

*39<sup>th</sup>  
Annual Report & Accounts  
2012-13*



**VIPPY INDUSTRIES LTD.**  
*An ISO 9001:2008 Certified Company*



<b>Board of Directors</b>	: Shri Rahul Mutha (Managing Director) Shri Praneet Mutha (Executive Director) Dr. K. Savagaon Shri Sajeve Deora Dr. Shailendra Karnawat
<b>Auditors</b>	: M/s. Sodani & Company Chartered Accountants
<b>Cost Auditors</b>	: M/s. M. Goyal & Company
<b>Sr. Manager (Legal) &amp; Company Secretary</b>	: Shri Prakash Chakrawarti
<b>Registered Office</b>	: 28 , Industrial Area, A.B. Road, Dewas- 455001 (M.P.) Phone: 07272-258545, 6 Fax: 07272-258552
<b>Works Office</b>	: 28, 29 & 30 Industrial Area, A.B. Road, Dewas -455001 (M.P.) Phone: 07272-258545,6 Fax: 07272-258552
<b>Registrar &amp; Share Transfer Agent</b>	: Ankit Consultancy Pvt. Ltd. 60, Electronic Complex, Pardeshipura, Indore (M.P.)-452010 Ph. 0731-3198601-602 ,2551745-46 Fax No. 0731- 4065798

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**NOTICE**

Notice is hereby given that the 39<sup>th</sup> Annual General Meeting of the Company will be held on Monday, 30<sup>th</sup> day of September, 2013 at 2.00 p.m. at the Registered Office of the Company situated at 28, Industrial Area, A. B. Road, Dewas-455001 (M. P.) to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31<sup>st</sup>, 2013 and the Profit and Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sajeve Deora who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. Shailendra Karnawat who retires by rotation and being eligible, offers himself for re-appointment.
4. 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** pursuant to the provisions of Section 224 and other applicable provisions, if any of the Companies Act, 1956, 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 including its branch office for the Financial Year 2013-14 on a remuneration as may be fixed by the Board of Directors of the Company and that be paid, in addition, out of pocket and/or travelling expenses as may incur in carrying out their duties as such Auditors.”

**SPECIAL BUSINESS**

5. To Consider and, if thought fit, to pass, with or without modification, the following resolution as Ordinary Resolution :

“**RESOLVED THAT** the members of the company hereby accorded their approval to the re-appointment of Shri Rahul Mutha as Managing Director not liable to retire by rotation for a period of 2 years with effect from 1<sup>st</sup> April, 2013 on the remuneration and terms and conditions mentioned in the explanatory statement annexed hereto.”

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

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

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

By Order of the Board  
**For Vippy Industries Ltd.**

Dewas  
May 30<sup>th</sup> 2013

Prakash Chakrawarti  
Sr. Manager (Legal) & Company Secretary



**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company.
2. The instrument appointing proxy should be deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.
3. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, relating to special business to be transacted at the meeting is annexed hereto .
4. The register of members and share transfer books will remain closed from Monday, 23<sup>rd</sup> day of September, 2013 to Monday, 30<sup>th</sup> day of September, 2013 (both days inclusive) for the purpose of Annual General Meeting.
5. Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the meeting, so that , the answers may be made available at the meeting.
6. Members are requested to notify immediately any change of address to their Depository Participant (DPs) in respect of their electronic share accounts and to the Company's Registrar and Share Transfer Agent (RTA), M/s. Ankit Consultancy Pvt. Ltd., 60, Electronic Complex, Pardeshipura, Indore(M.P.)-452010, in respect of their physical share folio, if any.
7. The members, who are still holding the Company's equity shares in physical form and have not converted their shareholding in dematerialized form, are once again requested to convert their equity shares from physical form to dematerialized form.
8. Members/proxies who wish to attend the meeting are requested to bring the enclosed attendance slip duly filled and deliver the same at the entrance of the Meeting Hall.
9. Members are requested to bring their copies of Annual Report at the time of attending the Meeting.
10. Members who are holding Company's share in dematerialised form are requested to bring details of their DP and client ID number for identification.
11. Brief profile of Directors seeking appointment/re-appointment in ensuing Annual General Meeting are provided in the Corporate Governance Report forming part of the Annual Report.

**EXPLANATORY STATEMENT**

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

**Item No. 5**

After considering the present scenario, size and nature of operations of the Company and wide experience and knowledge of Shri Rahul Mutha in the soya extraction industry, the Remuneration Committee approved the terms, conditions including remuneration and recommended to the Board of Directors for the re-appointment of Shri Rahul Mutha as Managing Director w.e.f. 01<sup>st</sup> April, 2013 for the further a period of 2 years. Board of Directors at their meeting held on 30.03.2013 , subject to approval of members in ensuing annual general meeting ,approved his re-appointment as a Managing Director on the following terms and conditions :

- I. Basic Salary:** ` 3,50,000/- (Rupees Three Lacs Fifty Thousand) per month in the Scale of ` 3,50,000/- ` 50,000/- ` 4,00,000/- .Annual Increment of ` 50,000/- shall be payable on 1<sup>st</sup> April each year.
- II. Allowances & Perquisites:** Subject to ceiling of ` 20 Lacs/- per annum.
  - a) Electricity: Expenditure incurred by the Managing Director on Water & Electricity at residence will be provided by the company and shall be valued as per the Income Tax Rules 1962.
  - b) Leave Travel Concession: Reimbursement once in a year subject to maximum of one month's Salary.
  - c) Medical Reimbursement: Reimbursement during the year subject to a ceiling of one month's salary.
  - d) Provident Fund: Contribution to provident fund to the extent not taxable under the Income Tax Act.
  - e) Gratuity: Gratuity at the rate of half a month's salary for each completed year of service.
  - f) Club Fees: Payment of Club Fees, subject to a maximum of two clubs excluding life membership fees.
  - g) Telephone: Free Telephone and mobile facility at residence for official use.
  - h) Car with Driver: Free use of one car with driver for official use.
  - i) Personal Accident Insurance: Payment of annual premium for personal accident insurance subject to maximum of ` 25,000/- per annum.
  - j) Medical Insurance: Payment of annual premium for medical insurance for self & his family subject to maximum of ` 75,000/- per annum.



**Note:** Sitting fees will not be paid for attending meetings of the Board of Directors or Committee there of.

In accordance with section 269 and Schedule XIII of the Companies Act, 1956 and all other applicable provisions, if any, the said appointment is required to be approved by the members of the Company. Re-appointment of Shri Rahul Mutha as a Managing Director is made in compliance of provisions of section 269 read with and schedule XIII of the Companies Act, 1956 and his remuneration is within limit prescribed in the Schedule XIII of the Companies Act, 1956. Therefore approval of Central Government is not required.

The notice and explanatory statement may be treated as an abstract of the terms and conditions of appointment and remuneration payable to Shri Rahul Mutha, as required under section 302 of the Companies Act, 1956.

Shri Rahul Mutha may be deemed to be concerned or interested in the resolution relating to his respective re-appointment.

The Board of Directors recommends the said resolutions for your approval by ordinary resolution.

By Order of the Board  
**For Vippy Industries Ltd.**

Prakash Chakrawarti  
Sr. Manager (Legal) & Company Secretary

Dewas  
May 30<sup>th</sup> 2013



**DIRECTORS' REPORT**

Dear Members,

Yours Directors have the pleasure in placing before you the 39<sup>th</sup> Annual Report including the Audited Financial Statements for the year ended March 31<sup>st</sup>, 2013.

**FINANCIAL HIGHLIGHTS**

The summary of the financial highlights for the financial year ended March 31<sup>st</sup> and previous year are as follows:

( ` In Crores)

Particulars	March 31,2013	March 31,2012
<b>Income</b>		
Revenue from Operations	<b>1,225.45</b>	970.34
Other Income	<b>4.37</b>	3.49
<b>Total Revenue</b>	<b>1,229.82</b>	973.83
<b>Profit before finance costs, depreciation and amortization &amp; tax</b>	<b>26.02</b>	25.08
Finance Costs	<b>1.56</b>	1.39
Depreciation and amortization expenses	<b>4.26</b>	4.03
<b>Profit before Tax</b>	<b>20.20</b>	19.66
<b>Less: Tax Expenses</b>		
Current Tax	<b>6.92</b>	3.99
MAT Credit Entitlement	<b>(2.89)</b>	-
Wealth Tax	<b>0.0019</b>	0.0003
<b>Profit/(loss) for the period</b>	<b>16.17</b>	15.67
Earning per equity share		
Basic & Diluted	<b>1.00</b>	0.98

**OPERATIONAL PERFORMANCE**

The Company recorded a turnover of ` 1229.82 Crores during the year 2012-13 as compared to ` 973.83 Crores during the previous financial year and this represents a 26.29% increase compared to previous financial year.

The Company achieved Earning before Finance Cost, Depreciation and Tax of ` 26.02 Crores for the year 2012-13 against ` 25.08 Crores in the previous financial year and this represents a 3.75% increase compared to previous financial year. The Profit after tax of ` 16.17 Crores during the year 2012-13 against ` 15.67 Crores in the previous year and this represents a 3.19% increase compared to previous financial year.

**DIVIDEND**

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

**DIRECTORS**

Shri Rahul Mutha has been re-appointed as Managing Director for a further period of 2 years w.e.f.01.04.2013 subject to approval of Shareholders in the ensuing Annual General Meeting.

In accordance with the Article of Association of the Company and provisions of the Companies Act,1956 ,Shri Sajeve Deora and Dr. Shailendra Karnawat, Directors , will retire by rotation at the ensuing Annual General Meeting and being eligible, has offered themselves for the re-appointment as Director.

Brief profile of Directors seeking appointment/re-appointment in ensuing Annual General Meeting are provided in the Corporate Governance Report forming part of the Annual Report.

**PARTICULARS OF EMPLOYEES**

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



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

The Particulars as prescribed under sub-section 1(e) of Section 217 of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 are given in Annexure –A, forming part of this report.

**PUBLIC DEPOSITS**

The Company has not accepted any deposits from the public during the year under review.

**INSURANCE**

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

**ENVIRONMENT, POLLUTION CONTROL MEASURES & SAFETY, HEALTH**

The Company has complied with various emission standards and other environmental requirements as per pollution control norms. The Company accords highest priority to ensure safety and protection of health of its employees.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm, to the best of their knowledge and belief:

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

**CORPORATE GOVERNANCE**

A separate section on Corporate Governance is included in the Annual Report along with a Practicing Company Secretary's Certificate confirming compliance with the conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Bombay Stock Exchange Ltd. is attached with the Corporate Governance Report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A separate section on Management Discussion and Analysis Report is included in the Annual Report as required in Clause 49 of the Listing Agreement with Bombay Stock Exchange Ltd.

**PROGRESS ON REHABILITATION SCHEME SANCTIONED BY HON'BLE BIFR**

The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) declared the Company as a sick company vide its order dated 18<sup>th</sup> October, 2002 under the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and sanctioned a Rehabilitation Scheme vide its order dated 04.10.2007 with the cut off date fixed as 31st March, 2007. The Rehabilitation Scheme came into effect from the date of issue of the sanctioned scheme and its provisions are binding on all concerned.

