	<u>6,37,60,898</u>
<b>Current liabilities</b>			
(a) Short term borrowings	8	7,28,92,862	17,85,73,431
(b) Trade payables	9	10,94,936	48,44,408
(c) Other current liabilities	10	3,04,66,215	3,79,12,665
(d) Short term provisions	11	2,60,57,870	2,36,49,255
		<u>13,05,11,883</u>	<u>24,49,79,759</u>
	<b>TOTAL</b>	<u><b>43,10,17,070</b></u>	<u><b>53,47,03,294</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
Tangible assets	12	13,04,27,132	15,31,83,086
(b) Non-current investments	13	11,26,923	11,95,472
(c) Long-term loans and advances	14	71,80,565	74,83,192
		<u>13,87,34,620</u>	<u>16,18,61,750</u>
<b>Current assets</b>			
(a) Inventories	15	16,30,39,023	20,48,78,125
(b) Trade receivables	16	9,96,45,173	13,36,93,997
(c) Cash and bank balances	17	7,98,159	39,44,932
(d) Short term loan and advances	18	2,81,70,832	2,96,17,714
(e) Other current assets	19	6,29,263	7,06,776
		<u>29,22,82,450</u>	<u>37,28,41,544</u>
	<b>TOTAL</b>	<u><b>43,10,17,070</b></u>	<u><b>53,47,03,294</b></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

**For and on behalf of the Board of Directors****Rajesh Sodani**

Partner

Membership No. 077005

Dewas

May 25<sup>th</sup>, 2015Piyush Mutha  
Managing DirectorMohan Lal Jain  
DirectorSanju Patel  
Company Secretary & CFO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

	Notes	March 31, 2015 (₹)	March 31, 2014 (₹)
<b>INCOME</b>			
Revenue from operations	20	94,51,00,585	99,84,03,366
Other income	21	74,19,007	70,08,960
<b>Total revenue</b>		<u>95,25,19,592</u>	<u>100,54,12,326</u>
<b>EXPENSES</b>			
Cost of material consumed	22	70,14,21,821	75,07,90,215
Change in inventories of finished goods and work in progress	23	13,03,580	66,00,480
Employees benefits expense	24	2,72,38,561	2,41,84,082
Financial costs	25	1,09,15,216	1,39,80,587
Depreciation and amortization expenses	12	2,61,13,970	2,47,24,222
Other expenses	26	13,79,09,585	13,86,86,954
<b>Total expenses</b>		<u>90,49,02,733</u>	<u>95,89,66,540</u>
<b>Profit before prior period expenditure and tax</b>		<b>4,76,16,859</b>	4,64,45,786
Prior period expenditure		<u>31,365</u>	<u>2,01,912</u>
<b>Profit before tax</b>		<b>4,75,85,494</b>	4,62,43,874
<b>Tax expense</b>			
Current tax		<b>1,84,00,000</b>	1,62,00,000
Deferred tax (Assets)/Liabilities		<b>(33,36,719)</b>	(17,80,393)
<b>Profit for the year</b>		<u><b>3,25,22,213</b></u>	<u>3,18,24,267</u>
Earnings per equity share of nominal value of ₹ 10/- (₹10/-)			
Basic		<b>5.54</b>	5.42
Diluted		<b>5.54</b>	5.42
Significant accounting policies and notes to the account	<b>1 &amp; 2</b>		
The accompanying notes form an intergal part of the financial statements.			

As per our report of even date.  
**For Sodani & Company**  
 Firm registration No. 000880C  
 Chartered Accountants

**For and on behalf of the Board of Directors**

**Rajesh Sodani**  
 Partner  
 Membership No. 077005  
 Dewas  
 May 25<sup>th</sup>, 2015

Piyush Mutha  
 Managing Director

Mohan Lal Jain  
 Director

Sanju Patel  
 Company Secretary & CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

(₹)

