



## **VIPPY SPINPRO LTD.**

14-A, Industrial Area, Dewas 455 001. (M.P.) India. Phone: 258251-52, 405352. Fax: 91-7272-400121.  
E-mail: vippyspinpro@dataone.in, admin@vippyspinpro.com, Web: www.vippyspinpro.com

VSL/2016-2017/1695  
19.09.2016

To,  
Department of Corporate Services,  
Bombay Stock Exchange Limited  
Floor 25<sup>TH</sup> P.J.Towers,  
Dalal Street,  
**Mumbai-400001**

**Sub: Annual Report For the Year 2015-16**

Dear Sir,

We are enclosing herewith Annual Report for the year 2015-16.

Please note the same and take on your record.

Thanking you,

Yours Faithfully,

**For Vippy Spinpro Ltd.**

  
Authorized Signatory



Regd. Office : 414, City Centre, 570, M.G. Road, Indore - 452 001 (M.P.)  
CIN: L01710MP1992PLC007043, Phone : 0731-2546710

**24<sup>th</sup>**  
**Annual Report & Accounts**  
**2015-16**



**VIPPY SPINPRO LTD.**



**Vippy Spinpro Ltd.**

<b>Board of Directors</b>	:	Shri Piyush Mutha (Managing Director) Shri Praneet Mutha Shri Mohan Lal Jain Shri Mangalore Maruthi Rao Shri Subhash Kocheta Shri Raghuram Krishnamurthy Smt. Deepa Sudhir Mekal
<b>Company Secretary &amp; CFO</b>	:	Ms. Sanju Patel
<b>Auditors</b>	:	M/s. Sodani & Company Chartered Accountants
<b>Bankers</b>	:	Punjab National Bank
<b>Registered Office</b>	:	414, City Centre, 570, M.G. Road, Indore (M.P.)- 452001 Phone: 0731-2546710
<b>Works Office</b>	:	14-A, Industrial Area A.B Road, Dewas(M.P.)-455001 Phone Nos.: 07272-258251/258252/405352 Fax No. 07272-400121
<b>Registrar &amp; Share Transfer Agent</b>	:	Ankit Consultancy Pvt. Ltd. 60, Electronic Complex, Pardeshipura, Indore (M.P.)-452010 Email: ankit-4321_@yahoo.com Ph. 0731-3198601-602 ,2551745-46 Fax.0731-4065798

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## **NOTICE**

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the Company will be held on Wednesday, 31<sup>st</sup> day of August, 2016 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 Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2016 and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Mangalore Maruthi Rao (DIN-00775060) 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 2016-17 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.”

By Order of the Board  
For Vippy Spinpro Ltd.

Dewas  
23<sup>rd</sup> May, 2016

Sanju Patel  
Company Secretary & CFO

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. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
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. The register of members and share transfer books will remain closed from Thursday 25<sup>th</sup> day of August, 2016 to Wednesday 31<sup>st</sup> day of August, 2016 (both days inclusive) for the purpose of Annual General Meeting.
4. Members/proxies who wish to attend the meeting are requested to bring the attendance slip duly filled and deliver the same at the entrance of the Meeting Hall.
5. 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.
6. Corporate Members intending to send their authorized representative are requested to send a duly certified copy of Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.



7. The route map showing directions to reach the venue of the 24<sup>th</sup> AGM is annexed.
8. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2015-16 will also be available on the Company's website viz. [www.vippyspinpro.com](http://www.vippyspinpro.com)
10. Resolution(s) passed by Members through remote e-voting is/are deemed to have been passed as if they have been passed at the AGM.
11. Mr. Shilpesh Dalal of M/s. Shilpesh Dalal & Co., Practicing Company Secretaries (Membership No. FCS 5316) appointed as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
12. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
13. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
14. 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.
15. Members are requested to bring their copies of Annual Report at the time of attending the Meeting.
16. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than two days of conclusion of the meeting, a consolidated scrutiner's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the result of voting forthwith.
17. 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, CDSL and communicated to BSE Limited, where the shares of the Company are listed.
18. Shri Mangalore Maruthi Rao, Director of the Company retire by rotation and being eligible, offer himself for the re-appointment at the ensuing Annual General Meeting. The relevant details of the Director seeking reappointment (pursuant to regulation 36 of SEBI (Listing Obligation and Disclosure requirements) Regulation 2015, are forms part of this Notice.
19. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

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 Saturday 27<sup>th</sup> Day of August 2016 at 9. 00 a.m. and ends on Tuesday 30<sup>th</sup> .day of August, 2016 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 Wednesday 24<sup>th</sup> day of August ,2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <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)	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. <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>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Vippy Spinpro Ltd on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.



(xvii) 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.

(xviii) **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.

(xix) 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).

(xx) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

By Order of the Board  
For Vippy Spinpro Ltd.

Sanju Patel  
Company Secretary & CFO

Dewas  
23<sup>rd</sup> May, 2016

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Registered Office:414, City Centre ,570, M.G. Road,  
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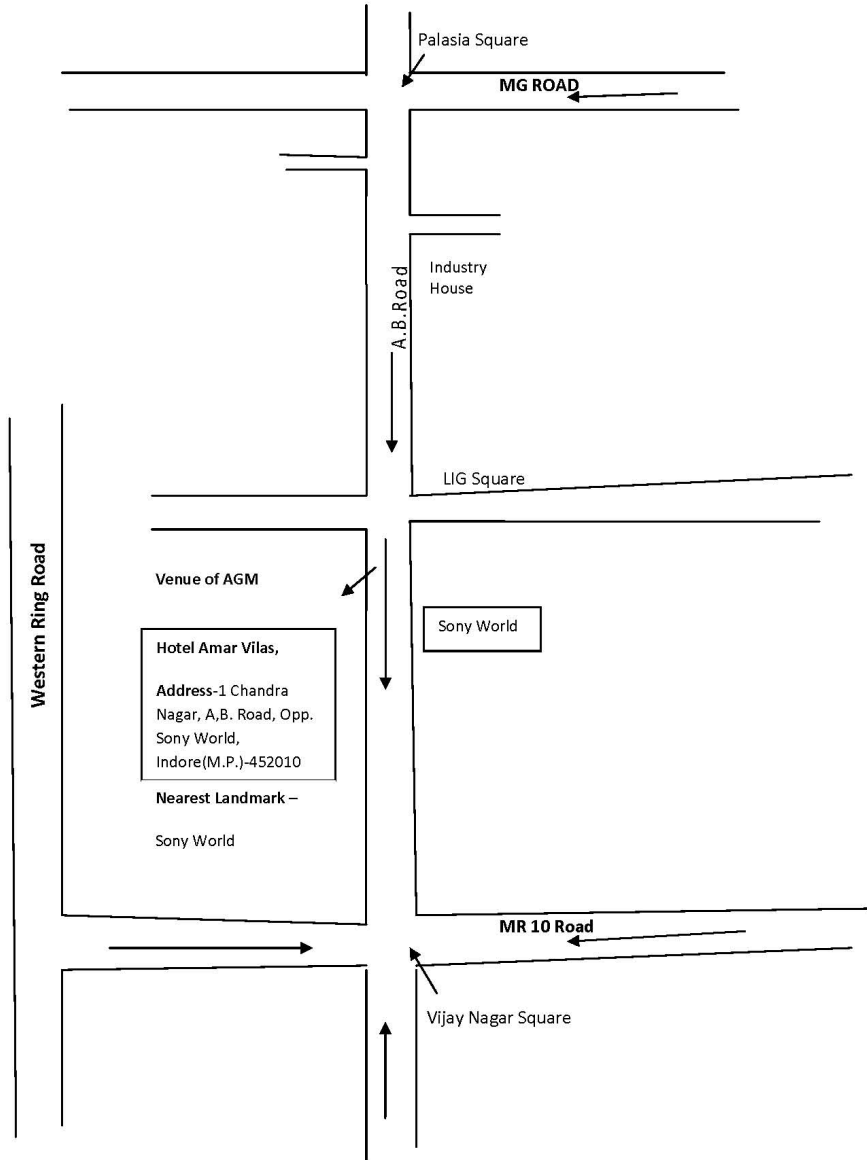
**Details of the Director seeking re-appointment in the Annual General Meeting as required under regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is as follows:**

Name of Director	Shri Mangalore Maruthi Rao
Director Identification Number	00775060
Date of Birth	30.01.1938
Nationality	Indian
Date of Appointment	28.10.2002
Qualification	B.Sc in Textile
Expertise in specific functional area	He has over 52 years practical experience in the area of textile.
Disclosure of relationship between directors inter-se	NIL
Name of other listed companies in which he holds directorship	NIL
Chairmanship/Memberships of Committees of the other listed companies in which he is Director	NIL
Number of Shares held in the Company	NIL





Route Map-Venue of 24<sup>th</sup> Annual General Meeting of the Company



**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report together with the Audited Financial Statement for the year ended 31<sup>st</sup> March, 2016

**FINANCIAL HIGHLIGHT**

(₹ in Lacs)

Particulars	2015-16	2014-15
<b>Income</b>		
Revenue from Operations	8775.98	9451.00
Other Income	65.31	74.19
Total Revenue	8841.29	9525.19
<b>Profit before finance cost, depreciation &amp; amortization ,prior period expenditure and tax</b>	721.03	846.45
Finance Costs	48.94	109.15
Depreciation and amortization expenses	215.35	261.14
<b>Profit before prior period expenditure and tax</b>	456.74	476.16
<b>Less: prior period Expenditure</b>	0.93	0.31
<b>Profit before Tax</b>	455.81	475.85
<b>Less: Tax Expenses</b>		
Current Tax	172.10	184.00
Deferred Tax(Assets)/Liabilities	(25.73)	(33.37)
<b>Profit for the year</b>	309.44	325.22
Earning per equity share		
Basic	5.27	5.54
Diluted	5.27	5.54

**PERFORMANCE REVIEW & COMPANY AFFAIRS**

During the year under review, the Company's revenue was ₹ 8841.29 lacs compared to ₹ 9525.19 lacs for the previous year. The Profit before Tax was ₹ 455.81 lacs compared to ₹ 475.85 lacs for the previous year. The Profit After Tax was ₹ 309.44 lacs compared to ₹ 325.22 lacs for the previous year.