The Scheme of rehabilitation is yet under implementation, and the Company is yet to realise the benefits as provided within the Rehabilitation Scheme as sanctioned the followings reliefs & concession, which are material to success of the aforesaid Rehabilitation Scheme:

- a) Madhya Pradesh State Industrial Development Corporation (MPSIDC) Bhopal settling the outstanding amount of term loan towards sales tax dues,
- b) Madhya Pradesh State Government towards exemption from Commercial Tax, Central Sales Tax, Value Added Tax and Entry Tax.

The matter pertaining to MPSIDC is under consideration before State Govt. of Madhya Pradesh.

With respect to relief/concessions of commercial taxes, the Company filed various Writ Petitions (during Nov. 2008 – Sept. 2012) before Hon'ble High Court of Madhya Pradesh, Indore Bench, under Article 226 of Constitution of India seeking direction to the Commercial Tax Department of M.P./State Govt. to comply and implement the relief and concessions as contained in the Rehabilitation scheme towards exemption from Commercial Tax, Central Sales Tax, Value Added Tax and Entry Tax and the same are pending before Hon'ble High Court. The Hon'ble High Court vide its order dt. 08.08.2012 passed in WP No. 6665/2012 given a direction to the State Government for taking appropriate



decision in the matter at the earliest, on the basis of the scheme sanctioned by the BIFR keeping in view the provisions contained in SICA and the matter is still pending before State Govt. of Madhya Pradesh.

**AUDITORS**

The Auditors M/s. Sodani & Co., Chartered Accountants (Firm Registration No.000880C), will retire at the ensuing Annual General Meeting. Based on the recommendation of the Audit Committee, the Board has recommended the re-appointment of M/s. Sodani & Co., as the Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting.

**COST AUDITORS**

The Board of Directors of the Company have appointed M/s. M.Goyal & Co., Cost Accountants, Jaipur,(Reg. No.000051) as Cost Auditors of the Company to conduct audit of cost accounting records of the Company for the year 2013-14 subject to approval of the Central Government.

**LISTING OF THE SHARES**

At present, the Equity Shares of Company are listed with Bombay Stock Exchange Ltd. ("BSE Ltd."). The company has paid Annual Listing fees for the year 2013-14 to Bombay Stock Exchange Ltd.

**ERP IMPLEMENTATION**

ERP is under implementation at Company's plants.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Being corporate citizen, Company believes that CSR is an integrated approach towards operating in an economically, socially and environmentally in sustainable manner. We believe that the CSR means to actively contribute to the social and economic development of the communities in which we operate & build a better, sustainable way of life for the weaker sections of society. As a part of its social responsibility and as good corporate citizen, the Company regularly engage in various programmes with a view to promote and protect a pleasant and eco-friendly atmosphere in and around the District of Dewas in state of Madhya Pradesh and to serve and contribute to the welfare of the society in general.

**Focus Areas:****Education:**

Education is another instrument of change. Thus, we are associated in various ways in promoting education among the children in and around the District of Dewas in state of Madhya Pradesh during the year under review as under.

- The Company donated books and study material and others like School uniforms, school Bags and Bicycles. Total 120 Students have been benefited.
- The school fees were paid by the Company for children of people who met with sudden natural death in year 2012-2013. Total 03 Students have been benefited.
- The Company provided financial help for higher education to the deserving students. Total 08 Students have been benefited.
- The Company has adopted Five Schools through "Friends of Tribals Society" to help for achieving the goal of imparting education & social upliftment of Tribal's children.

**Women Empowerment:**

The Company has provided training to the women to develop their skills & quality.

**Health and Awareness:**

We organized the various health awareness programmes during the year.

**Environment:**

We are committed to make a positive contribution to the protection of the environment in area in which we operate. We have complied all relevant environmental legislation and regulations in the year 2012-13. Activities of tree plantation conducted in the year 2012-13.

Considering the scarcity of natural resources, the Company continues to use solar energy for heating water for generation of steam in the boiler, installation of LED, reduce use of papers as well as possible, and continues to maintain the "Rain Water Harvesting" since last 18 years at its Factory premises at Dewas.

We are committed to the sustainable use of all resources and will minimize waste at source and recycle where possible.





**Social:**

The Company has made contribution in following areas during the year under review:

- The Company involved in the cultural activities in city of Dewas and donated to "Kumar Gandharva Prathisthan" which organized music & dance festival in memory of Padmavibhushan Pandit Kumar Gandharva at Dewas in state of Madhya Pradesh, .
- The Company established water huts at various places in Dewas City for providing drinking water during summer season.

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

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

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

**AWARDS**

- Company received Bhama Shah Puraskar from Commercial Tax Department for 3rd highest commercial tax deposit.
- Company has been awarded Food Safety System Certificate (FSSC) ISO 22000-2010 from Bureau Veritas Certification.
- Company has been awarded GMP+Feed Safety Assurance Certificate from Control Union Certifications.

**ACKNOWLEDGMENTS**

Yours Directors place on record, their appreciation for all the support extended by the government authorities, banks, soyabean growers/suppliers, customers, shareholders, and others associated with the Company. Your Directors also record their appreciation for the dedicated services rendered by all the Executive Staff and Workers of the Company at all levels for their valuable contribution in the working of the Company.

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

Dewas  
May 30<sup>th</sup> 2013

**Rahul Mutha**  
Managing Director

**Praneet Mutha**  
Executive Director



**ANNEXURE TO THE DIRECTORS' REPORT**

**ANNEXURE –A**

Information as per section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31<sup>st</sup>, 2013.

**I. CONSERVATION OF ENERGY**

- (a) Energy conservation measures taken:
- Installation of Steam condensate Recovery System in old prep section.
  - Installation of PRS in Refinery section, Low Steam Header.
  - Replaced the old traps with efficient Steam Trap in Unit-I
  - Installation of PHE (oil to oil) for heating degummed oil by refined oil from 65 to 95<sup>o</sup>c .
  - Replaced the old CHPMT pumps with High efficiency KSB pumps in SEP-III.
  - Installation of Steam control valve in Recuperation Unit in SEP-III.
  - Replaced the CFL lamp 20w to LED 7W in SEP-I.
  - Replaced the Hotwell pump 5UP3M -40HP by 15HP Wilo pump in Refinery section.
- (b) Additional investment and proposal for reduction in consumption of energy:
- To replace the tube fitting 36 W to LED Light 15W in Admin office Ground floor.
  - To install of Steam Condensate Recovery System in SEP-III.
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production.
- Installation of Steam Condensate Recovery System in old prep section saved condensate 5-6 Ton per day.
  - Installation of PRS in Refinery Section, Low Steam Header saved steam 6-7 Ton per day.
  - Replacement of the efficient Steam Trap in Unit-I saved steam 0.5-1 Ton per day.
  - Installation of PHE (oil to oil) saved steam 4 Ton per day.
  - Replacement of the old CHPMT pumps with High efficiency KSB pumps in SEP-III saved power 0.5 unit per Ton.
  - Installation of Steam control valve in Recuperation Unit in SEP-III saved steam 0.5 Ton per day.
  - Replacement of the CFL lamp 20W to LED 7W in SEP-I saved power 1.6 Unit per day.
  - Replacement of the Hotwell pump 5UP3M -40HP by 15HP Wilo pump in Refinery section saved power 15 unit per hour.

**FORM -A**

Particulars with respect to conservation of energy

Particulars	Current year 2012-13	Previous Year 2011-12
<b>A. Power &amp; Fuel Consumption</b>		
<b>1. Electricity</b>		
a. Purchased		
Units	<b>1,40,01,150</b>	1,55,35,600
Total Amt. ( ` ) (excluding cess)	<b>9,10,63,892</b>	8,71,71,248
Rate/ unit ( ` )	<b>6.50</b>	5.61
b. Own Generation		
(I) Through Diesel Generator		
Units	<b>1,17,293</b>	1,18,190
Units / liter of diesel oil ( ` )	<b>3.15</b>	3.17
Cost / Unit ( ` )	<b>15.94</b>	13.88
(ii) Through Steam Turbine /Generator		



<b>2. Coal</b>		
Quantity Consumed (in MT)	26,223	30,749
Total Cost ( ` )	12,68,87,070	15,89,06,708
Average Rate ( ` /MT)	4,839	5,168
<b>3. Furnace Oil</b>	-	-
<b>4. Others /internal generation</b>		
<b>B. Consumption per unit of production</b>		
Electricity (Unit /MT)	46.09	43.99
Furnace Oil	-	-
Coal (Kg/MT)	85.60	86.40
Others	-	-

## II. TECHNOLOGY ABSORPTION

### FORM -B

Form of disclosures of particulars with respect to absorption:

#### (A) RESEARCH & DEVELOPMENT

The Company is not carrying any R & D in special area; however company is continuously engaged in improvement of upgradation of its products.

R & D Expenditure: N.A.

#### (B) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. Efforts in brief made towards technology absorption, adoption and innovation.	N.A.
2. Benefits derived as a result of the efforts.	N.A.
3. In case of imported technology during the last 5 years.	N.A.

## III. FOREIGN EXCHANGE EARNING AND OUTGO

	Current Year	Previous Year
1. Earning ( ` ) (on FOB Basis)	2,88,39,49,753	1,22,13,00,441
2. Outgo ( ` )	60,84,182	52,81,113

For and on behalf of the Board of Directors

Dewas  
May 30<sup>th</sup> 2013

**Rahul Mutha**  
Managing Director

**Praneet Mutha**  
Executive Director



**CORPORATE GOVERNANCE REPORT**

**1. Company's Philosophy on Code of Corporate Governance**

The Company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its inter-actions with its shareholders, employees, government and lenders. The Company is committed to achieve the highest standards of corporate governance and believes that good corporate governance practice outlines the attitude and conduct of people managing the Company. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time and to ensure that:-

- i) Adequate control systems exist to enable the Board to effectively discharge its responsibilities to all stakeholders of the Company;
- ii) The decision making process is fair and transparent.

**2. Board of Directors**

In terms of the Company's Corporate Governance policy, all statutory and other significant and material information is placed before the Board to enable it to discharge its responsibilities of strategic supervision of the Company.

**Composition of the Board**

As on March 31<sup>st</sup>,2013, the Company has five Directors out of which three are Independent & Non Executive Directors and remaining two Directors are Non Independent & Executive Directors (Managing Director and Whole Time Director) .Therefore the composition of the Board is in conformity with clause 49 of the Listing Agreement entered into with Bombay Stock Exchange.

None of the Directors of the Company is a Member of more than 10 Committees or a Chairman of more than 5 committees across all the Companies in which he is a Director.

Necessary disclosure regarding committee position has been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board Meeting and at the last Annual General Meeting held during the year and the number of directorship and committee chairmanships/ memberships held by them on other companies are given below:

S. No.	Name	Category	No. of Board Meetings attended		Attend ance at last AGM	No. of Directorship in other Public Companies	No. of Committees positions held in other Public Companies	
			Held	Attended			Chairman	Member
1	Shri Rahul Mutha	Promoter -Executive	8	8	Yes	-	-	-
2	Shri Praneet Mutha	Promoter -Executive	8	8	Yes	1	-	-
3	Dr. K. Savagaon	Independent-Non Executive	8	5	Yes	-	-	-
4	Shri Sajeve Deora	Independent-Non Executive	8	4	Yes	5	3	2
5	Dr. Shailendra Karnawat	Independent-Non Executive	8	5	Yes	-	-	-

# Chairmanship /Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committee.

The company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year ended March 31<sup>st</sup>,2013 except for payment of sitting fees.