	For the Year ended on 31.03.2015	For the Year ended on 31.03.2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and extraordinary items:	4,76,16,859	4,64,45,786
Adjustment For :		
Depreciation & Write offs	2,61,13,970	2,47,24,222
Loss/ (Profit) on sale of Fixed assets	(47,218)	(4,152)
Financial Charges	1,09,15,216	1,39,80,587
Dividend Income	(2,47,876)	(2,74,664)
Interest Income	(16,39,328)	(20,92,987)
Hedging Reserve	0	2,47,876
Loss/ (Gain) on variation on Foreign exchange rates	0	19,03,305
Premium on foreign Exchange contract	0	(6,64,138)
Prior period Adjustment	(31,365)	(2,01,912)
<b>Operating Profit before Working Capital Changes</b>	<b>8,26,80,258</b>	<b>8,40,63,923</b>
Adjustment For :		
Increase / (Decrease) in trade payable	(37,49,472)	(36,07,704)
Increase / (Decrease) in other current liabilities	(74,46,450)	17,66,583
Increase / (Decrease) in short term provisions	24,08,615	65,22,924
Decrease / (Increase) in trade receivable	3,40,48,824	(5,19,24,592)
Decrease / (Increase) in short term loan & advances	14,46,882	(1,40,29,323)
Decrease / (Increase) in inventories	4,18,39,102	1,50,25,062
Decrease / (Increase) in other current assets	77,513	1,94,451
Decrease / (Increase) in long term loan & advances	3,02,627	(13,50,830)
Cash Generated from operation	15,16,07,899	3,66,60,494
Financial Charges	(1,09,15,216)	(1,39,80,587)
Direct Taxes paid	(1,84,00,000)	(1,62,00,000)
<b>NET CASH FROM OPERATING ACTIVITIES:</b>	<b>12,22,92,683</b>	<b>64,79,907</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(33,64,127)	(51,65,700)
Sale of Fixed Assets	4,50,000	15,000
Dividend Income	0	2,74,664
Interest Income	16,39,328	20,92,987
Gain on variation on Foreign exchange rates	0	(19,03,305)
Premium on foreign Exchange contract	0	6,64,138
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(12,74,799)</b>	<b>(40,22,216)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from long term borrowings	0	0
Repayment of long term borrowings	(1,84,84,088)	(2,48,25,432)
Proceeds from Short term borrowings	(10,56,80,569)	2,46,25,363
<b>NET CASH FLOW FROM FINANCING ACTIVITIES:</b>	<b>(12,41,64,657)</b>	<b>(2,00,069)</b>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(31,46,773)</b>	<b>22,57,622</b>
Cash and Cash Equivalents as at 1/4/2014 (Opening Balance)	39,44,932	16,87,310
Cash and Cash Equivalents as at 31/3/2015 (Closing Balance)	7,98,159	39,44,932

As per our report of even date.

**For Sodani & Company**

Firm registration No. 000880C

Chartered Accountants

**For and on behalf of the Board of Directors****Rajesh Sodani**

Partner

Membership No. 077005

Dewas

May 25<sup>th</sup>, 2015Piyush Mutha  
Managing DirectorMohan Lal Jain  
DirectorSanju Patel  
Company Secretary & CFO



**Notes to the financial statements as at 31<sup>st</sup> March, 2015****(annexed to and forming part of the financial statement for the year ended 31st March, 2015)****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**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on the accrual basis, except for certain financial instruments which measured at fair value. Indian GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ( "the Act" ) read with rule 7 of the companies (Accounts) Rule, 2014 and the provision of the Act (to the extent notified) 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**

Government grants are accounted when there is reasonable assurance that the enterprises will comply with the conditions attached to them and it is reasonably certain that the ultimate collection will be made. Capital subsidy in nature of Government Grant related to specific fixed assets is accounted for where collection is reasonably certain and the same is shown as a deduction from the gross value of the assets concerned in arriving at its book value and accordingly the depreciation is provided on the reduced book value. Other revenue grants are credited to the statement of profit and loss account.

**2.5 IMPAIRMENT OF ASSETS**

The Company assesses at each Balance Sheet date whether there is any indication that an assets may be impaired. If any such indication exist, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If



at the balance date there is an indication that a previously assessed impairment loss no longer exist, the recoverable amount is reassessed and the assets is reflected at the lower of recoverable amount and the carrying amount that would have been determined had no impairment loss been recognised.

**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 or 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 as per the useful life prescribed in schedule II to the Companies Act, 2013. On Wind Mill, depreciation is charged on straight line method (SLM) at the rate as per useful life prescribed in Schedule II of the Companies Act, 2013. Depreciation on all fixed assets acquired before 31st March, 2002 is provided on the straight-line method basis at the rate as per useful life prescribed in schedule II of the Companies Act, 2013. 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 at least 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.

Other employee benefits are accounted for on accrual basis.

## **2.12 FOREIGN CURRENCY TRANSACTIONS**

- 2.12.1 The company is exposed to foreign currency transactions including foreign currency revenues receivables. 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 recognised 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 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 account 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 30. 'Financial Instruments: Recognition and Measurement'.