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.

**.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 2016-2017.

**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 ,2016, the applicable accounting standards have been followed and there are no material departures from the same;
- the Directors had 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,2016 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, had 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 had 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 section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Shri Mangalore Maruthi Rao, Director (DIN: 00775060), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for his re-appointment .The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

A Notice has been received alongwith deposit of requisite amount from a member proposing Shri Mangalore Maruti Rao as a candidature to re-appoint him as Director.

During the year under review, Smt. Deepa Sudhir Mekal (DIN-05222280) has been confirmed as Director by Shareholders at previous Annual General Meeting as a Woman Director liable to retire by rotation.

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are – Shri Piyush Mutha, Managing Director, Shri Mangalore Maruthi Rao, Whole Time Director and Ms. Sanju Patel ,Company Secretary & CFO. There has been no change in the key managerial personnel during the year.

**DECLARATION BY INDEPENDENT DIRECTORS**

The Company had 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 and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**BOARD EVALUATION**

Pursuant to the provisions of Companies Act,2013 and regulation 17 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, 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**

Company does not have any subsidiaries, associates Companies & joint venture companies.

**RELATED PARTY TRANSACTIONS**

There were no contracts or arrangements entered into by the Company as defined under provisions of section 188 of the Companies Act, 2013. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. The Company had adopted a policy on Related Party Transactions & the same is displayed on the website of the Company, weblink: <http://www.vippyspinpro.com/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 actively reviews by the Audit Committee and adequate remedial measures, if any, are taken and in time. The Internal audit Reports are also reviews by the Board of Directors periodically.

During the year, no 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, 2016 and the date of the Directors' report i.e. 23<sup>rd</sup> May 2016.

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

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The Company had adopted Risk Management Policy 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, 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. The risk management framework is reviewed periodically by the Board and Audit Committee.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Management Discussion and Analysis Report is appended to and forms part of this Report.

**CORPORATE GOVERNANCE**

Your Company has always strived to maintain appropriate standards of good corporate governance. The Report on Corporate Governance as stipulated under Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report. The requisite certificate from Company Secretary in Practice confirming compliance of the conditions of corporate governance is attached to report on corporate governance.

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

There are no Loans, Guarantees and Investments and Securities provided which are covered under the provisions of the 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 section 134 (3)(m) of 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 in Form MGT-9 as required under section 134 (3)(a) of the Companies Act, 2013 read with section 92(3) of the Companies Act, 2013 is annexed herewith as Annexure - II to this Report.

**Meeting of Directors**

During the year under review, our Board met Six(6) times. The details of the number of meetings of the Board during the year forms part of the Report on Corporate Governance. During the year under review One (1) Board meeting of Independent Directors was held.

**Committees of the Board**

The Board of Directors has the following committees:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination & Remuneration Committee

The details of the committees along with their composition, number of the meetings and attendance at the meetings are provided in the Report on Corporate Governance.

**Remuneration Policy**

The Company has 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**

The Company has a Whistle Blower Policy to report genuine concerns or grievances .This policy may be accessed on the Company's website, Weblink: <http://www.vippyspinpro.com/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 no 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 for the year 2016-2017.

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 Auditor**

The Board appointed M/s Shilpesh Dalal & Co. Practicing Company Secretaries, to conduct Secretarial Audit for the year 2016-17.

The Secretarial Audit Report for the financial year ended 31.03.2016, 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.

**Internal Auditor**

Pursuant to the Provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, Sri. R.K. Saklecha & Associates, Chartered Accountants was appointed as an Internal Auditor of the Company for the financial year 2016-17.

**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 complaint 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 Company is committed to nurturing, enhancing and retaining top talent through superior learning & organizational development. The Industrial Relations of the Company with its personnel has continued to be cordial and friendly during the year. The Company has 101 Permanent employees on the rolls of the Company as on 31.03.2016.

**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 as required 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 a cost-effective renewable energy sources, 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 8550 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 for Captive consumption.

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 47 Students got such benefit during the year.

**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  
23<sup>rd</sup> May 2016**

**Piyush Mutha  
Managing Director  
(DIN-00424206)**

**Mohan Lal Jain  
Director  
(DIN:00395584)**

**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) Maintaining required 200-400 Pascal suction pressure with removing dust fan motor (3.75 kw ) in old BIR duster - Unit saving-85 unit/day b) 7 nos. inverter drives installed in Humidication Plant No 2 for SA fan TA fan and water pump - Unit saving-550 unit/day c) 2 nos. inverter drive installed in Humidication Plant No.1for SA Fan - Unit saving -197 unit/day d) Atlas copco screw compressor and Elgi Make reciprocating compressor replaced by new Kaeser make compressor - Unit saving-320 unit/day
(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)-	
	(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 earning and Outgo**

<b>Particulars</b>	<b>Year ended 31.03.2016 (in ₹)</b>
Foreign exchange earned in terms of Actual inflows (FOB) basis	16,24,46,554
Foreign exchange outgo in terms of Actual outflows (FOB) basis	65,94,098



**Annexure-II****FORM MGT-9****EXTRACT OF ANNUAL RETURN****as on financial year ended on 31.03.2016****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014**

<b>I. REGISTRATION AND OTHER DETAILS</b>		
i)	CIN	L01710MP1992PLC007043
ii)	Registration Date	01.04.1992
iii)	Name of the Company	Vippy Spinpro Limited
iv)	Category/Sub-category of the Company	Company limited by Shares/Non govt.Company / Public Company
v)	Address of the Registered office & 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. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>		
	All the business activities contributing 10% or more of the total turnover of the company shall be stated	As per Attachment A
<b>III. PARTICULARS OF HOLDING, SUBSIDIARY &amp; ASSOCIATES COMPANIES</b>		
		NA.
<b>IV. 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. INDEBTEDNESS</b>		
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment G
<b>VI. 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. 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 1.04.2015)				No. of Shares held at the end of the year (As on 31.3.2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	3082932	100	3083032	52.52	3083032	0	3083032	52.52	0
(b) Central Govt	0	0	0	0.00	0	0	0	0.00	0
(c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0
(d) Bodies Corp.	102062	0	102062	1.74	102062	0	102062	1.74	0
(e) Bank/FI	0	0	0	0.00	0	0	0	0.00	0
(f) Any other	0	0	0	0.00	0	0	0	0.00	0
<b>Sub Total (A) (1):-</b>	<b>3184994</b>	<b>100</b>	<b>3185094</b>	<b>54.26</b>	<b>3185094</b>	<b>0</b>	<b>3185094</b>	<b>54.26</b>	<b>0</b>
<b>(2) Foreign</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</b>
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any other...	0	0	0	0.00	0	0	0	0.00	0
<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</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>3184994</b>	<b>100</b>	<b>3185094</b>	<b>54.26</b>	<b>3185094</b>	<b>0</b>	<b>3185094</b>	<b>54.26</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	0	3800	3800	0.06	0	3800	3800	0.06	0
(b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
(c) Central Govt	0	0	0	0.00	0	0	0	0.00	0
(d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
(g) FIIs	0	0	0	0.00	0	0	0	0.00	0
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
(i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
<b>Sub Total (B)(1):-</b>	<b>0</b>	<b>3800</b>	<b>3800</b>	<b>0.06</b>	<b>0</b>	<b>3800</b>	<b>3800</b>	<b>0.06</b>	<b>0</b>



Category of Shareholders	No. of Shares held at the beginning of the year (As on 1.04.2015)				No. of Shares held at the end of the year (As on 31.3.2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non Institutions</b>									
(a) Bodies corp.									
(i) Indian	112686	13100	125786	2.14	77076	13100	90176	1.54	-0.60
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(i) Individual shareholders holding nominal share capital upto Rs.1 lacs	929712	946770	1876482	31.97	932255	930770	1863025	31.74	-0.23
(ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lacs	358785	87800	446585	7.61	421599	87800	509399	8.68	1.07
(c) Others									
(i) NRI	43548	187300	230848	3.93	32203	186300	218503	3.72	-0.21
(ii) Clearing Member	1405	0	1405	0.02	3	0	3	0.00	-0.02
<b>Sub Total (B)(2):-</b>	<b>1446136</b>	<b>1234970</b>	<b>2681106</b>	<b>45.67</b>	<b>1463136</b>	<b>1217970</b>	<b>2681106</b>	<b>45.67</b>	<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1446136</b>	<b>1238770</b>	<b>2684906</b>	<b>45.74</b>	<b>1463136</b>	<b>1221770</b>	<b>2684906</b>	<b>45.74</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</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>Grand Total (A+B+C)</b>	<b>4631130</b>	<b>1238870</b>	<b>5870000</b>	<b>100</b>	<b>4648230</b>	<b>1221770</b>	<b>5870000</b>	<b>100</b>	<b>0.00</b>

**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)	331242	5.64	0.00	331242	5.64	0.00	0.00
	<b>Total</b>	<b>3185094</b>	<b>54.26</b>	<b>0.00</b>	<b>3185094</b>	<b>54.26</b>	<b>0.00</b>	<b>0.00</b>

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

S.No.	Shareholding at the beginning of the year(As on 01.04.2015) /end of the year(31.03.2016)		Date	Increase /Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
	No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

SI No.	Shareholders Name	Shareholding at the beginning of the year (As on 1.04.2015)		Cumulative Shareholding at the end of the year (As on 31.03.2016)	
		No of shares	% of total Shares of the company	No of Shares	% of total Shares of the company
1	Mahendra Girdharilal	170111	2.90	170111	2.90
2	Anita Gupta*	107403	1.83	-	-
3	Usha Jain	52800	0.90	52800	0.90
4	Ashok Kumar Jain	35000	0.60	35000	0.60
5	Angel Broking Private Limited*	23118	0.39	-	-
6	Kusum Agrawal	25471	0.43	23261	0.40
7	Raga Finvest Limited*	20025	0.34	-	-
8	K.Navalan *	20000	0.34	-	-
9	Swastika Investmart Limited	17630	0.30	38407	0.65
10	Ganesh Krishnan Iyer*	13737	0.23	-	-
11	Subramanian P#	-	-	78370	1.34
12.	Sachin Suresh Dhoot#	-	--	58483	1.00
13.	Ranjit Khandubhai Patel#	-	-	21000	0.36
14.	Vishanubhai Karshandas Patel#	-	-	15000	0.26
15.	Sohanlal Chandanmal #	-	-	15000	0.26

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 31.03.2016.