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

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri Sajeve Deora , Dr. Shailendra Karnawat , Directors, are due to retire at the forthcoming Annual General Meeting , and being eligible , has offered themselves for re-appointment. Shri Rahul Mutha has been re- appointed as Managing Director w.e.f.01.04.2013 for a further period of 2 years:

The Profile of Shri Sajeve Deora, Director is as under:

Name of Director	Shri Sajeve Deora
Date of Birth	27/12/1959
Date of Appointment	30/10/2001
Qualification	Chartered Accountant
Experience in specific functional area	He is a practicing Chartered Accountant having more than 30 years of experience in the field of negotiating, structuring and concluding change of Shareholding and Management of Business, advising compliance and obtaining approvals under Corporate and related Economic legislations, drawing commercial contracts and documents, advising and structuring entry strategy for operations of overseas businesses in India, Indian businesses at overseas locations, preparing plans driven by considerations of development and diversification / consolidation, and financial and debt restructuring (amalgamation and/ or de-merger as options) and presenting them to Board of Directors, Financial Institutions and Banks, accounting and audit of Books of Account, advising and representing in Direct taxation assessment and appellate matters, securing and renegotiating financial arrangements for existing and new projects, and issue of new capital, identifying vendors for acquiring technology and machinery and concluding arrangements.
Directorship held in other Indian public companies	5
Chairmanship/Membership of Committees of other public companies (includes only Audit Committee and Shareholders/ investors Grievance Committee)	5
Number of Shares held in the Company	NIL

The Profile of Dr. Shailendra Karnawat, Director is as under:

Name of Director	Dr. Shailendra Karnawat
Date of Birth	21/10/1960
Date of Appointment	07/02/2012
Qualification	B.Sc., M.B.B.S & M.S.(ENT)
Experience in specific functional area	He has experience in general medicine (including Paediatrics Radiology and Skin and V.D.) General Surgery (including ENT, Orthopedics, Ophthalmology) Community Medicine, Obstetrics and Gynecology. He has also working experience in JA Group of Hospitals, Gwalior & Jaslok Hospital and Research Center, Mumbai, Dr. ABR Desai's ENT Hospital Mumbai, At Al- Fateh Hospital, Al-Merj, in Libya, and Gokuldas Hospital & Research Center, Indore.



Directorship held in other Indian public companies	NIL
Chairmanship/ Membership of Committees of other public companies (includes only Audit Committee and Shareholders/ investors Grievance Committee)	NIL
Number of Shares held in the Company	30750

The Profile of Shri Rahul Mutha, Managing Director is as under:

Name of Director	Shri Rahul Mutha
Date of Birth	16/09/1965
Date of Appointment	01/02/1992
Qualification	Master of Commerce (M.Com)
Experience in specific functional area	He is Master of Commerce (M.Com) and possess vast experience in the field of Finance and Marketing. He has more than 27 years experience on Soya Extraction Industries. He is on the board of the Company since 01.02.1992.
Directorship held in other Indian public companies	NIL
Chairmanship/Membership of Committees of other public companies (includes only Audit Committee and Shareholders/ investors Grievance Committee)	NIL
Number of Shares held in the Company	10322145

#### Board Procedures

The Board meets atleast once in a quarter to review the Company's performance and results and more often, if considered necessary, to transact other business. Eight (8) Board Meetings were held during the year under review on May 26<sup>th</sup>, 2012, June 30<sup>th</sup>, 2012, August 11<sup>th</sup>, 2012, October 06<sup>th</sup>, 2012, November 10<sup>th</sup>, 2012, February 14<sup>th</sup>, 2013, March 09<sup>th</sup>, 2013 and March 30<sup>th</sup>, 2013.

The gap between two meetings did not exceed four months.

The Key information was placed before the Board of Directors to explain the directors of the affairs of the company. The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the Company, and takes steps to rectify instances of non-compliances, if any.

#### Code of Conduct

The Board had adopted a Code of Conduct for all Board of Directors and Senior Management Personnel of the Company in compliance with the requirement of Clause 49 of the Listing Agreement. The said Code of conduct is available on the website of the Company. The declaration by Managing Director of the Company regarding compliance by the Board Members and Senior Management Personnel, with the said Code of Conduct is enclosed and form part of this report.

#### 3. Audit Committee

The Company has constituted an Audit Committee in terms of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The terms of reference to the Committee covers accounting matters, financial reporting, internal controls and the matters as contained in section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

**Composition and Attendance**

The Audit Committee consists of two independent & non executive directors and one is non independent & executive director. All members of the Audit Committee are financially literate. The Chairman of the Committee is a Practicing Chartered Accountant. He has over 30 years of experience as a professional Chartered Accountant and has long and varied experience in the filed of Finance, Audit and Accounts, Company Restructuring & Amalgamation etc.. Sr. Manger (Legal) & Company Secretary acts as the Secretary to the Audit Committee.

Four meetings of the Audit Committee Meetings were held during the financial year 2012-13. The dates of the meetings are:

May 26<sup>th</sup>,2012, August 11<sup>th</sup>,2012, November 10<sup>th</sup>,2012 and February 14<sup>th</sup>,2013.

The composition of the Audit Committee as at March 31<sup>st</sup> 2013 and meetings attended by the members are as under:

Name	Position	Category	No. of Meetings during the year	
			Held	Attended
Shri Sajeve Deora	Chairman	Independent-Non Executive	4	4
Dr. K.Savagaon	Member	Independent-Non Executive	4	4
Shri Rahul Mutha	Member	Promoter-Executive	4	4

The Audit Committee Meetings are usually held at the Registered Office of the Company and usually attended by General Manager (Finance)/CFO, Asstt. General Manager (Accounts), Internal Auditor & Statutory Auditors.

The previous Annual General Meeting of the Company was held on September 29<sup>th</sup>, 2012 and all members of the Audit Committee attended the meeting.

**4. Remuneration Committee**

The Remuneration Committee considers, approves and recommends to the Board in respect of the appointment, re-appointment of managerial person coming within the purview of applicable provisions of the Companies Act, 1956.

**Composition and Attendance**

The Remuneration Committee consists of two independent & non executive directors and one is non independent & executive director. Sr. Manger (Legal) & Company Secretary acts as the Secretary to the Remuneration Committee.

One meeting of the Remuneration Committee was held during the financial year 2012-13. The date of the meeting was March 30<sup>th</sup>, 2013.

The composition of the Remuneration Committee as at March 31<sup>st</sup> 2013 and meetings attended by the members are as under:

Name	Position	Category	No. of Meetings during the year	
			Held	Attended
Dr. K.Savagaon	Chairman	Independent-Non Executive	1	1
Shri Sajeve Deora	Member	Independent-Non Executive	1	0
Shri Praneet Mutha	Member	Promoter- Executive	1	1

The Chairman of the Remuneration committee was present at the Annual General Meeting held on September 29<sup>th</sup>, 2012.

**Remuneration policy**

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

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

**Remuneration to Executive Directors**

The details of remuneration paid to Executive Directors for the year ended March 31<sup>st</sup>,2013 was as under.



Name of Director	Designation	Salary (₹)	Perquisites and other benefits (₹)	PF (₹)	Total (₹)
Shri Rahul Mutha	Managing Director	28,51,667	97,170	3,42,200	32,91,037
Shri Praneet Mutha	Executive Director	24,00,000	-	2,88,000	26,88,000

**Remuneration paid to Non Executive Directors**

The Non Executive Directors are paid remuneration by way of sitting fees for attending the meeting of Board of Directors. The Sitting Fees not to exceed limit prescribed under the Companies Act, 1956. There are no other pecuniary relationship or transactions of non executive directors vis-a vis the Company.

**Criteria of Making Payments to Non –Executive Directors**

The criteria of making payments to non executive directors is as under:

- Number of Board meetings attended by such Directors.

**Number of shares held by Non-Executive Directors as on March 31<sup>st</sup>, 2013**

Name	No. of shares held	% to total shares
Dr. K.Savagaon	750	0.00
Shri Sajeve Deora	Nil	Nil
Dr. Shailendra Karnawat	30750	0.02

**5. Shareholders / Investors Grievance Committee**

The Shareholders/Investor Grievance Committee looks into redressal of Shareholders / Investors complaints, if any, on transfer of shares, non receipt of annual report, non receipt of dividends and demat of shares etc. and also the action taken by the Company on those 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.

**Composition and Attendance**

The Shareholders/Investor Grievance Committee consists of one independent & non executive director and one is non independent & executive director.

Four meetings of the Shareholders/Investors Grievance Committee Meetings were held during the financial year 2012-13. The dates of the meetings are:

May 26<sup>th</sup>, 2012, August 11<sup>th</sup>, 2012, November 10<sup>th</sup>, 2012 and February 14<sup>th</sup>, 2013.

The composition of the Shareholders/Investor Grievance Committee as at March 31<sup>st</sup> 2013 and meetings attended by the members are as under:

Name	Position	Category	No. of Meetings during the year	
			Held	Attended
Dr. K.Savagaon	Chairman	Independent -Non Executive	4	4
Shri Rahul Mutha	Member	Promoter -Executive	4	4

Name and contact details

of Compliance Officer : Shri Prakash Chakrawarti  
Sr. Manager (Legal) & Company Secretary

Registered Office/Corporate Office : Vippy Industries Ltd.  
28, Industrial Area, A.B. Road, Dewas(M.P.)-455001

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





**Status of Redressal of Investors Grievances /complaints from 01.04.2012 to 31.03.2013**

Opening Balance	Received	Redressed	Closing Balance
0	18	18	0

There is no grievances / complaints received from shareholders remaining unresolved except disputed as every efforts are maintained to immediately redress investors grievances / complaints without loss of time. The number of pending share transfer requests as on March 31<sup>st</sup>, 2013 is Nil.

**6. General Body Meeting**

a) Annual General Meeting

The date, time and venue of the last three Annual General Meeting and special resolutions passed at the meetings are given below:

Annual General Meeting (AGM)	Year	Date	Time	Venue	No. of Special Resolution
38 <sup>th</sup> AGM	2011-12	29 <sup>th</sup> September, 2012	2.00 p.m.	Registered Office-28, Industrial Area, A.B. Road, Dewas (M.P.)-455001	NIL
37 <sup>th</sup> AGM	2010-11	30 <sup>th</sup> , September, 2011	2.00 p.m.	Registered Office-28, Industrial Area, A.B. Road, Dewas (M.P.)-455001	NIL
36 <sup>th</sup> AGM	2009-10	30 <sup>th</sup> , September, 2010	2.00 p.m.	Registered Office-28, Industrial Area, A.B. Road, Dewas (M.P.)-455001	NIL

b) Postal Ballot

There was no special resolution passed during the year through postal ballot. At present, there is no proposal for passing any special resolution through postal ballot.