Derivative financial instruments are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent balance sheet date.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and are determined to be an effective hedge are recorded in hedging reserve account. To designate a forward contract or option as an effective hedge, management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to hedged risk. Any cumulative gain or loss on the hedging instrument recognised in hedging reserve is kept in hedging reserve until the forecast transaction occurs or the hedged accounting is discontinued. Amounts deferred to hedging reserve are recycled in the statement of Profit and Loss in the period when the hedged item is recognised in the Statement of Profit and Loss or when the portion of the gain or loss is determined to be an ineffective hedge. Derivative financial instruments that do not qualify for hedge accounting are marked to marked at the balance sheet date and gains or losses are recognised in the Statement of Profit and Loss immediately. Hedge Accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in hedging reserve is transferred to profit or loss for the year.

## **2.13 COMMODITY HEDGING TRANSACTION**

In respect 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, 2015	March 31, 2014
	(₹)	(₹)
<b>Note 3 - SHARE CAPITAL</b>		
<b>Authorised</b>		
70,00,000 (70,00,000) equity shares of ₹ 10 (₹ 10) each	<u>7,00,00,000</u>	<u>7,00,00,000</u>
<b>Issued, subscribed, and paid up</b>		
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 year

Particulars	March 31, 2015		March 31, 2014	
	Nos.	₹	Nos.	₹
<b>Equity</b>				
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, 2015		March 31, 2014	
		Nos.	% age	Nos.	% age
<b>Equity shares of ₹ 10/- each fully paid up</b>					
(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)	3,31,242	5.64%	3,19,590	5.44%
		<b>March 31, 2015</b>		<b>March 31, 2014</b>	
		(₹)		(₹)	

**Note 4 - RESERVES AND SURPLUS****Capital reserve**

Balance at the beginning of the year		<b>5,80,000</b>	5,80,000
Balance at the end of the year	(a)	<u><b>5,80,000</b></u>	<u>5,80,000</u>

**General reserve**

Balance at the beginning of the year		<b>25,00,000</b>	25,00,000
Add: Amount transferred from surplus		-	-
Balance at the end of the year	(b)	<u><b>25,00,000</b></u>	<u>25,00,000</u>

**Hedging reserve**

Balance at the beginning of the year		<b>2,47,876</b>	0
Add/(Less): Transfer during the year		<b>(2,47,876)</b>	2,47,876
Balance at the end of the year	(c)	<u><b>0</b></u>	<u>2,47,876</u>

**Surplus**

Balance at the beginning of the year		<b>16,39,34,761</b>	13,21,10,494
Add/(Less) : Adjustment of depreciation pursuant to enactment of schedule II of the Companies Act, 2013 (See Note 28)		<b>3,28,122</b>	-
Add: Profit for the year		<b>3,25,22,213</b>	3,18,24,267
Balance at the end of the year	(d)	<u><b>19,67,85,096</b></u>	<u>16,39,34,761</u>
	(a+b+c+d)	<u><b>19,98,65,096</b></u>	<u>16,72,62,637</u>

**Note 5 - LONG TERM BORROWINGS****March 31, 2015**

March 31, 2014

(a) Term loans from Banks (secured)			
Punjab National Bank-Term loan- III	-		27,84,512
Punjab National Bank-Term loan- IV	<b>1,08,45,669</b>		1,95,85,675
Punjab National Bank-Term loan- V	<b>1,44,89,986</b>		2,09,30,000
(b) Vehicle Loan	<b>3,18,255</b>		8,37,811
	<b><u>2,56,53,910</u></b>		<u>4,41,37,998</u>

**a) Term loan**

i) Term loan- 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 III	32	Quarterly	9,28,149
2	Term Loan IV	32	Quarterly	21,87,000
3	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%

**Note 6 - DEFERRED TAX LIABILITY (NET)**

	As at April 1, 2014	(Charged)/ credited to Profit and Loss Account	As at March 31, 2015
	(₹)	(₹)	(₹)
Deferred tax Liability			
Fixed assets (Depreciation)	1,68,15,827	-33,36,719	<b>1,34,79,108</b>
Net deferred tax liability	<u>1,68,15,827</u>	<u>-33,36,719</u>	<b><u>1,34,79,108</u></b>

i) In accordance with the provisions of the Accounting Standard-22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has recognised deferred tax assets of ₹ 1,34,79,108/- (₹ 1,68,15,827) as at March 31, 2015.

ii) The net deferred tax Assets amounting to ₹ 33,36,719/- (₹ 17,80,393/-) for the year has been recognised in the Statement of Profit and Loss.