# Not in the list of top 10 shareholders as on 01.04.2015



**Attachment F**

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

Sl No.	Name	Shareholding at the beginning of the year(As on 01.04.2015)/ end of the year(31.03.2016)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		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	01.04.2015	-	Nil movement during the year		
		521750	8.89	31.03.2016			521750	8.89
2	Praneet Mutha (Promoter – Non Executive Director)	521050	8.88	01.04.2015	-	Nil movement during the year		
		521050	8.88	31.03.2016			521050	8.88
3	Mangalore Maruthi Rao (Whole Time Director)	0	0.00	01.04.2015	-	Nil holding / movement during the year		
		0	0.00	31.03.2016			0	0.00
4	Mohan Lal Jain(Independent Non-Executive Director )	0	0.00	01.04.2015	-	Nil holding / movement during the year		
		0	0.00	31.03.2016			0	0.00
5	Subhash Kocheta (Independent Non-Executive Director)	0	0.00	01.04.2015	-	Nil holding / movement during the year		
		0	0.00	31.03.2016			0	0.00
6	Raghuram Krishnamurthy (Independent Non-Executive Director)	0	0.00	01.04.2015	-	Nil holding/ movement during the year		
		0	0.00	31.03.2016			0	0.00
7	Deepa Sudhir Mokal (WomanDirector)	0	0.00	01.04.2015	-	Nil holding / movement during the year		
		0	0.00	31.03.2016			0	0.00
8	Sanju Patel (Company Secretary & Chief Financial Officer)	0	0.00	01.04.2015	-	Nil holding/ movement during the year		
		0	0.00	31.03.2016			0	0.00



## Attachment G

## V. INDEBTEDNESS

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

Particulars		Amount (₹ in lacs)			
		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning 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	-	-	-	-
	Total (i+ii+iii)	1174.97	-	-	1174.97
<b>Change in Indebtedness during the financial year</b>					
	• Addition	-	-	-	-
	• Reduction	706.85	-	-	706.85
	Net Change	706.85	-	-	706.85
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount	463.47	-	-	463.47
ii)	Interest due but not paid	2.59	-	-	2.59
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	466.06	-	-	466.06

## Attachment H

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager

S1. No	Particulars of Remuneration	Name of MD/WTD		Total Amount (₹ in Lacs)
		Piyush Mutha (MD)	Mangalore Maruthi Rao (WTD)	
<b>1</b>	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48.00	3.60	51.60
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.81	-	0.81
(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(PF & other funds)	12.96	-	12.96
	<b>Total (A)</b>	61.77	3.60	65.37



Ceiling as per the Act	Ceiling limit is ₹ 52.97 Lacs. (Excluding PF and Superannuation Fund) as per 197 of the Act read with Schedule V of the Companies Act, 2013. Therefore the remuneration paid ₹ 52.41 lacs (except PF and other Funds) are within the ceiling limit 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	Raghuram Krisnamurthy	Praneet Mutha	Deepa Sudhir Mekal	
1	Independent Directors						
	• Fee for attending board/ committee meetings	3000	2500	500	-	-	6000
	• Commission						
	• Others, please specify						
	Total (1)	3000	2500	5 00	-	-	6000
2.	Other Non-Executive Directors						
	• Fee for attending board/ committee meetings	-	-	-	3000	2500	5500
	• Commission						
	• Others, please specify						
	Total (2)	-	-	-	3000	2500	5500
	Total = (1 + 2)	3000	2500	500	3000	2500	11500
	Total Managerial Remuneration						
	Overall Ceiling as per the Act	Sitting fees paid within the ceiling limit under 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	
			Sanju Patel (Company Secretary & CFO)	Total Amount (₹ in Lacs)
1	Gross salary			
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.19	2.19
	(b)	Value of perquisites u/s 17(2) of the 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 (C)		2.19	2.19





## 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)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

Place: Dewas  
23<sup>rd</sup> May 2016Piyush Mutha  
Managing Director  
(DIN-00424206)Mohan Lal Jain  
Director  
(DIN:00395584)

## Annexure-III

**REMUNERATION POLICY****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.



- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of the independent directors.

**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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 .

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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 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 2015-16 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 2015-16.

Name & Designation	Remuneration# of each Director & KMP for Financial Year 2015-16 (in ₹)	% increase/ decrease in remuneration in the Financial Year 2015-16	Ratio of remuneration of each Directors to median remuneration of employees
A. Directors			
Shri Piyush Mutha (Managing Director)	6176803	13.69%	57.99:1
Shri Manglore Murthy Rao (Whole Time Director)	360000	0.00%	3.38:1
Shri Praneet Mutha (Promoter –Non-Executive Director)	##	##	##
Smt. Deepa Sudhir Mekal (Woman Director)	##	##	##



Name & Designation	Remuneration# of each Director& KMP for Financial Year 2015-16 (in ₹)	% increase/ decrease in remuneration in the Financial Year 2015-16	Ratio of remuneration of each Directors to median remuneration of employees
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)	219729	10.15	2.06:1

# 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 2015-16 is 1.93%
- (iii) The number of permanent employees on the rolls of Company  
There were 101 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2016.
- (iv) The explanation on the relationship between average increase in remuneration and Company performance:  
There is no direct relationship between the 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. The Individual 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 ₹5966739 in the Financial Year 2014-15, to ₹6756532 in Financial year 2015-16 an increase of 13.24 %. This represents 0.76% of total revenue & 14.82% of the profit (PBT) of the Company. The Company believes that the Key Managerial personnel have been compensated commensurate with their Knowledge, experience and contributions. 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.
- (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:
- The market capitalization as on 31.03.2015 was ₹ 1047.80 Lacs which was increased to ₹ 1314.88 Lacs as on 31.03.2016
  - Price Earnings ratio of the equity shares of the Company was 3.22 as on 31.03.2015 which was increased to 4.25 as on 31.03.2016.
  - 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 of face value of ₹10 each/- on the BSE as on 31.03.2016 was ₹ 22.40. The % increase in share price as on 01.03.2016 at BSE with respect to issue price was 124%.



- (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 2015-16 was 1.93 % and the increase in the salary of the Managerial personnel was 12.84 %. There is no direct relationship between the 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. 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 2015-16 is as under:

Name and Designation	Remuneration# of each KMP for FY 2015-16(in ₹)	% of Revenue for FY 2015-16	% of Profit (PBT) for FY 2015-16
Shri Piyush Mutha (MD)	6176803	0.70	13.55
Shri Manglore Murthy Rao (WTD)	360000	0.04	0.79
Ms. Sanju Patel (CS & CFO)	219729	0.02	0.48

#The above remuneration is inclusive of perquisites excluding provisions of Gratuity.

- (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.

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

**Place: Dewas  
23<sup>rd</sup> May 2016**

**Piyush Mutha  
Managing Director  
(DIN-00424206)**

**Mohan Lal Jain  
Director  
(DIN:00395584)**

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

For the Financial Year ended on 31<sup>st</sup> March,2016

*[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,  
Vippy Spinpro 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, 2016 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, 2016 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; (Not applicable to the Company during the Audit period as there was no such transaction)
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, 2015.
  - (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, as there was no such transaction);
  - (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, as there was no such transaction)
  - (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, as there was no such transaction)
  - (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, as there was no such transaction).

(viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period, as there was no such transaction).

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.

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

- (i) Secretarial Standards on Board and General Meetings, as issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as 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 clear 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  
23<sup>rd</sup> May, 2016

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,  
Vippy Spinpro 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  
23<sup>rd</sup> May, 2016



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

Global growth continues, but at an increasingly disappointing pace that leaves the world economy more exposed to negative risks. Growth has been too slow for too long. The world economy will grow at 3.2% in 2016 and 3.5% in 2017 as per latest estimates of International Monetary Fund(IMF) .

Growth in China and India has been broadly in line with projections, but trade growth has slowed down noticeably. The trade slowdown is related to the decline in investment growth across emerging market economies, which reflects rebalancing in China but also the sharp scaling down of investment in commodity exporters, particularly those facing difficult macroeconomic conditions.

In India, lower commodity prices, a range of supply-side measures, and a relatively tight monetary stance have resulted in a faster-than-expected fall in inflation, making room for nominal interest rate cuts, but upside risks to inflation could necessitate a tightening of monetary policy.

According to IMF, India's growth will continue to be driven by private consumption, which has benefited from lower energy prices and higher real incomes.

In 2016-17, India's growth would be higher than China's by 1.3 percentage points. The country has overtaken China since 2014-15, becoming the fastest growing large economy in the world. For 2015-16, India's growth was pegged at 7.5 per cent, a shade lower than official estimate of 7.6 per cent. India continues to remain a bright spot in the otherwise bleak global economic forecast of the International Monetary Fund (IMF). India will be the fastest growing major economy in 2016-17 growing at 7.5%, ahead of China, at a time when global growth is facing increasing downside risks, as per the World Economic outlook released by the IMF.

**INDUSTRY STRUCTURE AND DEVELOPMENT**

Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textile industry also plays a pivotal role through its contribution to industrial output, employment generation and export earnings of the country. It contributes about 14% to India's industrial production and 13% to the country's export earnings. The textile sector is one of the largest provider of employment alongwith agriculture.

The Indian textile industry consumes a diverse range of fibres and yarn, but is predominantly cotton based. Hence, growth and all around development of cotton and cotton industry has a vital bearing on the overall development of the Indian economy.

**OPPORTUNITY AND THREATS****Opportunity**

Being the second largest employer in India coupled with strong industry linkages with the rural economy augurs Indian textile industry as one of the most significant sectors with an incremental growth potential. Rural economy has seen a spurt in income levels the last few years and this is the right time to juxtapose their synergies to promote the industry's growth. Being one of the key focus sectors under the Government's 'Make in India' campaign is a testimony to the huge growth potential the industry holds, both in terms of infrastructure development and skill



improvement. Globally, favourable trade policy reforms would also allow the industry to expand its trade partners, improve its export competitiveness and contribute substantially to the nation's income.