**7. Disclosures**

- There are no materially significant related party transactions with related parties that may have potential conflict with the interest of the Company at large. Related Party Transactions have been included in the Notes to the Financial Statements of Annual Accounts of the Company for the year ended March, 31<sup>st</sup>, 2013.
- Company has Risk Assessment and Minimization Procedures, which are reviewed by the Board periodically.
- There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years. Hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority.
- The Company does not have any Whistle Blower Policy. However no personnel has been denied to access to the audit committee.
- The Company complies with all the mandatory requirements and one non mandatory requirement of Clause 49 of the Listing Agreement viz. Constitution of Remuneration Committee of Directors.
- A qualified Company Secretary in practice carried out Reconciliation of Share Capital 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. The audit confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**8. Insider Trading**

The Company had adopted a code of conduct for Prevention of Insider Trading in accordance with guidelines specified under the SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all Directors /Officers/designated employees who are expected to have access to unpublished price sensitive information relating to the Company.



## 9. Means of Communication

Quarterly, Half Yearly and Annual Results are sent to the stock exchange immediately after they are approved by the Board and are published in English (Pioneer) and Hindi (Swadesh) Newspapers within 48 hours of conclusion of the Board Meeting and also are displayed on the Company's website viz. www.vippysoya.com.

The Company's website www.vippysoya.com contains a separate dedicated section 'Investor Relations' where shareholders information is available. Annual Report is the main channel of communication to the shareholders includes inter-alia, the Directors' Report, the Auditors' Report, Corporate Governance Report, Audited Financial Statements and other important information, which is also available on the website in a user-friendly and downloadable form.

The following e-mail ID of the Compliance officer has been designated exclusively for registering complaints of the investors.

investor\_relations@vippysoya.com

The investors may send their grievance to the said e-mail address. The investors may also send their grievance to the e-mail address of the Company's Registrar and Share Transfer Agents, Ankit Consultancy Pvt. Ltd., as under:-  
ankit\_4321@yahoo.com

No presentation was made to the Institutional Investors or to the Analysts during the year 2012-2013.

Management Discussion and Analysis Report forms part of this Annual Report. All matters pertaining to industry structure and developments, opportunities and threats, segment wise performance, future outlook, risk and concerns, internal control system etc. are discussed in the said report.

### SEBI Complaints Redress System (Scores):

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

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

## 10. General Shareholders Information

<b>i)</b>	<b>Annual General Meeting</b>	
	Day	Monday
	Date	30 <sup>th</sup> day of September, 2013
	Time	2.00 p.m.
	Venue	Registered Office-28, Industrial Area, A.B. Road, Dewas-455001 (M.P.)
<b>ii)</b>	<b>Financial Calendar for F. Y. 2013-14</b>	
	1 <sup>st</sup> Quarterly Results	on or before 14 <sup>th</sup> August, 2013
	2 <sup>nd</sup> Quarterly Results	on or before 14 <sup>th</sup> November, 2013
	3 <sup>rd</sup> Quarterly Results	on or before 14 <sup>th</sup> February, 2014
	4 <sup>th</sup> Quarterly Results and Annual Audited Results	on or before 30 <sup>th</sup> May, 2014
<b>iii)</b>	<b>Date of Book Closure</b>	Monday, 23 <sup>rd</sup> day of September, 2013 to Monday, 30 <sup>th</sup> day of September, 2013 (both days inclusive)
<b>iv)</b>	<b>Dividend Payment Date</b>	Not applicable
<b>v)</b>	<b>Listing of Securities on the Stock Exchanges</b>	Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai -400051
<b>vi)</b>	<b>Stock Code</b>	Script Code: 519039 Scrip ID : VIPPY
<b>vii)</b>	<b>ISIN Number</b>	INE187E01027



**viii) Market Price Data**

The monthly high and low quotation of shares of the company at the Bombay Stock Exchange Ltd., Mumbai during the financial year 2012-13 are given below:

Month	High(₹)	Low(₹)
April,2012	6.57	5.26
May,2012	7.38	5.62
June,2012	7.71	5.15
July,2012	7.64	6.33
August,2012	6.82	5.14
September,2012	10.81	6.36
October ,2012	10.00	7.57
November,2012	8.08	6.72
December,2012	8.29	6.40
January,2013	9.02	6.41
February,2013	8.25	5.70
March,2013	7.68	4.15

**ix) Distribution of Shareholding as on March 31<sup>st</sup>, 2013 (including Demat)**

	No. of Shareholders	% of Shareholders	No. of Share held	% of Shareholding
Upto 1000	13013	96.04	2449244	1.53
1001-2000	283	2.09	402314	0.25
2001-3000	81	0.60	200467	0.12
3001-4000	22	0.16	76772	0.05
4001-5000	25	0.19	115164	0.07
5001-10000	59	0.44	407644	0.25
10001-20000	21	0.15	280541	0.17
20001- 30000	8	0.06	187003	0.12
30001-40000	8	0.06	278365	0.17
40001-50000	2	0.01	97567	0.06
50001-100000	6	0.04	419687	0.26
100001& Above	22	0.16	155662828	96.94
<b>TOTAL</b>	<b>13550</b>	<b>100</b>	<b>16,05,77,596</b>	<b>100</b>

**x) Shareholding Pattern of the Company as on March 31<sup>st</sup>,2013 (including Demat)**

	Category of Holders	No. of Shares	% of Total Shares
a)	Promoters	153674984	95.70
b)	Mutual Funds/UTI	115665	0.07
c)	Financial Institutions/Banks/Insurance Companies	1007721	0.63
d)	Foreign Institutional Investors	7700	0.01
e)	Corporate Bodies	665429	0.41
f)	Residential Individuals	4861046	3.03
g)	NRIs & OCBs	243751	0.15
h)	Any others(Clearing Members)	1300	0.00
	<b>Total</b>	<b>160577596</b>	<b>100</b>



**xi) Minimum Public Shareholding**

As per Clause 40A of the Listing Agreement read with amended rule 19(2) (b) and rule 19A of the Securities Contracts (Regulation) Rules, 1957(SCR), Listed Company is required to maintain minimum Public Shareholding of not less than 25% of the total number Shares by June 3<sup>rd</sup>, 2013. The Public Shareholding in your company is low (i.e. 4.30%) on account of Equity Shares issued to promoters in term of Rehabilitation Scheme of the Company sanctioned by Hon'ble BIFR vide its order dt. 4.10.2007 and the Rehabilitation Scheme is still under implementation as the reliefs and concession provided for under the said scheme as sanctioned by the Hon'ble BIFR have not been made available to the Company in their entirety.

The Company was called upon by SEBI to submit details /status on compliance with the requirement of minimum of 25% public shareholding vide its email dt. 01.02.2013 followed by personal meeting on 07.02.2013. The Company has submitted all details as required by SEBI and also attended the personal meeting with SEBI's office at Mumbai followed by various emails and letter for seeking clarification from requirement of minimum public shareholding. Further Company was called upon by SEBI vide its notice dt. 15.04.2013, and by Regional Office of SEBI situated at Ahmedabad vide its letter dt. 23.04.2013 followed by personal meeting on 08.05.2013 to effect compliance with the requirement of minimum of 25% public shareholding. The Company has given the reply of the aforesaid notice & letter, and also attended the personal meeting at Regional Office of SEBI which was followed up by another letter of the Company dated 10.05.2013 addressed to regional office of SEBI, which was in response to certain queries raised by the SEBI in their meeting held at Regional Office.

The Company not having received any letter/clarification, of its replies or emails/letters, filed a Miscellaneous Application registered vide no. 297/2013 dated 29.05.2013 under section 18(5) read with 18(12) of SICA before Hon'ble for seeking the directions to the SEBI for adhering to the convents of the sanctioned rehabilitation scheme and for seeking clarification and or directions against SEBI on the issue of maintain 25% of public shareholding in the equity share capital of the company.

**xii) 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..

**xiii) Share Transfer System**

Share Transfer in physical form can be lodged with company's registered office and Registrars & Share Transfer Agents at the above mentioned address.

The transfers are normally processed within 15 days from the date of receipt, if the documents are complete in all respects.

Shri Sushil Choudhary, Secretarial Officer of the Company empowered to approve the share transfer and its related process/procedures/activities etc., who attend to share transfer formalities at least once in a fortnight. Detail of transfer of shares of the company are placed at every meeting of shareholders/ Investors Grievance Committee.

**xiv) Dematerialization of Shares and Liquidity**

The Company's equity shares are available for dematerialization on both the depositories i.e. National Securities Depository of India Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company's Scrip is INE187E01027. The details of shares under dematerialized and physical mode as on March 31<sup>st</sup>, 2013 are as under:

Particulars	No. of Equity Shares	% of the Total Equity Shares
National Securities Depository Ltd.(NSDL)	1998834	1.24
Central Depository Services (India) Ltd.( CDSL)	155158452	96.63
Total Dematerialized	157157286	97.87
Physical	3420310	2.13
Total	160577596	100



**xv) Outstanding Securities**

There are no outstanding ADRs/GDRs/Warrants or any convertible instruments at the end March 31<sup>st</sup>, 2013.

**xvi) C.E.O/C.F.O. Certification**

The required certificate under clause 49(V) of the listing agreement signed by the Managing Director and the Chief Financial Officer is attached with this report.

**xvii) Plant Location**

28, 29 & 30, Industrial Area,  
A.B Road, Dewas-455 001 (M.P.)

**xviii) Address for correspondence**

28, Industrial Area, A.B Road, Dewas-455 001 (M.P.)  
Phone Nos.: 07272-258545 / 258546  
Fax No. 07272-258552  
website : [www.vippysoya.com](http://www.vippysoya.com)  
Email: [admin@vippysoya.com](mailto:admin@vippysoya.com)

**ix) Nomination:**

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.



**CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of Vippy Industries Ltd.

We have examined the compliance of conditions of Corporate Governance by Vippy Industries Ltd. for the year ended 31<sup>st</sup> March 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd..

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

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

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

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

For **Shilpesh Dalal & Co.,**  
Company Secretary

**SHILPESH DALAL**  
(Proprietor)  
Indore  
May 25<sup>th</sup>, 2013



**Certificate by CEO and CFO of the Company**

To,  
**The Board of Directors**  
**Vippy Industries Ltd.**

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Vippy Industries Ltd. ("the Company"), to the best of our knowledge and belief certify that :

1. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2013 and to best of our knowledge and belief, we state that:
  - a. these statement do not contain any materially untrue statement or omit to state a material fact or contains statement that might be misleading;
  - b. these statement together present a true & fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate the Company's code of conduct.
3. We are responsible 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.
4. We have indicated, based on our most recent evolution, wherever applicable, the auditors and the audit committee:
  - (i) Significant changes, if any, in the internal control over financial reporting during the year;
  - (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Dewas  
May 30<sup>th</sup>, 2013

**Rahul Mutha**  
**Managing Director**

**V.K. Mittal**  
**General Manager (Finance)/ CFO**

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

As per the requirements of clause 49 (I) (D) (ii) of the Listing Agreement, I hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2013.

Dewas  
May 30<sup>th</sup> 2013

**Rahul Mutha**  
**Managing Director**

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

Global economic prospects have improved again but the road to recovery in the advanced economies will remain bumpy. World output growth is forecast to reach 3¼ percent in 2013 and 4 percent in 2014. In advanced economies, activity is expected to gradually accelerate, starting in the second half of 2013. Private demand appears increasingly robust in the United States but still very sluggish in the euro area. In emerging market and developing economies, activity has already picked up steam.