<b>Note 7 - LONG TERM PROVISIONS</b>	<b>March 31, 2015</b>	March 31, 2014
	₹	₹
Other Provisions	<u>28,07,073</u>	<u>28,07,073</u>
	<b>28,07,073</b>	<b>28,07,073</b>

**Note 8 - SHORT TERM BORROWINGS**

**Secured**

Loans repayable on demand

From Banks

Working capital facilities from Punjab National Bank	<u>7,28,92,862</u>	<u>17,85,73,431</u>
	<b>7,28,92,862</b>	<b>17,85,73,431</b>

**a) Working capital facilities from Punjab National Bank**

i) Working capital facilities, fund based of ₹ 18,00,00,000/- and non fund based of ₹ 1,00,00,000/- (Previous year ₹ 18,00,00,000/- and ₹ 1,00,00,000/-) is secured by hypothecation of stock of raw material, semi finished goods, work in progress/process, stores and spares, packing materials and books debts. (ii) first pari passu charge on all the Company's current assets. The above said working capital facilities is also collaterally secured by way of (i) personal guarantee of 2 (two) directors of the Company.

ii) The Company has not made any default with respect to working capital facilities as at the reporting date.

iii) Working capital facilities carries interest @ 11.50% while on Packing Credit interest rate is 11.00%

<b>Note 9 - TRADE PAYABLES</b>	<b>March 31, 2015</b>	March 31, 2014
	₹	₹
For goods, services and expenses	<b>10,84,834</b>	47,48,306
For capital goods	<u>10,102</u>	<u>96,102</u>
	<b>10,94,936</b>	<b>48,44,408</b>

Payments against small scale and ancillary undertakings are made in accordance with the agreed credit terms and to the extent ascertained from available information, there was no amount overdue for more than 30 days as on 31st March, 2015. A Small Scale Industrial undertaking has the same meaning as assigned to it under clause (j) of section 3 of the Industries (Development and Regulation) Act, 1951.

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.



	March 31, 2015	March 31, 2014
	(₹)	(₹)
<b>Note 10 - OTHER CURRENT LIABILITIES</b>		
Current maturities of long term borrowing	1,89,49,701	2,51,33,373
Unpaid dividends	-	3,58,840
<b>Other payables</b>		
Duties and taxes	11,35,083	11,05,203
Employees salary and other payable	10,67,949	7,61,965
Advances from customers	9,31,102	31,29,699
Other Payable (Exps)	83,82,380	74,23,585
	<u>3,04,66,215</u>	<u>3,79,12,665</u>

**a) Term loan**

i) Term loan-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	Insrtallment
1	Term Loan III	32	Quarterly	9,28,149
2	Term Loan IV	32	Quarterly	21,87,000
3	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.

	March 31, 2015	March 31, 2014
	(₹)	(₹)
<b>Note 11 - SHORT TERM PROVISIONS</b>		
Provision for employee benefits	-	-
<b>Others</b>		
Proposed equity dividend	-	-
Corporate dividend tax	-	-
Income tax	1,84,00,000	1,62,00,000
Wealth tax	-	-
Other Provisions	76,57,870	74,49,255
	<u>2,60,57,870</u>	<u>2,36,49,255</u>





Note - 12

(In ₹)

**TANGIBLE ASSETS**

Sr. Particulars No.	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at April 1, 2014	Additions during the Year	Deduction during the Year	As at March 31, 2015	Upto March 31, 2014	Adjustment See Note 28	For the Year	Upto March 31, 2015	As at March 31, 2014	As at March 31, 2015
<b>Tangible Assets</b>										
1. Leasehold Land	8,67,683	-	-	8,67,683	-	-	-	-	-	8,67,683
2. Plant & Machinery	30,48,50,507	33,11,618	-	30,81,62,125	19,96,51,516	2,63,441	2,16,87,527	-	22,10,75,602	8,70,86,523
3. Office equipments	4,45,486	-	-	4,45,486	3,87,825	1,694	28,486	-	4,14,617	30,869
4. Furniture fixtures	20,05,431	36,654	-	20,42,085	16,81,114	-3,787	1,14,961	-	17,99,862	2,42,223
5. Vehicles	52,59,774	-	15,12,225	37,47,549	23,45,836	3,504	6,45,507	11,09,443	18,78,396	18,69,153
6. Building	5,66,98,750	-	-	5,66,98,750	3,04,59,989	-	22,43,810	-	3,27,03,799	2,39,94,951
7. Computers	26,75,480	15,855	-	26,91,335	23,40,691	63,270	1,97,318	-	24,74,739	2,16,596
8. Wind Mill	2,91,51,490	-	-	2,91,51,490	1,19,04,544	-	11,27,812	-	1,30,32,356	1,61,19,134
<b>Total</b>	<b>40,19,54,601</b>	<b>33,64,127</b>	<b>15,12,225</b>	<b>40,38,06,503</b>	<b>24,87,71,515</b>	<b>3,28,122</b>	<b>2,60,45,421</b>	<b>11,09,443</b>	<b>27,33,79,371</b>	<b>13,04,27,132</b>
Previous Year (2013-14)	<b>39,33,00,156</b>	<b>88,81,785</b>	<b>2,27,340</b>	<b>40,19,54,601</b>	<b>22,43,17,096</b>	<b>0</b>	<b>2,46,70,911</b>	<b>2,16,492</b>	<b>24,87,71,515</b>	<b>15,31,83,086</b>
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-