**Threats**

However, the growth prospects are constrained by many challenges including rising input costs (wages, power and interest costs), restrictive labour laws and intensified competition from other low cost countries like Bangladesh, Vietnam.

The spinning sector is excluded from the Amended Technology Upgradation Fund Scheme (ATUFS) notified by the Ministry of Textiles, which was earlier included in the Revised Restructure Technology Upgradation Fund Scheme (RR TUFS). The aforesaid exclusion is also a major threat to the Company, as the future expansion/modernization will not qualify for any interest subsidy or capital subsidy, so the Company will not be competitive in comparison to its competitors. Also the wages have increased significantly during the year in Madhya Pradesh, the state of operation of the Company, which will make company incompetent in comparison to Company in other states.

**OUTLOOK**

In the domestic market of India, this industry is gaining popularity due its versatility, durability and cost – effectiveness. New innovations take place everyday therefore; in future the industry is expected to strength. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players into the Indian market.

**RISK AND CONCERNS**

The Company had adopted Risk Management Policy 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. 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.

**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 actively reviews by the Audit Committee and adequate remedial measures, if any, are taken and in time. The Internal audit Reports are also reviews by the Board of Directors periodically.

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>2015-16</b>	<b>2014-15</b>
Production	8581.916	8490.559
Sales	8566.118	8505.916

**FINANCIAL PERFORMANCE****(₹ in Lacs)**

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Total Revenue	8841.29	9525.19
Profit before Financial Costs, Depreciation and Amortization , Prior Period Expenditure and Tax	721.03	846.45
Less: Financial Costs	48.94	109.15
Less: Depreciation and Amortization expenses	215.35	261.14
Less: Prior period expenditure	0.93	0.31
Profit before Tax	455.81	475.85
Less: Tax Expenses	146.37	150.63
Profit after Tax	309.44	325.22

During the year under review, the Company's revenue was ₹ 8841.29 lacs compared to ₹ 9525.19 lacs for the previous year. The Profit before Tax was ₹ 455.81 lacs compared to ₹ 475.85 lacs for the previous year. The Profit After Tax was ₹ 309.44 lacs compared to ₹. 325.22 lacs for the previous year

**MATERIAL DEVELOPMENT IN HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

The Company believes that human resources are valuable assets of the Company and provides them an environment, where each employee is motivated to contribute his best to achieve the Companies objective. The Company lays great emphasis on proper management of human resources and believes that this is the most important ingredient for achieving excellence in performance and sustainable growth. The Company has a progressive HR policy for helping employees to develop their organization skills, knowledge and abilities to achieve greater efficiency. The Company is committed to nurturing, enhancing and retaining top talent through superior learning & organizational development. The Industrial Relations of the Company with its personnel has continued to be cordial and friendly during the year. The Company has 101 employees as on 31.03.2016.

**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****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.

Report on Corporate Governance for the year ended 31.03.2016, in terms of regulation 34(3) read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out below:

**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.

Name	Category	No of Board Meeting Held	No of Board Meeting Attended	Attendance at last AGM	Total No of Directorship on other Public companies incorporated in india	No of committess positions #held in other Public companies incorporated in india	
						Chairman	Member
Shri Piyush Mutha	Promoter- Executive	6	6	Yes	-	-	-
Shri Praneet Mutha	Promoter – Non-Executive	6	6	Yes	1	-	-
Shri Mohan Lal Jain	Independent Non-Executive	6	6*	Yes	-	-	-
Shri Mangalore Maruthi Rao	Non- Independent Executive	6	4	Yes	-	-	-
Shri Subhash Kocheta	Independent Non-Executive	6	5*	No	-	-	-
Shri Raghuram Krishnamurthy	Independent Non-Executive	6	1*	No	-	-	-
Smt. Deepa Sudhir Mekal	Non-Independent Non- Executive	6	5	No	1	-	-

\* excluding the separate meeting of independent directors, in which non independent directors were not eligible to participate.

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

As detailed in the table above, none of the Directors is a member of more than 10 board-level committees of companies in which they are Directors, nor Chairman of more than five such committees ,as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Financial year ended 31<sup>st</sup> March, 2016, total Six (6) meetings of Board Of Directors were on, 14.05.2015,25.05.2015,13.08.2015,21.09.2015,14.11.2015,13.02.2016. Maximum gap between two meetings was less than four months.



There has been no pecuniary transaction or relationship between the Company and its Non-Executive Directors during the year ended 31<sup>st</sup> March , 2016 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.

Number of shares held by Non-Executive Directors as on 31st March, 2016

Name	No. of Shares held	%
Shri Praneet Mutha	521050	8.88
Shri Mohan Lal Jain	-	-
Shri Subhash Kocheta	-	-
Shri Raghuram Krishnamurthy	-	-
Smt. Deepa Sudhir Mekal	-	-

### **Familiarization Programme**

The Company has put in place a system to familiarize its Independent Directors with the Company ,covering the area as:-nature of the industry in which Company operates, business model of Company, roles, rights & responsibilities of the independent Directors etc.The details of programme for familiarization is placed on the website of the Company, Weblink: <http://www.vippyspinpro.com/Familiarisation-Programme.pdf>

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

### **Board Procedures**

The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to discharge its overall responsibilities and provide the Management with the strategic direction catering to exigency of long term shareholders value. The Board reviews periodically compliance report of all laws applicable to the Company, and takes steps to rectify instance of non-compliance, if any.

All information as required under Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 were placed before the Board of Directors.

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.

### **Separate Meeting of the Independent Directors:**

The meeting of Independent Directors was held on 31.03.2016, 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.

### **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.vippyspinpro.com](http://www.vippyspinpro.com). All the Board Members and Senior Management Personnel have affirmed compliances with the Code of Conduct, as on 31.03.2016.

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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. All the members of the Committee have relevant experience in financial matters.

During the year under review, Four (4) meeting of Audit Committee were held on 25.05.2015, 13.08.2015, 14.11.2015,13.02.2016.

As on 31<sup>st</sup> March 2016, the composition of the Audit Committee and details of meeting attended by the members are as under:

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

Company Secretary acts as Secretary to the Audit Committee.

**Terms of reference the Audit Committee**

Role of the Audit Committee shall include the following:

- Oversight of the listed entity’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board ,the appointment/re-appointment, remuneration and terms of appointment of Statutory Auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the Annual Financial Statements and Auditor’s Report thereon before submission to the Board for approval, with particular reference to:
  - (a) matters required to be included in the Director’s Responsibility Statement to be included in the Board’s Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) qualifications/modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;



- Approving or subsequently modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the Vigil Mechanism/Whistle Blower Policy;
- Approving the appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- reviewing the financial statements, in particular, the investments made by the unlisted subsidiaries, if any

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal Audit Reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

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 21<sup>st</sup> day of September, 2015.



**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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the year under review, No meeting of Nomination & Remuneration Committee was held .

As on 31st March, 2016, the composition of the Nomination & Remuneration Committee and details of meeting attended by the members are as under:

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

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

**Terms of reference**

- 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.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of the independent directors.

Apart from the above, the Nomination & Remuneration Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

**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 , 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 having wide experience in their field. Their presence on the Board is advantageous and fruitful in taking business decisions.

**5. Director Remuneration**

- a) The Company did not have any pecuniary relationship or transactions with non executive directors during the year ended 31<sup>st</sup> March, 2016 except for payment of sitting fees.
- b) Remuneration to Non Executive Directors

The following is the Criteria of making payment to non-executive director

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

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

Name	Sitting fees (₹)	Others (₹)	Total (₹)
Shri Mohan Lal Jain	3000	-	3000
Shri Praneet Mutha	3000	-	3000
Shri Subhash Kocheta	2500	-	2500
Shri Raghuram Krishnamurthy	500	-	500
Smt. Deepa Sudhir Mekal	2500	-	2500

- c) Remuneration to Executive Directors

All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. are as under:-

The details of remuneration paid to Executive Directors for the year ended 31st March, 2016 are as under.

Name of Director	Designation	Salary (₹)	Perquisites and other benefits (₹)	PF & other Fund (₹)	Bonus (₹)	Pension (₹)	Stock Option (₹)	Total (₹)
Shri Piyush Mutha	Managing Director	4800000	80803	1296000	-	-	-	6176803
Shri Mangalore Maruthi Rao	Whole Time Director	360000	-	-	-	-	-	360000

- I. 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.

- II. 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.



III. 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.

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

**6. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprises of three members who are non-executive & Independent Directors. The committee composition and terms of reference meet with the requirements of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

The Stakeholders Relationship Committee is primarily responsible to review all matters connected with the Company’s transfer /transmission of securities , dematerialization/ rematerialisation of shares, and redressal of shareholder’s/investors/security holder’s complaints including complaints related to transfer /transmission of shares, non receipt of annual report and non-receipt of declared dividends and other related matters.

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 25.05.2015,13.08.2015,14.11.2015,13.02.2016.

**Composition and Attendance**

The composition of the Stakeholders Relationship Committee and attendance by members 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@vippspinpro.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:

Grievances/ Complaints as on 01.04.2015	Total Grievances/ Complaints Received during the year	Total Grievances/Complaints Resolved/Redressed during the year	Pending Grievances/ Complaints an on 31.03.2016
0	13	13	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 2016 is Nil.

In compliance of regulation 13(3) of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, the Company has submitted the statement for investor complaints on quarterly basis to the Bombay Stock Exchange Ltd..

**7. General Body Meeting**

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

Year	Annual General Meeting AGM)	Day, Date & Time	Venue
2014-15	23 <sup>rd</sup>	Monday, Sept.21 <sup>st</sup> , 2015, 09.00 a.m	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010(M.P.)
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.)

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
21.09.2015	YES	a) Re-appointment of Whole Time Director b) Re-appointment of Managing Director
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

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. None of the business proposed to be transacted in the ensuing Annual General Meeting require passing Special Resolution through postal ballot.