The Indian Economy has experienced its worst slowdown in a decade & the year 2012-13 was challenging year for the economy. The things were bad, but they were not so bad for India Inc. Indian business is now slowly taking a turn for better. A Government trying hard to revive the Economy, moderating inflation, and softening interest rates. Only China and Indonesia are growing faster than India in 2012-13. And in 2013-14, if India grow at the rate projected by many forecasters, only China will grow faster than India in the world. India, only next to China in attracting investments, provides exciting opportunities to people willing to start new business. India, a BRIC nation, has been considered a one of the most favourable countries for doing business in the world at present. Ample manpower, cost competitiveness apart from other factors have led many corporates to Indian shores to do business. The Indian Economy likely to grow at 6.1% to 6.7% in the year 2013-14 from 5% in the previous year 2012-13 as per the Economic Survey of Govt. of India.

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

India is the world's fourth largest edible oil economy, after USA, China and Brazil. India, the world's biggest vegetable oil importer after China, buys almost half of its annual consumption, including palm oil from Malaysia and Indonesia and soya oil from Brazil and Argentina, olive oil from Spain, Italy, Turkey and Greece. According to the Industry estimates, the consumption of edible oil expected to increase from the current level to over 21 Million MT by the year 2015. Due to lower domestic supply, the import of edible oil will rise to meet the demand supply gap.

Indian soybean extractions has a high profat (protein & fats) content (49% - 50% ) as compared to a (44-48%) profat content of China and American countries and is very well accepted in the international market. Japan, South East Asia (Vietnam, Thailand, Indonesia, Philippines, Singapore, Malaysia, Cambodia, Myanmar), Taiwan, China, South Korea & Middle East countries are major markets for Indian soybean meal. Solvent-extracted soybean meal is major part of the total oil meals export from India.

The main business of the Company is processing of soya seeds and refining of soya oil for edible propose. The company also produces Lecithin, Soya Meal and Soya Flour, Soya TVP, & varieties of Soya products.

**OPPORTUNITY AND THREATS****Opportunities**

The edible Oil companies in India presents a significant growth opportunity due to a growing population, income growth, low current per capita consumption and better lifestyle choices and the fact that edible oils are a necessary part of the daily diet for a majority of Indian consumers. India accounts for a major part of global edible oil demand, which has grown over the years but the Indian oilseed crop has historically been insufficient to match oil demand. Per Capita consumption of edible oils in the country as compared to world has been increased since 2007-08.

Soyabeans are truly a nutritional superpower. Due to this soya use is getting acceptance in the country as well as in the world in form of textured vegetable protein due to its nutritional properties and the many food manufacturers are used soy protein as a versatile food ingredient in various products that greatly enhance the value of finished foods. The soya proteins are using in different food products, the uses are follows:

1. Soy protein is used in the manufacturing of breads, cookies, crackers and other baked goods, as an ingredient in hot cereal mixes and breakfast bars to boost protein value and quantity.
2. Processed and whole meat products adding soy protein, which provides the product flexibility and cost stability consumers demand.
3. Adding soy protein to meat and poultry products for moisture holding, texture, binding and cohesion, product yield, juiciness, protein quality, appetizing colour and appearance, longer shelf-life, palatability and total nutrition.
4. A number of dairy products are developed with soy protein, including imitation milk, imitation cheese, non-dairy frozen desserts, coffee whiteners, yogurt and others.

Soya is also used as ingredient for non-food products such as candle wax and biodiesel.

Another advantage to Indian soya meal is that Indian soya meal being processed from Non Genetically Modified soya seed in the world.





There is a lot of potential and opportunity for food companies in Indian market because of growing population to feed, younger demographics, better lifestyle choices, increasing health consciousness among the people and increased purchasing power.

India Meteorological Department (IMD) forecasts for the 2013 that Southwest monsoon seasonal rainfall for the country as a whole is most likely to be Normal that is good shine for corps of soyabean in coming Kharif Crops season.

#### **Threats**

Our business sector is vulnerable to certain external factors that are often nature(monsoon) related or driven by international developments. The prices of the soyabean continue to be linked to both domestic and international prices and the price of finished products manufactured by the Company fluctuate widely due to national & international factors.

Domestic availability of soyabean seeds, Government policies, fluctuation in fuel price, International crops of soyabean, demand supply gap and instability in foreign exchange rate may affect the business of the company.

The main threats to the Company are inadequate water supply, insufficient power supply in plants of the Company which are situated in Dewas, State of Madhya Pradesh.

#### **SEGMENT WISE PERFORMANCE**

The Company is operating in one segment only; hence segment wise reporting is not applicable.

#### **FUTURE OUTLOOK**

The demand of soya oil is continuously increasing in India due to high growth in income levels, increasing trend in spending and better living standards. The Demand of soya value added products is continuously increasing in food industry speedily.

The consumption of edible oil in packaged form given tremendous business opportunities to expand business volume in retail segment. Your company, significantly strengthening business process for quality, scalability, sustainability and visibility in the area of branded products. Your company is expanding its distribution channels across the country, broad base its products range and invest in brand position/promotion programs to achieve the objective.

The Indian soya meal being processed from Non Genetically Modified (Non GMO) soya seed, gives a value advantage in India as well rest of the World. Your company is continuously striving and shuffling its products mix to establish itself as a producer of Non- GMO soya value added products not only in the India but in the global area, the company strategically transforming itself to be recognized name in soya products and show its presence in Indian Market as well as International Market.

#### **RISK AND CONCERN**

The main areas of concerns are:

1. The global economic uncertainties
2. The volatility in soyabean prices
3. Government polices play an important role in the business of the Company. The policies announced by the Government have been progressive and are expected to remain likewise in future, and have generally taken an equitable view towards stakeholders, including domestic farmers, industry, consumers etc.
4. Domestic availability of soya seeds depends upon weather and monsoon conditions.
5. Uncertainties in international fuel/crude prices is continue to be an area of concern as fuel is widely used in manufacturing and distribution operations and has a direct impact on total costs.

The company has risk management policy to identify the nature and magnitude of risk associated with the Company and to take steps for mitigating the impact of such risks. These are reviewed periodically and placed before the Board.

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

The Company has an adequate internal control systems to ensure protection of assets against loss from unauthorized use or disposal, proper maintain of accounting records and adherence to Company's Policies and procedures. The Company has an Internal Audit System which commensurate with its size and nature of its business. Reports of the Internal Auditor are reviewed by the senior management and are also placed before the Audit Committee of the Directors.



**FINANCIAL ANALYSIS**

(` In Crores)

Particulars	2012-13	2011-12	Growth(%)
Total Revenue	1229.82	973.83	26.29%
Total Expenses	1203.80	948.75	26.88%
Profit before Financial Costs, Depreciation and Amortization & Tax	26.02	25.08	3.75%
Less: Financial Costs	1.56	1.39	12.23%
Less: Depreciation and Amortization	4.26	4.03	5.71 %
Profit before Tax	20.20	19.66	2.75%
Less: Tax Expenses	4.03	3.99	1.00%
Profit after Tax	16.17	15.67	3.19%

The Company recorded a turnover of ` 1229.82 Crores during the year 2012-13 as compared to ` 973.83 Crores during the previous financial year and this represents a 26.29 % increase compared to previous financial year. The Company achieved Earning before Finance Costs, Depreciation and Tax of ` 26.02 Crores for the year 2012-13 against ` 25.08 Crores in the previous financial year and this represents a 3.75% increase compared to previous financial year. The Profit after tax of ` 16.17 Crores during the year 2012-13 against ` 15.67 Crores in the previous year and this represents a 3.19% increase compared to previous financial year.

**DEVELOPMENT IN HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

The Company's Human Resource policies and strategies seek to ensure a high level of motivation among employees so that they play a significant role in achieving the Company's goals. The Individual Performance Management Systems adopted by the Company is continuously strengthened to ensure that employee appraisals are transparent and aligned to corporate goals. Roles and responsibilities are clearly defined at all levels. A performance based compensation policy to enable the employees to develop a sense of ownership with the organization. Company recognizes the importance of the providing training and development opportunities to its employees to enhance their skills and experience, which in turn enables the Company to achieve its business objectives. The Company conducts/arrange training programme time to time for employees of the company to enable them up -gradation of their skill.

The Company accords highest priority to ensure safety and protection of health of its employees. The Company believes that safety and health are essential to, and form an integral part of, every HR development Endeavour. Industrial Relations remained cordial, peaceful and healthy with the employees.

**CAUTIONARY STATEMENT**

Statements in the "Management Discussion and Analysis" describing the company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include, among others, economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which your Company operates, changes in the govt. regulations, tax laws and other statutes and incidental factors.



**INDEPENDENT AUDITOR'S REPORT TO THE  
MEMBERS OF VIPPY INDUSTRIES LTD.**

**Report on the Financial Statements**

We have audited the accompanying financial statements of VIPPY INDUSTRIES LIMITED, ("the Company") which comprises the Balance Sheet as at March 31, 2013 the statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluation 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 unqualified audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of Balance Sheet, of the State of affairs of the Company as at March 31, 2013;
- (ii) In the case of the Statement of Profit and Loss Account, of the Profit for the year ended on that date, and
- (iii) In the case of the Cash Flow Statement, of Cash Flow for the year ended on that date

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) (Amendment) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that;
  - I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - II. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books of the Company;
  - III. The Balance Sheet, the Statement of Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - IV. In our opinion, the Balance Sheet, the Statement of Profit and Loss Account and the Cash Flow Statements dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
  - V. On the basis of written representations received from the Directors as on March 31, 2013 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



**VIPPY INDUSTRIES LTD.**  
*An ISO 9001:2008 Certified Company*

*39<sup>th</sup> Annual Report & Accounts 2012-13*

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**For SODANI & COMPANY**  
Chartered Accountants  
(Regd No.: 000880C)

Place : Dewas  
Date : 30.05.2013

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



**ANNEXURE TO THE DRAFT AUDITOR'S REPORT  
(REFERRED TO IN OUR REPORT OF EVEN DATE)**

- (i) In respect to Fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As explained to us, the assets have been physically verified by the management during the year in accordance with a phased program of verification, which in our opinion is reasonable, considering size and the nature of the Company. The frequency of verification is reasonable and no material discrepancies have been noticed on such verification.
  - c) The Company has not disposed off any substantial part of fixed assets during the year.
- (ii) In respect of inventory:
  - a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventory and the discrepancies noticed between the physical stocks and book records, wherever physical verification have been conducted, adjusted to material consumption account at the year end. No material discrepancies were noticed on physical verification.
- (iii) As informed to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firm or other parties listed in the register ,maintained under section 301 of the Companies Act, 1956 and as such clauses 4 (iii) (a) to (g) of the Order are not applicable ."
- (iv) There are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls systems.
- (v) In respect of the contracts or arrangement referred to in Section 301 of the Companies Act, 1956:
  - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - b) In our opinion and according to the information and explanations given to us, there is no transaction made in pursuance of contracts or arrangements, that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000 during the year as per information available with the company.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Hence, the compliance with the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011, prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.
- (ix) a) According to the information and explanations given to us and the records examined by us, the Company have been generally regularly in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31<sup>st</sup> March, 2013 for a period of more than six month from the date they became payable.
  - b) According to the records of the Company, outstanding dues of sales tax, income tax, custom duty, excise duty and cess on the account of any dispute are as follows