	March 31, 2015	March 31, 2014
	(₹)	(₹)
<b>Note 13 - NON CURRENT INVESTMENTS</b>		
<b>Investment property</b>		
<b>(at cost less accumulated depreciation)</b>		
Cost of Building given on operating lease	15,96,127	15,96,127
Less: accumulated depreciation	8,99,384	8,30,835
<b>Net Block</b>	<u>6,96,743</u>	<u>7,65,292</u>
<b>Other companies</b>		
i) 20,000 Shares of Asit C. Mehta Financial Services Ltd. (Previous year 20,000, shares)	32,200	32,200
ii) 36,860 Shares of Punjab National Bank (Previous year 7,372, shares) In December 2014 shares of PNB splited from ₹ 10/- each to ₹ 2/- each	3,97,980	3,97,980
iii) 400 Shares of Mastek Ltd. (Previous year 400 shares)	-	-
<b>Aggregate amount of quoted investments</b>	<u>4,30,180</u>	<u>4,30,180</u>
<b>Aggregate amount of investment property &amp; non trade investment</b>	<u>11,26,923</u>	<u>11,95,472</u>
<b>Aggregate market value of quoted investments</b>	<u>62,29,684</u>	<u>59,40,285</u>
<b>Note 14 - LONG TERM LOANS AND ADVANCES</b>		
<b>(Unsecured, considered good)</b>		
Security deposits MPEB	71,35,982	74,38,609
Security deposits Sales Tax	10,000	10,000
Security deposits Others	34,583	34,583
	<u>71,80,565</u>	<u>74,83,192</u>
<b>Note 15 - INVENTORIES</b>		
<b>(Valued at lower of cost and net realizable value)</b>		
(a) Raw materials	13,21,48,801	17,52,56,021
(b) Goods in Process	60,21,801	62,58,058
(c) Finished goods:		
Yarn	1,45,39,524	1,56,72,453
Saleable Waste	17,20,665	16,55,059
(d) Stores and spares	85,66,168	59,25,885
(e) Fuel	42,064	1,10,649
	<u>16,30,39,023</u>	<u>20,48,78,125</u>



	March 31, 2015	March 31, 2014
	(₹)	(₹)
<b>Note 16 - TRADE RECEIVABLES</b>		
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	9,96,45,173	13,36,93,997
Doubtful	-	-
	<u>-</u>	<u>-</u>
(b)	<u>9,96,45,173</u>	<u>13,36,93,997</u>
(a+b)	<u>9,96,45,173</u>	<u>13,36,93,997</u>

**Note 17 - CASH AND BANK BALANCES****Cash and cash equivalents****Balances with Banks**

On current accounts	84,044	3,78,159
---------------------	--------	----------

<b>Cash on hand</b>	<b>5,67,285</b>	<b>2,99,803</b>
---------------------	-----------------	-----------------

**Other bank balances**

Deposits with original maturity for more than 12 months	1,46,830	29,08,130
---	----------	-----------

Deposits with original maturity for more than 3 months but less than 12 months	-	-
--	---	---

Embarked balances with Banks		
Unpaid dividend accounts	-	3,58,840

	<u>7,98,159</u>	<u>39,44,932</u>
--	-----------------	------------------

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.

Deposits with Banks ₹ 1,46,830/- given to bank as margin money against bank guarantee issued by bank. During the year the company has transferred unpaid dividend amounting to ₹ 3,31,065/- to Investor Education and Protection Fund pertaining to the year 2006-07.

**Note 18 - SHORT TERM LOAN AND ADVANCES****Unsecured, considered good**

Loans and advances for goods and Exps	4,37,259	48,41,078
---------------------------------------	----------	-----------

**Others**

Advance tax	1,09,00,000	1,04,50,000
-------------	-------------	-------------

VAT Receivable	1,38,46,026	80,96,093
----------------	-------------	-----------

Advance to employee	2,25,213	2,74,380
---------------------	----------	----------

TED Receivable	6,50,945	3,26,866
----------------	----------	----------

Tax deducted at Sources	1,93,987	2,75,035
-------------------------	----------	----------

Others	19,17,402	53,54,262
--------	-----------	-----------

	<u>2,81,70,832</u>	<u>2,96,17,714</u>
--	--------------------	--------------------