**8. 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 official news releases 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

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

**9. General Shareholders Information****(a) Annual General Meeting**

Day ,Date & Time	Wednesday,31 <sup>st</sup> day of August,2016 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.2016-17	
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 2016-17	3rd /4th Week of May
Date of Book Closure	Thursday, 25 <sup>th</sup> day of August ,2016 to Wednesday, 31 <sup>st</sup> day of August, 2016 (both days inclusive)
Dividend Payment Date	No Dividend has been proposed by Board of Director of the Company for the year 2015-16
Listing of Securities on the Stock Exchanges& payment of listing fees.	Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai -400051 The company has paid Annual listing fee for the year 2016-17
Stock Code/Symbol	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 31st March, 2016 are as under:**

Month	High	Low
April, 2015	23.90	17.00
May, 2015	23.00	18.25
June, 2015	24.00	17.65
July, 2015	26.40	19.50
August,2015	28.95	16.20
September, 2015	19.05	13.75
October, 2015	23.20	17.30
November, 2015	29.25	17.30
December, 2015	32.90	22.50
January, 2016	31.00	22.15
February, 2016	28.40	21.45
March, 2016	27.00	20.60

c) Distribution of Shareholdings as on 31<sup>st</sup> March, 2016

Distribution	No. of share holders	%	No. of Shares	%
Upto 100	7053	76.93	687235	11.71
101-200	578	6.30	112855	1.92
201-300	238	2.60	69538	1.18
301-400	124	1.35	48085	0.82
401-500	551	6.01	274846	4.68
501-1000	354	3.86	294687	5.02
1001-2000	141	1.54	207038	3.53
2001-3000	38	0.41	94725	1.61
3001-4000	16	0.17	57538	0.98
4001-5000	30	0.33	147322	2.51
5001-10000	22	0.23	150231	2.56
10000 and above	24	0.26	3725900	63.47
<b>TOTAL</b>	<b>9167</b>	<b>100</b>	<b>5870000</b>	<b>100</b>

(d) Shareholding Pattern of the Company as on 31<sup>st</sup> March , 2016

Sr. No	Particulars	No. of Shares	% of holding
<b>(A)</b>	<b>Promoter and Promoter Group</b>		
<b>1.</b>	<b>Indians</b>		
(a)	Individuals/Hindu undivided Family	3083032	52.52
(b)	Central Government/State Government(s)	0	0.00
(c)	Financial Institutions/Banks	0	0.00
(d)	Any other (Specify) Bodies Corporate	102062	1.74
	<b>Sub Total(A)(1)</b>	<b>3185094</b>	<b>54.26</b>
<b>2.</b>	<b>Foreign</b>		
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0.00
(b)	Government	0	0.00
(c)	Institutions	0	0.00
(d)	Foreign Portfolio Investor	0	0.00
(e)	Any other (Specify)	0	0.00
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)1+(A)2</b>	<b>3185094</b>	<b>54.26</b>



<b>(B)</b>	<b>Public shareholding</b>		
<b>1.</b>	<b>Institutions</b>		
(a)	Mutual Funds	3800	0.06
(b)	Venture Capital funds	0	0.00
(c)	Alternate Investment Funds	0	0.00
(d)	Foreign venture Capital Investors	0	0.00
(e)	Foreign Portfolio Investors	0	0.00
(f)	Financial Institutions/Banks	0	0.00
(g)	Insurance Companies	0	0.00
(i)	Provident Funds/Pension Funds	0	0.00
(j)	Any other (Specify)	0	0.00
	<b>Sub-Total (B)(1)</b>	<b>3800</b>	<b>0.06</b>
<b>2.</b>	<b>Central Government/State Government(s)/President of India</b>	0	0.00
	<b>Sub-Total (B)(2)</b>	<b>0</b>	<b>0.00</b>
<b>3.</b>	<b>Non-institutions</b>		
	Individuals		
(a)	i. Individual Shareholders holding nominal share capital up to ₹ 2 lac	1933399	32.94
(b)	ii. Individual Shareholders holding nominal share capital in excess of ₹ 2 lac	439025	7.48
(c)	NBFCs registered with RBI	0	0.00
(d)	Employee Trusts	0	0.00
(e)	Overseas Depositories(Holding DRs)	0	0.00
(f)	Any other (Specify)		
	Bodies Corporate	90176	1.54
	NRI/OCB	218503	3.72
	Clearing Member	3	0.00
	<b>Sub-Total (B)(3)</b>	<b>2681106</b>	<b>45.68</b>
	<b>Total Public Shareholding(B)=(B)(1)+ (B)(2)+ (B)(3)</b>	<b>2684906</b>	<b>45.74</b>
<b>(C)</b>	(1) Custodians/DR Holder	0	0.00
	(2) Employee Benefit Trust(under SEBI(Share based Employee benefit Regulation,2014)	0	0.00
	<b>Total Non-Promoter-Non Public Shareholding (C)=(C)(1)+(C)(2)</b>	<b>0</b>	<b>0.00</b>
	<b>Total(A)+(B)+(C)</b>	<b>5870000</b>	<b>100</b>

**(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 are completed & returned within 15 days from the date of receipt thereof provided all the documents are in order and 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. In compliance with the Listing Regulation, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

**(g) Dematerialization of Shares and Liquidity:** The details of shares under dematerialized and physical mode as on 31st March,2016 are as under:

Particulars	As on 31st March, 2016	
	No. of Equity Shares	% percentage
National Securities Depository Ltd.(NSDL)	4085171	69.59
Central Depository Services (India) Ltd.( CDSL)	563059	9.59
Total Dematerialized	4648230	79.18
Physical	1221770	20.81
<b>TOTAL</b>	<b>5870000</b>	<b>100</b>

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Bombay Stock Exchange where the company’s shares are Listed the audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

**(h) Outstanding Securities:** There are no securities outstanding at the end 31<sup>st</sup> March ,2016.

**(i) Disclosures with respect to demat suspense account/unclaimed suspense account :**N.A.

**(j) Commodity price risk or foreign exchange risk and hedging activities-** The Company has 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.

**(k) Plant Location**

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

**(l) Address for correspondence**

<p><b>Works Office:</b> 14-A, Industrial Area A.B. Road, Dewas (M.P.)-4550 Phone Nos.: 07272-258251/258252/405352 Fax No. 07272-40012 website : www.vippyspinpro.com Email: admin@vippyspinpro.com</p>	<p><b>Registered Office:</b> 414, City Centre, 570, M.G. Road, Indore (M.P.)- 452001 Phone: 0731-2546710</p>
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**10. Disclosures**

The Company complies with all the mandatory requirement under SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

- 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 at large. 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 had adopted a policy on Related Party Transactions and the same is displayed on the website of the Company, Weblink: <http://www.vippyspinpro.com/Related-Party-Transaction-Policy.pdf>
- The Company has complied with all requirement specified under SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchange or any statutory authority for non compliance of any matter related to the capital markets during the last three years..
- The Company had 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://www.vippyspinpro.com/Whistle-Blower-Policy.pdf> .During the year under review, no employee was denied access to the Audit Committee.
- 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.
- There are no material subsidiaries of the company. The policy for determination of materiality, which has been put up on the website of the company at weblink: [http://www.vippyspinpro.com/Policy\\_for\\_Determination\\_of\\_Materiality.pdf](http://www.vippyspinpro.com/Policy_for_Determination_of_Materiality.pdf)
- Commodity price risk and commodity hedging risk.- The Company has robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact. The assessment is periodically reviewed by the Audit Committee & Board.

**11.** The company has complied with all the requirement of corporate governance report.

**12.** The Company complies with all the mandatory requirement and also complied following non-mandatory requirements as specified in part E of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as follows:

- a) **Modified opinion(s) in Audit Report:** 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.
- b) **Reporting of Internal Auditor:** Reporting by Internal Auditor directly to the Audit Committee.

**13.** The certificate from Company Secretary in Practice confirming compliance of the conditions of corporate governance requirements as specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is attached to this report.

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

**15. CEO/CFO Certification**

The Managing Director and CFO have certified to the Board with regard to the compliance made by them in terms of Regulation 17(8) of SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015 for financial year 2015- 16 is attached with this report. The Managing Director and CFO of the company also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) (a) of the Listing Regulations.

**16. 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.

**17. Insider Trading**

The Company had 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.

**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. ('the Company') for the year ended 31<sup>st</sup> March, 2016, as stipulated in clause 49 of Listing Agreement of the company with Bombay Stock Exchange Ltd. for the period 1<sup>st</sup> April 2015 to 30<sup>th</sup> November 2015 and in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period 1<sup>st</sup> December 2015 to 31<sup>st</sup> March 2016.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement & Listing Regulations, as applicable.

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

For Shilpesh Dalal & Co.,  
Company Secretary

SHILPESH DALAL  
(Proprietor)  
M.No. FCS-5316  
C.P. No. 4235

Indore  
23<sup>rd</sup> May, 2016



**CEO/ CFO CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,  
The Board of Directors  
Vippy Spinpro Ltd.

- A. We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31<sup>st</sup> March 2016 and to best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true & fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. 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 violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control system of the Company 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.
- D. We have indicated to the auditors and Audit committee:
- (1) significant changes, if any, in the internal control over financial reporting during the year;
  - (2) significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) 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: 23<sup>rd</sup> May, 2016

Piyush Mutha  
Managing Director

Sanju Patel  
Company Secretary & CFO

**ANNUAL DECLARATION PURSUANT TO REGULATION 26(3) SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

As per the requirements of Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended 31<sup>st</sup> March,2016.

Place: Dewas  
Date: 23<sup>rd</sup> May, 2016

Piyush Mutha  
Managing Director

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

We have audited the accompanying financial statements of **VIPPY SPINPRO LTD.** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and the Cash Flow Statement for the year ended March 31, 2016, and a summary of significant accounting policies and other explanatory information.

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

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 and presentation 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**

Our responsibility is to express an opinion on these financial statements based on our audit.

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 thereunder.

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.

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 internal financial control 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.

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.

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**

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 31st March, 2016, and its profit and its cash flows for the year ended on that date.



**Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the “**Annexure A**” a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) 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;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the 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;
  - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”; and
  - (g) 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:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer to note no. 27 to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Sodani & Company**  
Chartered Accountants  
Firm Registration No. 000880C

Date : May 23<sup>rd</sup>, 2016  
Place: Dewas

**Rajesh Sodani**  
Partner  
M. No. 077005

**ANNEXURE TO INDEPENDENT AUDITORS REPORT****ANNEXURE A**

**(Referred in paragraph first of our report of even date to the members of Vippy Spinpro Ltd. for the year ended 31<sup>st</sup> March 2016)**

As required by the Companies Auditor's Report Order, 2016 issued by the Central Government in terms of section 143 of the Companies Act, 2013, we further report that :-

- (i) In respect of its Fixed Assets
- a) As informed to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As informed to us, the management of the Company has physically verified fixed assets at reasonable intervals, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets and no material discrepancies were noticed on such verification.
  - c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, except for the following which are not held in the name of the Company

Particulars	Leasehold Land
Gross Block as at 31st March, 2016	8,67,683.00
Net Block as at 31st March, 2016	8,67,683.00

- (ii) a) The inventory of the Company has been physically verified during the year by the management at regular intervals
- b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories. No material discrepancies have been noticed on physical verification of stock.
- (iii) As per information and explanation given to us, the Company has not granted any secured/unsecured loans to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) As per information and explanation given to us, the Company has not granted any loan or given any guarantee on such loans covered under section 185 and neither has made any investment covered under section 186 of the Companies Act, 2013.
- (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 explanation given to us, the Company has been generally regular in depositing undisputed dues relating to Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Duties of Customs, Duties of Excise, Value Added Tax, cess and other material statutory dues applicable to it with appropriate authorities. There are no undisputed statutory dues payable which are outstanding as at March 31, 2016 for a period of more than 6 months from the date they became payable.



- b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Excise Duty & cess which have not been deposited on account of any dispute, except the following –

<b>Name of the Statute (Nature of the Dues)</b>	<b>Forum where matter is pending</b>	<b>Period to which the amounts relates</b>	<b>Amount (in ₹)</b>
Entry Tax Act	M.P.Tax Tribunal Board, Bhopal	2007-08	6,31,496.00

- (viii) Based on our audit and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of any loan to Banks. No debentures have been issued by the Company till date and hence there are no debenture holders.
- (ix) According to the information and explanations given to us, and based on documents provided to us, term loans availed by the Company were, prima-facie, applied by the Company for the purposes for which the loans were obtained. However, there were no new term loans that had been obtained during the year and neither any money was raised by way of further public offers.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year nor have we been informed of such case by the management.
- (xi) According to the information and explanation given to us, and based on documents provided to us, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- (xii) As explained and informed to us, the Company is not a Nidhi Company and hence this clause is not applicable on it.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us, the Company has not made any preferential allotment/ private placement of shares or fully or partly convertible debenture during the year.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with him.
- (xvi) The Company is a manufacturing concern and therefore, the Company is not require to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Sodani & Company**  
Chartered Accountants  
Firm Registration No. 000880C

Date : May 23<sup>rd</sup>, 2016  
Place: Dewas

**Rajesh Sodani**  
Partner  
M. No. 077005



**ANNEXURE B**

(Referred in paragraph first of our report of even date to the members of Vippy Spinpro Ltd. for the year ended 31<sup>st</sup> March 2016.)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Vippy Spinpro Ltd.** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing, to the extent applicable to an audit of internal financial controls and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”), both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sodani & Company**  
Chartered Accountants  
Firm Registration No. 000880C

Date : May 23<sup>rd</sup>, 2016  
Place: Dewas

**Rajesh Sodani**  
Partner  
M. No. 077005

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

	Notes	March 31, 2016 (₹)	March 31, 2015 (₹)
<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	23,08,09,570	19,98,65,096
		<u>28,95,09,570</u>	<u>25,85,65,096</u>
<b>Non-current liabilities</b>			
(a) Long term borrowings	5	1,06,31,014	2,56,53,910
(b) Deferred tax liability (Net)	6	1,09,05,727	1,34,79,108
(c) Long term provisions	7	28,07,073	28,07,073
		<u>2,43,43,814</u>	<u>4,19,40,091</u>
<b>Current liabilities</b>			
(a) Short term borrowings	8	1,99,70,208	7,28,92,862
(b) Trade payables	9	37,36,509	10,94,936
(c) Other current liabilities	10	2,92,37,022	3,04,66,215
(d) Short term provisions	11	2,42,89,170	2,60,57,870
		<u>7,72,32,909</u>	<u>13,05,11,883</u>
	<b>TOTAL</b>	<u><b>39,10,86,293</b></u>	<u><b>43,10,17,070</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
Tangible assets	12	11,32,94,900	13,11,23,875
(b) Non-current investments	13	4,30,180	4,30,180
(c) Long-term loans and advances	14	82,81,519	71,80,565
		<u>12,20,06,599</u>	<u>13,87,34,620</u>
<b>Current assets</b>			
(a) Inventories	15	16,50,79,145	16,30,39,023
(b) Trade receivables	16	7,41,20,952	9,96,45,173
(c) Cash and bank balances	17	5,40,669	7,98,159
(d) Short term loan and advances	18	2,87,17,626	2,81,70,832
(e) Other current assets	19	6,21,302	6,29,263
		<u>26,90,79,694</u>	<u>29,22,82,450</u>
	<b>TOTAL</b>	<u><b>39,10,86,293</b></u>	<u><b>43,10,17,070</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**

Chartered Accountants

Firm registration No. 000880C

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

Partner

Membership No. 077005

Dewas

May 23<sup>rd</sup>, 2016Piyush Mutha  
Managing DirectorMohan Lal Jain  
DirectorSanju Patel  
Company Secretary & CFO

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

	Notes	March 31, 2016 (₹)	March 31, 2015 (₹)
<b>INCOME</b>			
Revenue from operations	20	87,75,97,520	94,51,00,585
Other income	21	65,31,606	74,19,007
<b>Total revenue</b>		<u><b>88,41,29,126</b></u>	<u><b>95,25,19,592</b></u>
<b>EXPENSES</b>			
Cost of material consumed	22	64,19,82,944	70,14,21,821
Change in inventories of finished goods and work in progress	23	(17,50,639)	13,03,580
Employees benefits expenses	24	2,93,31,861	2,72,38,561
Financial costs	25	48,93,823	1,09,15,216
Depreciation and amortization expenses	12	2,15,35,393	2,61,13,970
Other expenses	26	14,24,62,056	13,79,09,585
<b>Total expenses</b>		<u><b>83,84,55,438</b></u>	<u><b>90,49,02,733</b></u>
<b>Profit before prior period expenditure and tax</b>		<b>4,56,73,688</b>	4,76,16,859
Prior period expenditure		<u>92,595</u>	<u>31,365</u>
<b>Profit before tax</b>		<b>4,55,81,093</b>	4,75,85,494
<b>Tax expense</b>			
Current tax		<b>1,72,10,000</b>	1,84,00,000
Deferred tax (Assets)/Liabilities		<b>(25,73,381)</b>	(33,36,719)
<b>Profit for the year</b>		<u><b>3,09,44,474</b></u>	<u><b>3,25,22,213</b></u>
Earnings per equity share of nominal value of ₹ 10/- each			
Basic		<b>5.27</b>	5.54
Diluted		<b>5.27</b>	5.54

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**

Chartered Accountants

Firm registration No. 000880C

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

**Rajesh Sodani**

Partner

Membership No. 077005

Dewas

May 23<sup>rd</sup>, 2016

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, 2016

		(₹)	
		For the Year ended on 31.03.2016	For the Year ended on 31.03.2015
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before Tax and extraordinary items:	4,56,73,688	4,76,16,859
	Adjustment For :		
	Depreciation & Write offs	2,15,35,393	2,61,13,970
	Loss/ (Profit) on sale of Fixed assets	-	(47,218)
	Financial Charges	48,93,823	1,09,15,216
	Dividend Income	(1,23,038)	-
	Hedging Reserve	-	(2,47,876)
	Interest Income	(19,87,157)	(16,39,328)
	Prior/period Adjustment	(92,595)	(31,365)
	<b>Operating Profit before Working Capital Changes</b>	<b>6,99,00,114</b>	<b>8,26,80,258</b>
	Adjustment For :		
	Increase / (Decrease) in trade payable	26,41,573	(37,49,472)
	Increase / (Decrease) in other current liabilities	(12,29,193)	(74,46,450)
	Increase / (Decrease) in short term provisions	(17,68,700)	24,08,615
	Decrease / (Increase) in trade receivable	2,55,24,221	3,40,48,824
	Decrease / (Increase) in short term loan & advances	(5,46,794)	14,46,882
	Decrease / (Increase) in inventories	(20,40,122)	4,18,39,102
	Decrease / (Increase) in other current assets	7,961	77,513
	Decrease / (Increase) in long term loan & advances	(11,00,954)	3,02,627
	<b>Cash Generated from operation</b>	<b>9,13,88,106</b>	<b>15,16,07,899</b>
	Financial Charges	(48,93,823)	(1,09,15,216)
	Direct Taxes paid	(1,72,10,000)	(1,84,00,000)
	<b>NET CASH FROM OPERATING ACTIVITIES:</b>	<b>6,92,84,283</b>	<b>12,22,92,683</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	(37,06,418)	(33,64,127)
	Sale of Fixed Assets	-	4,50,000
	Dividend Income	1,23,038	-
	Interest Income	19,87,157	16,39,328
	<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(15,96,223)</b>	<b>(12,74,799)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	Repayment of long term borrowings	(1,50,22,896)	(1,84,84,088)
	Proceeds from Short term borrowings	(5,29,22,654)	(10,56,80,569)
	<b>NET CASH FLOW FROM FINANCING ACTIVITIES:</b>	<b>(6,79,45,550)</b>	<b>(12,41,64,657)</b>
	<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(2,57,490)</b>	<b>(31,46,773)</b>
	Cash and Cash Equivalents as at 1/4/2015 (Opening Balance)	7,98,159	39,44,932
	Cash and Cash Equivalents as at 31/3/2016 (Closing Balance)	<b>5,40,669</b>	7,98,159

As per our report of even date.

**For Sodani & Company**

Chartered Accountants

Firm registration No. 000880C

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

Partner

Membership No. 077005

Dewas

May 23<sup>rd</sup>, 2016Piyush Mutha  
Managing DirectorMohan Lal Jain  
DirectorSanju Patel  
Company Secretary & CFO

**Notes to the financial statements as at March 31, 2016****(annexed to and forming part of the financial statement for the year ended 31<sup>st</sup> March, 2016)****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 put to use 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 atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The both schemes are funded with Life Insurance Corporation of India in the form of qualifying insurance policy.