Forum where disputes is pending	Name of the Statute	Nature of the dues	Amount Outstanding as on 31.03.13	Period to which the amount relates
Appellate Board Bhopal	MPCT Act	Commercial Tax	20,74,135/-	2002-03
	CST Act	Central Sales Tax	25,35,257/-	2002-03
	Entry Tax Act	Entry Tax	5,209/-	2002-03
Appellate Board, Bhopal	Entry Tax Act	Entry Tax	2,01,823/-	2006-07
Additional Commissioner Indore	MPCST Act	Commercial Tax	5,50,870/-	2003-04
	CST Act	Central Sales Tax	20,98,810/-	2003-04
Assessing Officer Dewas	MPCT ACT	Commercial Tax	1,66,917/-	2005-06
	CST Act	Central Sales Tax	2,08,23,391/-	2005-06/2008-09 2009-10
	Entry Tax Act	Entry Tax	3,20,80,296/-	2005-06/2007-08 2008-09/2009-10
Writ Petition pending before the Hon'ble High Court Jabalpur/Indore	VAT Act	Vat Tax	3,64,69,929/-	2008-09/2009-10
	MPCT Act	Purchase Tax	3,02,06,909/-	2004-05/2005-06
	Entry Tax Act	Entry Tax	2,14,95,748/-	2007-08
Commissioner of Income Tax (Appeal)	Income Tax Act	U/S 143(3) of the Income Tax Act 1961	28,96,406/-	2005-06
H'ble Income Tax Appellate Tribunal, Indore	Income Tax Act	Deemed Dividend U/S 2(22)(e)	1,29,81,002/-	2008-09
Commissioner of Income Tax (Appeal)	Income tax Act	U/S 143(3) of the Income Tax Act 1961	1,08,27,926/-	2009-10

- (x) The Company has no accumulated losses at the end of the Financial Year ended March 31, 2013 and it has not incurred Cash losses in the current Financial Year and immediately preceding Financial Year.
- (xi) Based on our audit procedures and the explanations given to us, we are of opinion that during the year company has not defaulted in repayment of its dues to a Financial Institutions.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society. Accordingly, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of dealing in shares, securities and other investments and timely entries have been made therein. All shares and other securities have been held by the Company in its own name, except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable to the Company.
- (xvi) According to the information and explanation given to us, the Company has not obtained any term loan during the year from Bank and Financial Institutions. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable to the Company.
- (xvii) According to the information and explanation given to us and on examination of the books of accounts of the Company, we report that no funds raised on short term basis have been used for long term investment by the Company and vice versa.
- (xviii) The Company has not made any preferential allotment of shares to the parties and companies listed in the register maintained under section 301 of the companies Act, 1956 during the year. Accordingly, the provision of clause 4(xviii) of the Order not applicable to the company.



- (xix) The Company has not issued any debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- (xx) The Company has not raised any money through public issue during the year. Accordingly the provisions of the clause 4 (xx) of the Order are not applicable to the Company.
- (xxi) According to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the course of our audit, which causes the financial statements to be materially misstated.

**For SODANI & COMPANY**

Chartered Accountants

(Regd No. :-000880C)

Place: Dewas

Date : 30.05.2013

Rajesh Sodani

(Partner)

M.No.F-77005



**BALANCE SHEET AS AT 31.03.2013**

Particulars	Note no	Figures as at the end of current reporting period 31.03.13 (`)	Figures as at the end of previous reporting period 31.03.12 (`)
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholders' funds :</b>			
(a) Share capital	3	16,05,77,596	16,05,77,596
(b) Reserves & Surplus	4	96,33,79,945	84,22,53,106
		<u>1,12,39,57,541</u>	<u>1,00,28,30,702</u>
<b>(2) Share application money pending allotment</b>		<b>0</b>	<b>0</b>
<b>(3) Non -Current Liabilities</b>			
(a) Long -term borrowings	5	2,18,90,966	2,07,59,258
(b) other Long term liabilities		25,00,000	25,00,000
<b>Total non current Liabilities</b>		<u>2,43,90,966</u>	<u>2,32,59,258</u>
<b>(4) Current Liabilities</b>			
(a) Short -term borrowings	6	9,60,31,151	33,15,28,467
(b) Trade payable	7	11,70,42,809	12,35,78,566
(c) Other current liabilities	7	1,08,75,458	1,82,34,957
(d) Short term provisions	7	24,60,14,345	20,09,32,927
<b>Total current Liabilities</b>		<u>46,99,63,762</u>	<u>67,42,74,918</u>
<b>TOTAL</b>		<u>1,61,83,12,270</u>	<u>1,70,03,64,878</u>
<b>II.ASSETS</b>			
<b>1. Non- Current Assets</b>			
(a) Fixed assets			
(i) Tangible Assets	8		
<b>Gross Block</b>		<b>1,65,61,44,166</b>	<b>1,62,29,67,738</b>
Less:Depreciation		<b>1,13,34,74,896</b>	<b>1,05,03,74,521</b>
<b>Net Block</b>		<u><b>52,26,69,270</b></u>	<u><b>57,25,93,217</b></u>
(ii) In tangible Assets		<b>0</b>	<b>0</b>
(iii)Capital Work-in-Progress		<b>34,57,718</b>	<b>30,82,374</b>
(iv)Intangible assets under development		<b>0</b>	<b>0</b>
		<u><b>52,61,26,988</b></u>	<u><b>57,56,75,591</b></u>
(b) Non-Current Investment	9	22,60,000	22,60,000
(c) Deferred tax assets (net)		<b>0</b>	<b>0</b>
(d) Long Term Loans and advances	9	89,64,778	69,54,529
(e) Other non -current assets	9	85,95,390	1,91,67,213
<b>Total non current Assets</b>		<u><b>54,59,47,156</b></u>	<u><b>60,40,57,332</b></u>
<b>2. Current Assets</b>			
(a) Current Investments		<b>0</b>	<b>0</b>
(b) Inventories	10	39,66,55,875	48,75,59,923
(c) Trade Receivables	11	21,17,39,693	14,88,60,694
(d) Cash and cash equivalents	12	41,31,40,452	43,71,00,654





(e) Short term loans and advances	13	<b>5,08,29,094</b>	2,27,86,276
(f) Other current assets		<b>0</b>	<b>0</b>
<b>Total current Assets</b>		<b><u>1,07,23,65,114</u></b>	<b><u>1,09,63,07,546</u></b>
	<b>TOTAL</b>	<b><u>1,61,83,12,270</u></b>	<b><u>1,70,03,64,878</u></b>

Significant Accounting Policies  
Notes on Financial Statements 1 to 34

As per our report of even date

For and on behalf of the Board of Directors

**For Sodani & Company**  
Chartered Accountants

**V. K. Mittal**  
General Manager Finance/CFO

**Rahul Mutha**  
Managing Director

**Sajeve Deora**  
Director

**Rajesh Sodani**  
Partner  
M.NO.F-77005

**Prakash Chakrawarti**  
Sr. Manager (Legal) & Company Secretary

**Praneet Mutha**  
Executive Director

Place: Dewas  
Dated:30.05.2013



**STATEMENT OF PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD FROM 01.04.2012 TO 31.03.2013**

Particulars	Note no	Figures as at the end of current reporting period 31.03.13 (`)	Figures as at the end of previous reporting period 31.03.12 (`)
I.. Revenue from operations	14	12,25,45,11,426	9,70,34,45,926
II.. Other Income	14	4,37,34,127	3,49,15,986
<b>III. Total Revenue( I+II)</b>		<u>12,29,82,45,553</u>	<u>9,73,83,61,912</u>
<b>IV. EXPENSES :</b>			
Cost of Materials consumed	15	9,86,52,92,172	8,53,16,82,623
Purchase of Stock in Trade		1,28,67,53,172	16,63,19,072
Changes in inventories of finished goods, work-in-progress and stock in trade.	16	5,85,39,955 0	(2,59,12,352) 0
Employees Benefit Expenses	17	7,45,80,591	6,49,88,574
Financial costs	18	1,56,47,049	1,38,65,869
Depreciation and amortization expenses	8	4,26,43,984	4,02,94,975
Other expenses	19	75,27,77,782	75,04,32,478
<b>Total expenses</b>		<u>12,09,62,34,704</u>	<u>9,54,16,71,239</u>
V. Profit before tax. (III-IV)		20,20,10,849	19,66,90,673
VI Tax expenses			
1. Current tax		6,91,89,000	3,99,46,965
1. MAT Credit entitlement		(2,88,51,000)	0
2. Wealth Tax		19,000	3,035
VII. Profit(loss) for the period (V-VI)		16,16,53,849	15,67,40,673
VIII. Earning per equity share (1) Basic & Diluted		1.00	0.98

Significant Accounting Policies  
Notes on Financial Statements

1 to 34

As per our report of even date

For and on behalf of the Board of Directors

**For Sodani & Company**  
Chartered Accountants

**V. K. Mittal**  
General Manager Finance/CFO

**Rahul Mutha**  
Managing Director

**Sajeve Deora**  
Director

**Rajesh Sodani**  
Partner  
M.NO.F-77005

**Prakash Chakrawarti**  
Sr. Manager (Legal) & Company Secretary

**Praneet Mutha**  
Executive Director

Dewas  
Dated:30.05.2013

**CASH FLOW STATEMENT**

<b>DESCRIPTION</b>	<b>FOR THE YEAR ENDED March.2013 ( )</b>	<b>FOR THE YEAR ENDED March.2012 ( )</b>
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(loss) before tax & extraordinary items	<b>20,20,10,849</b>	19,66,90,673
Adjustment for :		
Depreciation	<b>4,26,43,984</b>	4,02,94,975
Dividend (received)/ Paid	<b>(2,000)</b>	(15,74,650)
Loss/(Profit) on sale of fixed assets	<b>34,100</b>	0
Operating profit before working capital changes	<b>24,46,86,933</b>	23,54,10,998
<b>LESS :-</b>		
Increase/(Decrease) in Inventory	<b>(9,09,04,048)</b>	84,61,136
Increase/(Decrease) in Debtors, Loans - Advances & Non current assets	<b>8,23,60,243</b>	29,53,051
Decrease/(Increase) in Current Liabilities	<b>24,46,68,156</b>	2,38,45,953
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>85,28,482</b>	20,01,50,858
<b>(B) CASH FLOW ARISING FROM INVESTING ACTIVITY</b>		
Acquisition of fixed assets	<b>(3,37,86,692)</b>	(3,93,28,623)
Proceeds from sale of fixed assets	<b>1,30,200</b>	0
Dividend received	<b>2,000</b>	15,74,650
<b>NET CASH INFLOW FROM INVESTING ACTIVITY</b>	<b>(3,36,54,492)</b>	(3,77,53,973)
<b>(C) CASH FLOW ARISING FROM FINANCING ACTIVITY</b>		
Increase/(Decrease) in Share capital/Warrants	<b>0</b>	0
Increase/(Decrease) in long term borrowings	<b>11,31,708</b>	(1,72,00,000)
<b>NETCASH INFLOW FROM FINANCING ACTIVITIES</b>	<b>11,31,708</b>	(1,72,00,000)
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(2,39,60,202)</b>	14,51,96,885
<b>ADD-OPENING CASH &amp; CASH EQUIVALENTS</b>	<b>43,71,00,654</b>	29,19,03,769
<b>CLOSING CASH &amp; CASH EQUIVALENTS</b>	<b>41,31,40,452</b>	43,71,00,654

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board of Directors

**For Sodani & Company**  
Chartered Accountant

**V. K. Mittal**  
General Manager Finance/CFO

**Rahul Mutha**  
Managing Director

**Sajeve Deora**  
Director

**Rajesh Sodani**  
Partner  
M.NO.F-77005

**Prakash Chakrawarti**  
Sr.Manager (Legal) &Company Secretary

**Praneet Mutha**  
Executive Director

Place : Dewas  
Dated:30.05.2013



NOTE NO-3

**SHARE CAPITAL**

	AS AT 31.03.13	AS AT 31.03.12
Authorised:	( )	( )
<b>Equity</b>		
25,00,00,000 Equity Shares of ` 1/- each	<b>25,00,00,000</b>	25,00,00,000
(Previous year 250000000 Equity Shares of ` 1/- Each)	<u>25,00,00,000</u>	<u>25,00,00,000</u>
<b>Issued, Subscribed &amp; Paid up:</b>		
160577596 Equity Shares of ` 1/- each	<b>16,05,77,596</b>	16,05,77,596
(Previous year 160577596 Equity Shares of ` 1/- Each)		

i) During the current year and in the previous year there have been no movement in the NO.of equity shares out standing

ii)The company has only one class of equity share,having a par value of ` 1 per share.Each share holders is eligible to one vote per share held.

Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	31, March 2013		31, March 2012	
	Nos	( )	Nos.	( )
Out standing at the beginning of the year	<b>16,05,77,596</b>	<b>16,05,77,596</b>	16,05,77,596	16,05,77,596
Issue during the year	-	-	-	-
Out standing at the end of the year	<b>16,05,77,596</b>	<b>16,05,77,596</b>	16,05,77,596	16,05,77,596

Details of shareholders holding more than 5% share in the company

Name of share holders	31, March. 2013		31, March 2012	
	Nos	%	Nos	%
Rahul Mutha	<b>1,03,22,145</b>	<b>6.43</b>	1,03,22,145	6.43
Piyush Mutha	<b>1,04,81,112</b>	<b>6.53</b>	1,04,81,112	6.53
Praneet Mutha	<b>1,03,92,212</b>	<b>6.47</b>	1,03,92,212	6.47
Sungem Impex Pvt.Ltd	<b>3,00,35,800</b>	<b>18.70</b>	3,00,35,800	18.70
Sunline India enterprises Pvt.Ltd	<b>3,00,00,000</b>	<b>18.68</b>	3,00,00,000	18.68
Starshine Enterprises Pvt Ltd	<b>3,00,00,000</b>	<b>18.68</b>	3,00,00,000	18.68
Moon Nutrients Pvt Ltd	<b>3,00,00,000</b>	<b>18.68</b>	3,00,00,000	18.68
	<u>94.17</u>		<u>94.17</u>	

NOTE NO-4

**RESERVES AND SURPLUS:**

CAPITAL RESERVE	<b>6,97,43,701</b>	6,97,43,701
FIXED ASSETS REVALUATION RESERVE	<b>29,38,77,522</b>	
Less.Dep.for the Period on Revaluation	<u>4,05,27,011</u>	29,38,77,522
GENERAL RESERVE	<b>2,72,78,627</b>	2,72,78,627
<b>PROFIT &amp; LOSS ACCOUNT</b>		
as per last Balance sheet	<b>45,13,53,257</b>	
Add :During the period	<u>16,16,53,849</u>	45,13,53,256
	<u>61,30,07,105</u>	<u>84,22,53,106</u>
	<u>96,33,79,945</u>	



NOTE NO 5	AS AT 31.03.13	AS AT 31.03.12
<b>LONG TERM BORROWINGS</b>	( )	( )
<b>SECURED LOANS</b>		
MPSIDC	2,07,59,258	2,07,59,258
HDFC Car loan	11,31,708	0
	<u>2,18,90,966</u>	<u>2,07,59,258</u>

**Commercial/Central Sales Tax**

Principal amount of Rs207.59 Lacs of deferred sales tax is loan liability payable by the company through MPSIDC. It is secured by charge ranking subsequent to the charge created or to be created in favour of Financial Institutions, Rehabilitation scheme sanctioned by Hon'ble BIFR vide its order dated 04.10.2007, provide settlement in line with settlement with other secured lender of the company, and the relief stand accorded by deemed consent by the Agency. The aforesaid settlement as contained in the Rehabilitation scheme sanctioned by Hon'ble BIFR has not been accepted by the commissioner of commercial Tax .M.P .Indore. Subsequent to that the proposal of the company to settle these dues in light of the Industrial policy 2004 is pending before the state government.

HDFC Bank car loan @ 9.885% are secured by hypothecation of vehicle. The Company has not mad any default as at the reporting date in repayment of installment and interest.

## NOTE NO 6

**SHORT TERM BORROWINGS****SECURED LOANS**

Axis Bank over draft account	2,04,54,233	5,41,05,772
HDFC Bank over draft account	3,38,03,896	9,96,61,929
Bank of Baroda over draft account	4,17,73,021	17,77,60,766
	<u>9,60,31,151</u>	<u>33,15,28,467</u>

Overdraft accounts against fixed deposit lien with banks shown note no.12

## NOTE NO 7

**CURRENT LIABILITIES**

## 1) Trade Payable

For goods, services and expenses

i) Dues to Micro and small enterprises	0	0
ii) Dues to other creditors	11,70,42,809	12,35,78,566

## 2) Others current liabilities

HDFC Bank Car Loan a/c	13,00,072	1,55,401
Other Payables		
i) TDS	26,95,885	14,78,766
ii) TCS	0	1,301
iii) Other Statutory dues	6,86,301	4,65,492
iv) Salary ,Wages,Bonus	38,13,675	33,28,403
v) Others	23,79,525	1,28,05,595

## 3) Short tem provisions

i) Provision for taxation	4,03,57,000	86,64,657
ii) Outstanding Liabilities	20,56,57,345	19,22,68,270
	<u>37,39,32,612</u>	<u>34,27,46,451</u>

**Trade payable :** The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filling of the Memorandum in accordance with the Micro, Small and Medium Enterprises Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the financial statements based on information received and available with the company.

This disclosure is on the basis of the information available with the company regarding the Status of the supplies as defined under the interest on delayed payments to Micro Small and Medium Enterprises Development Act 2006.

**Provision for taxation :** Liability of Income tax net of MAT credit Provided as per Provision of the Income Tax Act



**NOTE NO - 8**  
**FIXED ASSETS**

Particulars of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as on 01.04.2012 (₹)	Addition during the Period (₹)	Deductions during the Period (₹)	As on 31.03.2013 (₹)	Up to 01.04.2012 during the Period (₹)	For the Period (₹)	Up to 31.03.013 (₹)	As at 31.03.2013 (₹)	As at 31.03.12 (₹)
<b>TANGIBLE ASSETS</b>									
Land & Lease Hold Land	1,79,50,695	22,48,223		2,01,98,918			0	201,98,918	1,79,50,695
Building	16,62,28,778	1,27,13,900		17,89,42,678	6,68,92,663	55,77,376	7,24,70,039	10,64,72,639	9,93,36,115
Plant & Machinery	1,43,02,59,644	1,29,24,936		1,44,31,84,580	97,98,66,030	7,65,97,116	1,05,64,63,146	38,67,21,434	45,03,93,614
Furniture & Fixtures	33,49,448	7,12,074	0	40,61,522	18,95,545	2,19,823	21,15,368	19,46,154	14,53,903
Vehicles	51,79,173	48,12,215	2,34,921	97,56,467	17,20,283	70,620	24,26,343	73,30,124	34,58,890
Total	1,62,29,67,738	3,34,11,348	2,34,921	1,65,61,44,165	1,05,03,74,521	70,620	1,13,34,74,896	52,26,69,269	57,25,93,217
Capital work in progress	30,82,374	3,75,344		34,57,718				34,57,718	30,82,374
	<b>1,62,60,50,112</b>	<b>3,37,86,692</b>	<b>2,34,921</b>	<b>1,65,96,01,883</b>	<b>1,05,03,74,521</b>	<b>70,620</b>	<b>1,13,34,74,896</b>	<b>52,61,26,987</b>	<b>57,56,75,591</b>
Previous Year	1586721489	46257720	6929097	1626050112	969552535	0	1,05,03,74,521	57,56,75,591	6,17,11,68,954

**NOTE:**

1) The Company's building plant and machinery, and other fixed assets were revalued on 28.12.1999 on the basis of report of Registered Valuer. Accordingly, these assets were restated with the incremented amount over their written down value amounting to Rs. 7,901.94 Lacs as on 31.12.1999, and the same was correspondingly, transferred to Revaluation Reserve Account. During the year, depreciation of Rs. 405.27 lacs (Rs. 405.27 lacs) pertaining to revalued portion of fixed assets has been charged to reserve arising on Revaluation of Assets.

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NOTE NO -9	AS AT 31.03.13 (C)	AS AT 31.03.12 (C)
(b) Non Current Investment		
Long term Investment(at cost) un quoted		
A) Trade investment		
Vipro Exim Ltd.		
450630 fully paid up equity share of Rs 10/each (Out of which 225315 equity shares of Rs10 each received as Bonus shares during 2008-09)	<b>22,50,000</b>	22,50,000
B) Non-Trade investment un quoted		
Saraswat Co.Op. Bank Ltd		
1000 fully paid up equity share of Rs 10/each	<b>10,000</b>	10,000
Total Non Current investment A+B	<u><b>22,60,000</b></u>	<u>22,60,000</u>
Aggregate amount of un quoted investment		
(c) Long term Loans & Advances		
Deposits with MPEB		
	<b>86,73,340</b>	66,96,226
Others		
	<b>2,91,438</b>	2,58,303
	<u><b>89,64,778</b></u>	<u>69,54,529</u>
(d) Other Non Current Assets		
i) Cenvat/Ted receivable		
	<b>2,79,876</b>	20,06,791
ii) Trade receivable(More than one year)		
	67,47,451	
Less: Provision for Bad & doubtful debts	<u>67,47,451</u>	<b>0</b>
iii) Fixed Deposits		
	<b>83,15,514</b>	95,72,916
	<u><b>85,95,390</b></u>	<u>1,91,67,213</u>
The Company is contingently liable		
(a) Guarantees given by the Company's banker on behalf of the Company	<b>83.37 Lacs</b>	80.45 Lacs
Against the above, Banks are holding fixed deposit as margin; the deposit forms part of 'Fixed Deposit Account' under the head <b>Non Current Assets (see note no.9 (d) ) &amp; part of Cash and Bank Balances (see note no. 12)</b>	<b>91.47 Lacs</b>	88.54 Lacs
NOTE NO -10		
<b>INVENTORIES</b>		
(a) Raw Materials	<b>25,29,72,585</b>	28,73,11,146
(b) Coal & Fuel	<b>63,75,077</b>	74,37,267
(c) Stores & Spare Parts	<b>1,46,43,470</b>	1,16,06,812
(d) Finished Goods	<b>12,26,64,743</b>	18,12,04,698
	<u><b>39,66,55,875</b></u>	<u>48,75,59,923</u>
NOTE NO -11		
<b>TRADE RECEIVABLE</b>		
(Unsecured considered good)		
<b>TRADE RECEIVABLE</b>		
Others	<b>21,17,39,693</b>	14,88,60,694
	<u><b>21,17,39,693</b></u>	<u>14,88,60,694</u>