	<b>March 31, 2015</b>	March 31, 2014
	(₹)	(₹)
<b>Note 19 - OTHER CURRENT ASSETS</b>		
Prepaid expenses	<b>6,29,263</b>	7,06,776
	<u><b>6,29,263</b></u>	<u>7,06,776</u>
<b>Note 20 - REVENUE FROM OPERATIONS</b>		
<b>Sales</b>		
Sale of Finished Goods	<b>93,27,71,995</b>	98,21,73,920
Sale of Waste	<b>57,75,965</b>	1,02,79,737
Sales of Others	<b>54,19,012</b>	43,25,745
<b>Other operating revenue</b>		
Sales of Scrap	<b>11,33,613</b>	16,23,964
	<u><b>94,51,00,585</b></u>	<u>99,84,03,366</u>
Less: Excise duty	-	-
	<u><b>94,51,00,585</b></u>	<u>99,84,03,366</u>
<b>Note 21 - OTHER INCOME</b>		
Interest income from		
Banks deposits	<b>10,82,069</b>	14,09,259
Customers	<b>5,57,259</b>	6,83,728
Dividend income on		
Long- term investments	-	2,74,664
Net gain on sale of fixed assets	<b>47,218</b>	4,152
Income from Wind Mill	<b>35,78,367</b>	37,67,125
Lease Rent	<b>5,24,680</b>	7,88,408
Insurance claim Received	-	65,222
M.P. Udhog Samwardhan Yojana 2004	<b>4,03,000</b>	-
Gain on Foreign Exchange (Net)	<b>2,99,764</b>	-
Other Income	<b>9,26,650</b>	16,402
	<u><b>74,19,007</b></u>	<u>70,08,960</u>
<b>Note 22 - COST OF RAW MATERIAL CONSUMED</b>		
Material consumed		
Opening stock	<b>17,52,56,021</b>	18,24,40,067
Add: Purchases	<b>65,83,14,601</b>	74,36,06,169
	<u><b>83,35,70,622</b></u>	<u>92,60,46,236</u>
Less: Closing stock	<b>13,21,48,801</b>	17,52,56,021
	<u><b>70,14,21,821</b></u>	<u>75,07,90,215</u>



	<b>March 31, 2015</b>	March 31, 2014
	(₹)	(₹)
<b>Note 23 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>		
Inventories at the beginning of the year		
Finished goods	<b>1,56,72,453</b>	2,37,01,709
Saleable Waste	<b>16,55,059</b>	25,01,952
Work in progress	<b>62,58,058</b>	39,82,389
(a)	<u><b>2,35,85,570</b></u>	<u>3,01,86,050</u>
Inventories at the end of the year		
Finished goods	<b>1,45,39,524</b>	1,56,72,453
Saleable Waste	<b>17,20,665</b>	16,55,059
Work in progress	<b>60,21,801</b>	62,58,058
(b)	<u><b>2,22,81,990</b></u>	<u>2,35,85,570</u>
c=(a-b)	<u><b>13,03,580</b></u>	<u>66,00,480</u>
<b>Note 24 - EMPLOYEE BENEFITS COST</b>		
Salary, wages, bonus and allowances	<b>2,39,42,035</b>	2,13,30,317
Contribution to provident and other funds	<b>22,93,751</b>	21,11,851
Gratuity	<b>5,34,234</b>	2,74,000
Staff welfare	<b>4,68,541</b>	4,67,914
	<u><b>2,72,38,561</b></u>	<u>2,41,84,082</u>
<b>Note 25 - FINANCE COST</b>		
Interest expense on:		
Borrowings from banks	<b>96,65,200</b>	1,26,83,039
Others	<b>6,562</b>	5,089
Other borrowing costs:		
Bank charges	<b>12,43,454</b>	12,92,459
	<u><b>1,09,15,216</b></u>	<u>1,39,80,587</u>