**2.11.2 Defined Contribution Plans**

Contributions payable by the Company to the concerned government authorities in respect of provident fund, family pension fund and employees state insurance are defined contribution plans. The contributions are recognized as an expense in the Statement of Profit and Loss Account during the period in which the



employee renders the related service. The Company does not have any further obligation in this respect, beyond such contribution.

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 ('AS') 11, 'The effects of changes in foreign exchange rates'. For such forward exchange contracts covered by AS 11, based on the nature and purpose of the contract are restated at year end rate. The difference between the year end rate and rate on the date of contract is recognised as exchange difference in profit & loss 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 ('AS') 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 market 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, 2016	March 31, 2015
	(₹)	(₹)
<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>

#### a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	March 31, 2016		March 31, 2015	
	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, 2016		March 31, 2015	
		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%	3,31,242	5.64%
		<b>March 31, 2016</b>		March 31, 2015	
		(₹)		(₹)	

## 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)	<b>5,80,000</b>	5,80,000

**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)	<b>25,00,000</b>	25,00,000

**Surplus**

Balance at the beginning of the year		<b>19,67,85,096</b>	16,39,34,761
Add/(Less) : Adjustment of depreciation pursuant to enactment of schedule II of the Companies Act, 2013		-	3,28,122
Add: Profit for the year		<b>3,09,44,474</b>	3,25,22,213
Balance at the end of the year	(c)	<b>22,77,29,570</b>	19,67,85,096
	(a+b+c)	<b>23,08,09,570</b>	19,98,65,096

**Note 5 - LONG TERM BORROWINGS**

	March 31, 2016 (₹)	March 31, 2015 (₹)
(a) Term loans from Banks (secured)		
Punjab National Bank-Term loan- IV	21,03,231	1,08,45,669
Punjab National Bank-Term loan- V	80,49,930	1,44,89,986
(b) Vehicle Loan	<u>4,77,853</u>	<u>3,18,255</u>
	<u>1,06,31,014</u>	<u>2,56,53,910</u>

**a) Term loan**

- i) Term loan- 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 IV	32	Quarterly	2187000
2	Term Loan V	20	Quarterly	1610000

- 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 @ 6.10% / 7.10% (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, 2015 (₹)	(Charged)/ credited to Profit and Loss Account (₹)	As at March 31, 2016 (₹)
Deferred tax Liability			
Fixed assets (Depreciation)	1,34,79,108	(25,73,381)	1,09,05,727
Net deferred tax liability	<u>1,34,79,108</u>	<u>(25,73,381)</u>	<u>1,09,05,727</u>

- 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 liability of ₹ 1,09,05,727/- (₹ 1,34,79,108) as at March 31, 2016.

- ii) The net deferred tax Assets amounting to ₹ 25,73,381 /- (₹ 33,36,719/-) for the year has been recognised in the Statement of Profit and Loss.



	March 31, 2016	March 31, 2015
	₹	₹
<b>Note 7 - LONG TERM PROVISIONS</b>		
Other Provisions	<u>28,07,073</u>	<u>28,07,073</u>
	<u>28,07,073</u>	<u>28,07,073</u>
<b>Note 8 - SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Loans repayable on demand -		
From Banks:		
Working capital facilities from Punjab National Bank	<u>1,99,70,208</u>	<u>7,28,92,862</u>
	<u>1,99,70,208</u>	<u>7,28,92,862</u>

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 @ 10.85% while on Packing Credit interest rate is 10.35%

	March 31, 2016	March 31, 2015
	₹	₹
<b>Note 9 - TRADE PAYABLES</b>		
For goods, services and expenses	<u>34,66,143</u>	10,84,834
For capital goods	<u>2,70,366</u>	<u>10,102</u>
	<u>37,36,509</u>	<u>10,94,936</u>

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, 2016. 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, 2016 (₹)	March 31, 2015 (₹)
<b>Note 10 - OTHER CURRENT LIABILITIES</b>		
Current maturities of long term borrowing	1,60,04,439	1,89,49,701
<b>Other payables</b>		
Duties and taxes	13,36,465	11,35,083
Employees salary and other payable	14,63,137	10,67,949
Advances from customers	26,33,062	9,31,102
Other Payable (Exps)	77,99,919	83,82,380
	<u>2,92,37,022</u>	<u>3,04,66,215</u>

**a) Term loan**

- i) Term loan- 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 IV	32	Quarterly	21,87,000
2	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 @ 6.10% / 7.10% (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, 2016 (₹)	March 31, 2015 (₹)
<b>Note 11 - SHORT TERM PROVISIONS</b>		
Provision for employee benefits	-	-
<b>Others</b>		
Income tax	1,72,10,000	1,84,00,000
Other Provisions	70,79,170	76,57,870
	<u>2,42,89,170</u>	<u>2,60,57,870</u>



**Note - 12**

**TANGIBLE ASSETS**

(In ₹)

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION		NET BLOCK				
		As at April 1, 2015	Additions during the Year	Sales during the Year	As at March 31, 2016	Upto March 31, 2015	During the Year	Written back	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>TANGIBLE ASSETS</b>											
1	Leasehold Land	8,67,683	-	-	8,67,683	-	-	-	-	8,67,683	8,67,683
2	Plant & Machinery	30,81,62,125	18,49,780	-	31,00,11,905	22,10,75,602	1,73,19,438	-	23,83,95,040	7,16,16,865	8,70,86,523
3	Office equipments	4,45,486	-	-	4,45,486	4,14,617	8,594	-	4,23,211	22,275	30,869
4	Furniture fixtures	20,42,085	-	-	20,42,085	17,99,862	61,484	-	18,61,346	1,80,739	2,42,223
5	Vehicles	37,47,549	16,83,568	-	54,31,117	18,78,396	7,91,871	-	26,70,267	27,60,850	18,69,153
6	Building	5,82,94,877	-	-	5,82,94,877	3,36,03,183	21,52,785	-	3,57,55,968	2,25,38,909	2,46,91,694
7	Computers	26,91,335	1,73,070	-	28,64,405	24,74,739	73,409	-	25,48,148	3,16,257	2,16,596
8	Wind Mill	2,91,51,490	-	-	2,91,51,490	1,30,32,356	11,27,812	-	1,41,60,168	1,49,91,322	1,61,19,134
	<b>Total</b>	<b>40,54,02,630</b>	<b>37,06,418</b>	<b>0</b>	<b>40,91,09,048</b>	<b>27,42,78,755</b>	<b>2,15,35,393</b>	<b>0</b>	<b>29,58,14,148</b>	<b>11,32,94,900</b>	<b>13,11,23,875</b>
	Previous Year (2014-15)	<b>40,35,50,728</b>	<b>33,64,127</b>	<b>15,12,225</b>	<b>40,54,02,630</b>	<b>24,92,74,228</b>	<b>2,61,13,970</b>	<b>11,09,443</b>	<b>27,42,78,755</b>	<b>13,11,23,875</b>	
	Capital Work in Progress										0



	<b>March 31, 2016</b>	March 31, 2015
	(₹)	(₹)
<b>Note 13 - NON CURRENT INVESTMENTS</b>		
<b>Investment in companies</b>		
<b>Other companies</b>		
i) 20,000 Shares of Asit C. Mehta Financial Services Ltd. (Previous year 20,000, shares)	<b>32,200</b>	32,200
ii) 36,860 Shares of Punjab National Bank (Previous year 36,860 shares)	<b>3,97,980</b>	3,97,980
iii) 400 Shares of Mastek Ltd. (Previous year 400 shares)	-	-
<b>Aggregate amount of quoted investments</b>	<u><b>4,30,180</b></u>	<u>4,30,180</u>
<b>Aggregate market value of quoted investments</b>	<u><b>36,72,482</b></u>	<u>62,29,684</u>
<b>Note 14 - LONG TERM LOANS AND ADVANCES</b>		
<b>(Unsecured, considered good)</b>		
Security deposits MPEB	<b>82,35,436</b>	71,35,982
Security deposits Sales Tax	<b>10,000</b>	10,000
Security deposits Others	<b>36,083</b>	34,583
	<u><b>82,81,519</b></u>	<u>71,80,565</u>
<b>Note 15 - INVENTORIES</b>		
<b>(Valued at lower of cost and net realizable value)</b>		
(a) Raw materials	<b>12,87,90,393</b>	13,21,48,801
(b) Goods in Process	<b>70,63,013</b>	60,21,801
(c) Finished goods:		
Yarn	<b>1,55,18,531</b>	1,45,39,524
Saleable Waste	<b>14,51,085</b>	17,20,665
(d) Stores and spares	<b>1,21,88,457</b>	85,66,168
(e) Fuel	<b>67,666</b>	42,064
	<u><b>16,50,79,145</b></u>	<u>16,30,39,023</u>



	March 31, 2016	March 31, 2015
	(₹)	(₹)
<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	-	-
	(a) <u>          -</u>	<u>          -</u>
Other trade receivables		
Secured, considered good	-	-
Unsecured, considered good	7,41,20,952	9,96,45,173
Doubtful	-	-
	(b) <u>7,41,20,952</u>	<u>9,96,45,173</u>
	(a+b) <u>7,41,20,952</u>	<u>9,96,45,173</u>
<b>Note 17 - CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
<b>Balances with Banks</b>		
On current accounts	68,993	84,044
<b>Cash on hand</b>	3,15,146	5,67,285
<b>Other bank balances</b>		
Deposits with original maturity for more than 12 months	1,56,530	1,46,830
Deposits with original maturity for more than 3 months but less than 12 months	-	-
Embarked balances with Banks	-	-
	<u>5,40,669</u>	<u>7,98,159</u>
Deposits with Banks ₹ 1,56,530/- given to bank as margin money against bank guarantee issued by bank.		
<b>Note 18 - SHORT TERM LOAN AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Loans and advances for goods and Exps	6,74,754	4,37,259
<b>Others</b>		
Advance tax	1,09,10,000	1,09,00,000
VAT Receivable	1,42,10,194	1,38,46,026
Advance to employee	1,48,132	2,25,213
TED Receivable	1,15,763	6,50,945
Tax deducted at Sources	1,57,135	1,93,987
Others	25,01,648	19,17,402
	<u>2,87,17,626</u>	<u>2,81,70,832</u>
<b>Note 19 - OTHER CURRENT ASSETS</b>		
Prepaid expenses	6,21,302	6,29,263
	<u>6,21,302</u>	<u>6,29,263</u>