	March 31, 2015		March 31, 2014
	(₹)		(₹)
<b>Note 26 - OTHER EXPENSES</b>			
<b>Manufacturing Exps</b>			
Stores and spares consumed	95,65,161		1,01,90,250
Power and fuel consumed	5,74,45,597		5,78,56,574
Repairs to Plant & Machinery	24,35,144		29,33,243
Testing Charges	24,362		13,314
Water Charges	2,79,635		2,04,248
Other manufacturing Exps	<u>54,37,316</u>	7,51,87,215	<u>51,18,903</u> 7,63,16,532
<b>Administrative Exps</b>			
Lease Rent	18,149		9,540
Vehicle running & Maintenance	5,17,649		4,91,568
Travelling and conveyance	3,97,653		3,30,366
Printing and stationery	2,42,725		2,53,435
Telephone Exps	1,77,101		1,58,669
Directors Travelling	5,38,290		3,47,162
Repair and maintenance Bldg	13,70,885		14,97,683
Legal and professional Fees	11,39,753		9,38,251
Rates and taxes	2,01,266		2,18,421
Insurance	8,78,553		7,98,586
Advertisement	1,51,044		1,06,006
Directors sitting Fees	8,000		1,000
Rent	-		96,000
Membership fee and subscription	1,48,829		1,02,662
Payments to Auditors	2,28,675		1,47,052
Other Administrative Exps	<u>8,26,830</u>	68,45,402	<u>8,13,920</u> 63,10,321
<b>Selling &amp; distribution Exps</b>			
Packing Materials & Exps	1,99,09,622		1,77,14,508
Sales commission	1,33,45,062		1,48,57,219
Freight on Sales	1,43,83,050		1,30,96,653
Loss/(Gain) on Forex (Net)	-		12,39,167
Export Exps	80,97,712		90,47,252
Sales Promotion Exps	69,094		-
TCS Paid	<u>72,428</u>	5,58,76,968	<u>1,05,302</u> 5,60,60,101
		<u>13,79,09,585</u>	<u>13,86,86,954</u>
Payment to Auditors			
Statutory Audit fees		1,68,540	1,03,241
Tax Audit Fees		42,135	25,811
Cost Audit Fees		<u>18,000</u>	<u>18,000</u>
		<u>2,28,675</u>	<u>1,47,052</u>



**Note 27 - CONTINGENT LIABILITIES**

**(to the extent not provided for)**

a) Counter Guarantee:

For ₹ 11,06,500/- (₹ 32,24,500) given to Punjab National Bank for Guarantee given by them to Custom/DGFT department against which Company has given to bank FDR for ₹ 1,46,830/- 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 -** Pursunt to the transitional provision prescribed in Schedule II to the Companies Act, 2013, the company has adjusted the value of assets, net of residual value, where the remaining useful life of the assets determined to nil as on April 1, 2014 and has adjusted in the retained earnings an amount of ₹ 3.28 Lakh.

The depreciation expenses in the statement of Profit and Loss account for the year is higher by ₹ 59.41 Lakh consequent to the change in the useful life of the assets.

**Note 29 -** 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 30 -** 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 31 -** 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.

**Note 32 -** 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 33 -** Balances of creditors, debtors, and advances are almost confirmed.

**Note 34 - RELATED PARTY DISCLOSURE**

a) Managerial Remuneration

				₹
1	Shri Piyush Mutha	Managing Director	Remuneration	42,00,000
			Provident Fund	5,04,000
			Super Annuation	6,30,000
			Perquisite	99,093

**Note 35 - EARNING PER SHARES**

	<b>2014-15</b>	2013-14
a) Net Profit after tax (₹)	<b>3,25,22,213</b>	3,18,24,267
b) Number of weighted average equity shares	<b>58,70,000</b>	58,70,000
c) Nominal value of shares (₹)	<b>10</b>	10
d) Earning per shares (₹)	<b>5.54</b>	5.42

**Note 36 - MANAGERIAL REMUNERATION TO DIRECTORS**

	<b>2014-15</b>	2013-14
<b>1. To the Managing Director</b>	(₹)	(₹)
a) Remuneration	<b>42,00,000</b>	36,00,000
b) Contribution to PF	<b>5,04,000</b>	4,32,000
c) Perquisites	<b>99,093</b>	1,06,975
d) Meeting Fees	<b>Nil</b>	Nil
e) Commission	<b>Nil</b>	Nil
<b>2. To the Director other than Managing Director</b>		
a) Remuneration	<b>3,60,000</b>	3,60,000
b) Contribution to PF	<b>Nil</b>	Nil
c) Perquisites	<b>Nil</b>	Nil
d) Meeting Fees	<b>Nil</b>	Nil
e) Commission	<b>Nil</b>	Nil
<b>3. To Non executive Director</b>		
a) Sitting Fees	<b>8,000</b>	1,000

**Note 37 - PARTICULARS OF LICENCED & INSTALLED CAPACITIES**

	<b>2014-15</b>	2013-14
	<b>Rotors</b>	Rotors
a) Licensed Capacity	<b>N.A.</b>	N.A.
b) Installed Capacity	<b>3168</b>	3168

**Note 38 - PRODUCTION & SALES**

	<b>Production</b>		<b>Sales</b>			
	<b>2014-15</b>	2013-14	<b>2014-2015</b>		2013-2014	
	<b>M.T.</b>	M.T.	<b>M.T.</b>	(₹)	M.T.	(₹)
Cotton Yarn	<b>8490.559</b>	7883.181	<b>8505.916</b>	<b>93,80,52,134</b>	7934.344	98,64,00,365
Waste	<b>763.266</b>	757.847	<b>737.713</b>	<b>57,75,965</b>	902.424	1,02,79,737
Scrap/Others	-	-	-	<b>12,72,486</b>	-	17,23,264

**Note 39- RAW MATERIALS CONSUMED**

	<b>2014-15</b>		2013-14	
	<b>M.T.</b>	(₹)	M.T.	(₹)
a) Cotton	<b>9343.694</b>	<b>70,14,21,821</b>	8725.154	75,07,90,215

**Note 40 - CLOSING STOCK OF FINISHED PRODUCTS**

	<b>M.T.</b>	M.T.
	<b>2014-15</b>	2013-14
a) Cotton yarn	<b>173.156</b>	188.513
b) Waste	<b>168.514</b>	142.961





	<b>March 31,2015</b>	March 31,2014
	(₹)	(₹)
<b>Note 41- VALUE OF IMPORTS ( On CIF Basis)</b>		
<b>1. Capital Goods</b>	<b>20,41,591</b>	36,13,051
<b>Note 42 - EXPENDITURE IN FOREIGN EXCHANGE</b>		
<b>1. Brokerage, Quality Allowance travel etc</b>	<b>9,98,481</b>	18,43,003
<b>Note 43 - EARNING IN FOREIGN EXCHANGE</b>		
<b>1. Export of Goods (FOB Basis)</b>	<b>17,57,69,752</b>	23,11,97,127

**Note 44 - IMPORTED AND INDIGENOUS RAW MATERIALS  
COMPONENTS AND SPARE PARTS CONSUMED**

	Value in (₹)		Percentage	
	2014-15	2013-14	2014-15	2013-14
<b>a) Raw Materials</b>				
<b>1 Imported</b>	-	-	-	-
<b>2 Indigenous</b>	<b>70,14,21,821</b>	75,07,90,215	<b>100%</b>	100%
<b>b) Stors &amp; Spares</b>				
<b>1 Imported</b>	<b>36,84,400</b>	6,49,241	<b>38.52%</b>	06.37%
<b>2 Indigenous</b>	<b>58,80,761</b>	95,41,009	<b>61.48%</b>	93.63%

**Note 45 - Figures of the previous year have been regrouped wherever required**

As per our report of even date.

**For Sodani & Company**

Firm registration No. 000880C

Chartered Accountants

**For and on behalf of the Board of Directors**

**Rajesh Sodani**

Partner

Membership No. 077005

Dewas

May 25<sup>th</sup>, 2015

Piyush Mutha  
Managing Director

Mohan Lal Jain  
Director

Sanju Patel  
Company Secretary & CFO



# Vippy Spinpro Ltd.

CIN: L01710MP1992PLC007043

Regd. Office: 414, City Centre, 570,M.G. Road, Indore-452001, Madhya Pradesh

Email: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 23rd Annual General Meeting of the company, to be held on the Monday, 21st day of September, 2015 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: 414, City Centre, 570,M.G. Road, Indore-452001, Madhya Pradesh

Email:admin@vippyspinpro.com

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

## ATTENDANCE SLIP

**23rd Annual General Meeting on Monday, 21st September 2015, 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.

	<b>Resolution No.</b>	
	Ordinary Business	
1.	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2015.	
2.	Re-appointment of Shri Praneet Mutha, who retires by rotation.	
3.	Appointment of M/s. Sodani & Company, Chartered Accountants as Auditors and fixing their remuneration.	
	Special Business	
4.	Appointment of Smt. Deepa Sudhir Mekal as Woman Director	
5.	Appointment of Shri Mangalore Maruthi Rao as a Whole Time Director	
6.	Appointment of Shri Piyush Mutha as a Managing Director	

Signed this -----day of-----2015

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.



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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

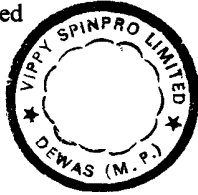
(Pursuant to clause 31 (a) of the listing Agreement)

1	Name of the Company	Vippy Spinpro Limited
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A.

For Vippy Spinpro Limited  
Piyush Mutha



(Managing Director)



For Vippy Spinpro Limited  
Mohan Lal Jain



(Audit Committee Chairman)



For Vippy Spinpro Limited  
Sanju Patel



(Company Secretary & Chief Financial Officer)



For M/s.Sodani & Company  
Chartered Accountants



Rajesh Sodani (Partner)  
(Auditors of the Company)