	March 31, 2016 (₹)	March 31, 2015 (₹)
<b>Note 20 - REVENUE FROM OPERATIONS</b>		
<b>Sales</b>		
Sale of Finished Goods	86,87,39,515	93,80,52,134
Sale of Waste	77,96,664	57,75,965
Sales of Others	78,822	1,38,873
<b>Other operating revenue</b>		
Sales of Scrap	9,82,519	11,33,613
	<u>87,75,97,520</u>	<u>94,51,00,585</u>
Less: Excise duty	-	-
	<u>87,75,97,520</u>	<u>94,51,00,585</u>
<b>Note 21- OTHER INCOME</b>		
Interest income from		
Banks deposits	5,98,571	10,82,069
Customers	13,88,586	5,57,259
Net gain on sale of fixed assets	-	47,218
Income from Wind Mill	38,42,223	35,78,367
Lease Rent	-	5,24,680
M.P. Udhog Samwardhan Yojana 2004	-	4,03,000
Gain on Foreign Exchange (Net)	-	2,99,764
Income from investment	1,23,038	-
Profit on Liquid Fund Investment	3,18,088	-
Other Income	2,61,100	9,26,650
	<u>65,31,606</u>	<u>74,19,007</u>
<b>Note 22- COST OF RAW MATERIAL CONSUMED</b>		
Material consumed		
Opening stock	13,21,48,801	17,52,56,021
Add: Purchases	63,86,24,536	65,83,14,601
	<u>77,07,73,337</u>	<u>83,35,70,622</u>
Less: Closing stock	12,87,90,393	13,21,48,801
	<u>64,19,82,944</u>	<u>70,14,21,821</u>
<b>Note 23- CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>		
Inventories at the beginning of the year		
Finished goods	1,45,39,524	1,56,72,453
Saleable Waste	17,20,665	16,55,059
Work in progress	60,21,801	62,58,058
	<u>2,22,81,990</u>	<u>2,35,85,570</u>
(a)		
Inventories at the end of the year		
Finished goods	1,55,18,531	1,45,39,524
Saleable Waste	14,51,085	17,20,665
Work in progress	70,63,013	60,21,801
	<u>2,40,32,629</u>	<u>2,22,81,990</u>
(b)		
c=(a-b)	<u>(17,50,639)</u>	<u>13,03,580</u>



	March 31, 2016		March 31, 2015
	₹		₹
<b>Note 24- EMPLOYEE BENEFITS COST</b>			
Salary, wages, bonus and allowances	2,57,43,796		2,39,42,035
Contribution to provident and other funds	25,26,979		22,93,751
Gratuity	6,97,412		5,34,234
Staff welfare	3,63,674		4,68,541
	<u>2,93,31,861</u>		<u>2,72,38,561</u>
<b>Note 25- FINANCE COST</b>			
Interest expense on			
Borrowings from banks	37,08,472		96,65,200
Other	576		6,562
Other borrowing costs			
Bank charges	<u>11,84,775</u>		<u>12,43,454</u>
	<u>48,93,823</u>		<u>1,09,15,216</u>
<b>Note 26- OTHER EXPENSES</b>			
<b>Manufacturing Exps</b>			
Stores and spares consumed	1,22,95,540	95,65,161	
Power and fuel consumed	6,12,47,280	5,74,45,597	
Repairs to Plant & Machinery	22,85,069	24,35,144	
Testing Charges	16,336	24,362	
Water Charges	3,31,225	2,79,635	
Other manufacturing Exps	<u>37,00,026</u>	<u>7,98,75,476</u>	<u>54,37,316</u>
<b>Administrative Exps</b>			
Lease Rent	22,686	18,149	
Vehicle running & Maintenance	3,96,966	5,17,649	
Travelling and conveyance	5,21,079	3,97,653	
Printing and stationery	2,41,920	2,42,725	
Telephone Exps	1,94,435	1,77,101	
Directors Travelling	5,90,686	5,38,290	
Repair and maintenance Bldg	14,51,718	13,70,885	
Legal and professional Fees	16,20,090	11,39,753	
Rates and taxes	2,41,431	2,01,266	
Insurance	8,04,397	8,78,553	
Advertisement	1,29,625	1,51,044	
Directors sitting Fees	11,500	8,000	
Membership fee and subscription	1,47,884	1,48,829	
Payments to Auditors	2,32,688	2,28,675	
Other Administrative Exps	<u>9,76,358</u>	<u>75,83,463</u>	<u>8,26,830</u>
<b>Selling &amp; distribution Exps</b>			
Packing Materials & Exps	1,96,41,056	1,99,09,622	
Sales commission	1,30,25,030	1,33,45,062	
Freight on Sales	1,43,78,572	1,43,83,050	
Export Exps	77,54,992	80,97,712	
Sales Promotion Exps	1,15,878	69,094	
TCS Paid	<u>87,589</u>	<u>5,50,03,117</u>	<u>72,428</u>
		<u>14,24,62,056</u>	<u>13,79,09,585</u>
<b>Payment to Auditors</b>			
Statutory Audit fees	1,71,750		1,68,540
Tax Audit Fees	42,938		42,135
Cost Audit Fees	<u>18,000</u>		<u>18,000</u>
	<u>2,32,688</u>		<u>2,28,675</u>

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

## a) Counter Guarantee:

For ₹ 12,03,500/- (₹ 11,06,500/-) given to Punjab National Bank for Guarantee given by them to Custom/DGFT department against which Company has given to bank FDR for ₹ 1,56,530/- 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** - Pursuant 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, during the Financial Year 2014-15.

**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	48,00,000
			Provident Fund	5,76,000
			Super Annuation	7,20,000
			Perquisite	80,803

**Note 35 - EARNING PER SHARES**

	2015-16	2014-15
a) Net Profit after tax (₹)	3,09,44,474	3,25,22,213
b) Number of weighted average equity shares	58,70,000	58,70,000
c) Nominal value of shares (₹)	10	10
d) Earning per shares (₹)	5.27	5.54



	2015-16 (₹)	2014-15 (₹)
<b>Note 36- MANAGERIAL REMUNERATION TO DIRECTORS</b>		
<b>1. To the Managing Director</b>		
a) Remuneration	48,00,000	42,00,000
b) Contribution to PF	5,76,000	5,04,000
c) Perquisites	80,803	99,093
d) Meeting Fees	Nil	Nil
e) Commission	Nil	Nil
<b>2. To the Director other than Managing Director</b>		
a) Remuneration	3,60,000	3,60,000
b) Contribution to PF	Nil	Nil
c) Perquisites	Nil	Nil
d) Meeting Fees	Nil	Nil
e) Commission	Nil	Nil
<b>3. To Non executive Director</b>		
a) Sitting Fees	11,500	8,000

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

	2015-16 Rotors	2014-15 Rotors
a) Licensed Capacity	N.A.	N.A.
b) Installed Capacity	3168	3168

**Note 38 - PRODUCTION & SALES**

	Production		Sales			
	2015-16 M.T.	2014-15 M.T.	2015-16 M.T.	2015-16 (₹)	2014-15 M.T.	2014-15 (₹)
Cotton Yarn	8581.916	8490.559	8566.118	86,87,39,515	8505.916	93,80,52,134
Waste	749.821	763.266	774.701	77,96,664	737.713	57,75,965
Scrap/Others	-	-	-	10,61,341	-	12,72,486

**Note 39- RAW MATERIALS CONSUMED**

	2015-16		2014-15	
	M.T.	(₹)	M.T.	(₹)
a) Cotton	9422.189	64,19,82,944	9343.694	70,14,21,821

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

	M.T. 2015-16	M.T. 2014-15
a) Cotton yarn	188.954	173.156
b) Waste	143.634	168.514



	<b>March 31,2016</b>	March 31,2015
	(₹)	(₹)
<b>Note 41 - VALUE OF IMPORTS ( On CIF Basis)</b>		
1. Capital Goods	<b>60,36,123</b>	20,41,591
<b>Note 42 - EXPENDITURE IN FOREIGN EXCHANGE</b>		
1. Brokerage, Quality Allowance travel etc	<b>5,57,975</b>	9,98,481
<b>Note 43 - EARNING IN FOREIGN EXCHANGE</b>		
1. Export of Goods (FOB Basis)	<b>16,24,46,554</b>	17,57,69,752
<b>Note 44 - IMPORTED AND INDIGENOUS RAW MATERIALS COMPONENTS AND SPARE PARTS CONSUMED</b>		

	Value in (₹)		Percentage	
	2015-16	2014-15	2015-16	2014-15
<b>a) Raw Materials</b>				
1 Imported	-	-	-	-
2 Indigenous	<b>64,19,82,944</b>	70,14,21,821	<b>100%</b>	100%
<b>b) Stores &amp; Spares</b>				
1 Imported	<b>30,75,785</b>	36,84,400	<b>25.02%</b>	38.52%
2 Indigenous	<b>92,19,755</b>	58,80,761	<b>74.98%</b>	61.48%

**Note 45 - Figures of previous year have been regroped wherever required.**

As per our report of even date.

**For Sodani & Company**

Chartered Accountants

Firm registration No. 000880C

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

**Rajesh Sodani**

Partner

Membership No. 077005

Dewas

May 23<sup>rd</sup>, 2016

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

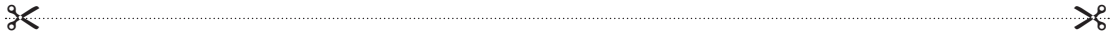
2. Name:\_\_\_\_\_, Address:-\_\_\_\_\_

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 24th Annual General Meeting of the Company, to be held on the Wednesday, 31st day of August, 2016 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

**24th Annual General Meeting on Wednesday,31st August 2016, 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>Resolutions</b>		
Ordinary Business		
1.	Adoption of Financial Statements for the year ended 31st March,2016	
2.	Re-appointment of Shri Mangalore Maruthi Rao, who retires by rotation.	
3.	Appointment of M/s. Sodani & Company, Chartered Accountants as Auditors and fixing their remuneration.	

Signed this -----day of-----2016

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.