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NOTE NO -12	AS AT 31.03.13	AS AT 31.03.12
<b>CASH &amp; CASH EQUIVALENTS</b>	(C)	(C)
1) Balance with Bank		
a) Current account	16,04,261	15,14,376
b) Fixed Deposit account	41,12,33,407	43,42,31,863
2) Cash in hand	3,02,785	13,54,415
	<u>41,31,40,452</u>	<u>43,71,00,654</u>
NOTE NO -13		
<b>SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured considered good)		
Recoverable in Cash or Kind for value to be received		
Other Loans & Advances		
i) Prepaid Expenses	5,49,208	5,33,365
ii) T D S deducted/ Advance tax	3,84,86,654	39,53,300
iii) Input Tax Rebate/vat credit	1,10,03,561	1,74,41,495
iv) Loans to employee	7,89,670	8,58,116
	<u>5,08,29,094</u>	<u>2,27,86,276</u>
NOTE NO -14 REVENUE FROM OPERATIONS	PERIOD	PERIOD
	ENDED 31.03.13	ENDED 31.03.12
<b>SALES OF PRODUCTS</b>		
Finished Products	10,95,94,34,733	9,53,88,92,110
Traded Goods	1,29,96,20,703	16,79,82,263
	<u>12,25,90,55,436</u>	<u>9,70,68,74,373</u>
Less:Excise duty	45,44,010	34,28,447
	<u>12,25,45,11,426</u>	<u>9,70,34,45,926</u>
<b>OTHER INCOME</b>		
a) Interest on Term Deposits	4,25,71,717	3,21,74,057
b) Miscellaneous Receipts	11,62,410	27,41,929
	<u>4,37,34,127</u>	<u>3,49,15,986</u>
Revenue from operations & other income	<u>12,29,82,45,553</u>	<u>9,73,83,61,912</u>
NOTE NO -15		
<b>COST OF MATERIAL CONSUMED</b>		
Raw Material Consumed:		
Opening Stock	28,73,11,146	30,30,35,003
Add : Purchases	9,83,09,53,611	8,51,59,58,766
	<u>10,11,82,64,757</u>	<u>8,81,89,93,769</u>
Less : Closing Stock	25,29,72,585	28,73,11,146
Cost of Material Consumed	<u>9,86,52,92,172</u>	<u>8,53,16,82,623</u>
NOTE NO -16		
<b>CHANGE IN INVENTORIES OF FINISHED GOODS</b>		
Opening Stock of Finished Goods & Stock in Process	18,12,04,698	15,52,92,346
Less:Closing Stock of Finished Goods & Stock in Process	12,26,64,743	18,12,04,698
	<u>5,85,39,955</u>	<u>(2,59,12,352)</u>
NOTE NO -17		
<b>EMPLOYEES BENEFITS EXPENSES</b>		
(1) Salaries, Wages & Bonus	6,43,39,397	5,62,33,067
(2) Company's Contribution to Provident Fund & Others	67,38,900	52,43,838
(3) Welfare Expenses	19,24,977	15,09,911
(4) Employees Group Gratuity Fund	15,77,317	20,01,758
	<u>7,45,80,591</u>	<u>6,49,88,574</u>



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NOTE NO -18	AS AT 31.03.13	AS AT 31.03.12
<b>FINANCIAL COSTS</b>	( <b>₹</b> )	( <b>₹</b> )
Interest Expenses	1,33,12,820	1,18,88,410
Bank Commission & Charges	23,34,228	19,77,459
	<u>1,56,47,049</u>	<u>1,38,65,869</u>
NOTE NO -19		
<b>OTHER EXPENSES</b>		
<b>a) Manufacturing Expenses</b>		
Stores & Spares Consumed	2,00,20,818	2,28,57,308
Power & Fuel charges	22,86,16,552	26,61,41,572
Repairs & Maintenance to P&M	1,09,73,649	81,19,802
Laboratory Expenses	7,60,775	6,35,945
Excise duty on closing stock	8,64,168	15,21,521
Lease Rent	745	745
	<u>26,12,36,706</u>	<u>29,92,76,894</u>
<b>b) Selling &amp; Distribution expenses</b>		
Selling & Distribution expenses	45,88,80,341	43,13,19,297
	<u>45,88,80,341</u>	<u>43,13,19,297</u>
<b>c) Establishment Expenses</b>		
Rates & Taxes	2,48,551	7,11,626
Insurance	35,54,807	49,31,337
Repairs & Maintenance	84,31,989	39,41,103
Bad Debts	88,34,001	0
Audit Expenses	3,28,840	3,71,130
Advertisement & Publicity	1,32,360	1,57,601
Director Sitting Fees	30,000	40,000
Office Expenses	32,57,667	25,73,500
Miscellaneous Expenses	78,42,520	71,09,990
	<u>3,26,60,735</u>	<u>1,98,36,287</u>
<b>TOTAL A+B+C</b>	<u>75,27,77,782</u>	<u>75,04,32,478</u>

Miscellaneous Expenses : Miscellaneous and other expenses include ₹ 6.56 lacs (₹ 7.37 lacs) on account of traveling expenses of Directors, out of which expenses on Directors foreign traveling is ₹ 4.59 Lacs (₹ 5.14 lacs)

**Notes to the Financial Statements (For the year ended 31 March 2013)****NOTE NO.1: GENERAL INFORMATION**

Vippy Industries Limited is a manufacturer of De oiled cake(DOC) & Edible Refined oil from soyabean seed through solvent extraction method.

The Company's manufacturing facilities are located at 28, Industrial Area, A.B. Road, Dewas, Madhya Pradesh

**NOTE NO.2: SIGNIFICANT ACCOUNTING POLICIES****A BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared under the historical cost convention, on accrual basis, on a going concern basis, in accordance with the generally accepted accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

**B FIXED ASSETS**

Fixed assets are capitalized at cost including direct expenses related to installation and putting to use of the fixed assets upto March, 2013

Fixed assets are revalued at a suitable interval and resulting surplus / deficit is carried over as Revaluation Reserve as part of Reserves and Surplus.

Depreciation on Fixed assets is calculated on revalued figures and the charge pertaining to revalued component is adjusted against the Revaluation Reserve.

**C REVENUE RECOGNITION**

Sales of goods and services are recognized when risks and rewards of ownership are passed on to the customers which generally coincides with delivery and when the services are rendered. Sales is inclusive of Excise Duty, & Export incentives/Licenses.

**D FOREIGN CURRENCY TRANSACTIONS**

a) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

c) Non monetary foreign currency items are carried at cost.

d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

**E Forward Booking Contracts**

The Company in accordance with its risk managements polices and procedure enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. These contracts are for a period from one day to one year. Such Forward Booking Contracts are accounted for in accordance with the Announcement issued by The Institute of Chartered Accountants of India, New Delhi regarding the "Accounting for Derivatives" and not as per the Accounting Standard 30 "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India, as the same has not been notified in Companies Accounting Standard Rules, 2006. In accordance with the said Announcement, keeping in view of the principle of prudence as enunciated in Accounting Standard (AS) 1, Disclosures of the Accounting Policies issued by the Institute of Chartered Accountants of India, and notified under the Companies Accounting Standard Rules, 2006, the company is providing for the losses in respect of all outstanding derivative contracts at the balance sheet date by marking them to market. The net gains on such contracts at the balance sheet date are not accounted for in the books..

**F INVESTMENTS**

Investments are classified into current and Non current investments.

Current investments are stated at the lower of cost or fair market value.

Non current investments are stated at cost.

**G INVENTORIES**

Raw materials, coal & fuel and 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 work in process valued at the lower of estimated cost and net realizable 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).

**H BORROWING COSTS**

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

**I DEPRECIATION**

Depreciation on fixed assets charged to Profit and Loss Account is calculated on:

- Straight line method basis at the rates specified in Schedule XIV of the Companies Act 1956, in respect of the respective asset.

- Straight Line method basis at revalued amount of fixed assets from the year following the year of revaluation.

**J EMPLOYEE BENEFITS****GRATUITY**

The Company provides for gratuity, a defined benefit plan covering all eligible employees. The plan provides a lump sum payment to eligible employee at retirement or on termination of employment based on the salary of the respective employee and the years of employment with the Company.

The Company contributes to a gratuity fund maintained by Life Insurance Corporation of India. The amount of contribution is determined based upon actuarial valuations as at the year end. Such contributions are charged off to the Profit & Loss Account. Provision is made for the shortfall between the actuarial valuation carried out as at Balance Sheet date as per Project Unit Credit Method and the funded balance with the Life Insurance Corporation of India.

**K PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized 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 recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**L TAXES ON INCOME**

Current tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on the 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.

**M IMPAIRMENT OF ASSETS**

An impairment loss is recognized in the profit & loss account whenever the carrying amount of an assets or a cash generating unit exceeds its recoverable amount. The recoverable amount is estimated as the higher of its net selling price and its value in use. The carrying amounts are reviewed at each balance sheet date to determine whether there is any impairment.

**N EARNINGS PER SHARE**

In accordance with the Accounting Standard 20 "Earnings per Share" issued by the Institute of Chartered Accountants of India, basic earnings per share is computed using the weighted average number of shares outstanding during the year.

**NOTES TO ACCOUNTS****20 Going Concern.**

The accumulated losses of the Company as at the close of accounting year ended December 31, 2000 exceeded the net worth of the Company, and the Company filed an application before the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) as prescribed by the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). The Company was declared by the Hon'ble BIFR as a sick industrial company within the meaning of SICA, and the Hon'ble BIFR sanctioned the rehabilitation scheme of the Company vide order dated 04/10/2007 and the same is under implementation.



21. a) The Company filed various Writ Petitions (During November 2008 to September 2012) before the Hon'ble High Court of Madhya Pradesh (Indore Bench), under Article 226 of Constitution of India seeking direction to the Commercial Tax Department of M.P./State Govt. to comply and implement the relief and concessions in respect of Hi-Pro Eou Division as contained in the para 17E(iv) of the Rehabilitation scheme towards exemption from Commercial Tax, Central Sales Tax, Value Added Tax and Entry Tax and same are pending before Hon'ble High Court. The Hon'ble High Court vide its Order Dt. 08.08.2012 passed in WP No. 6665/2012 given a direction to the State Government for taking appropriate decision in the matter at the earliest, on the basis of scheme sanctioned by the BIFR keeping in view the provisions contained in the SICA and the matter is still pending before State Govt. of Madhya Pradesh.
- b) The Company has filed two petitions before Hon'ble High Court of Madhya Pradesh (Indore Bench) against the order dated 12-12-2011 & 04.06.2012 passed by Deputy Commissioner, Sagar and Additional Commissioner, Indore in respect of VIL- Division for Year 2007-2008 and Year 2008-2009 respectively and seeking direction from Hon'ble High Court, for forbearing from imposing Entry Tax on the purchase of goods (oil seeds-soya bean seeds) covered by notification No.9 dated 01.04.2007 issued by State Govt. of M.P. which have been purchased by the Company after satisfying the conditions of the said notification and direct to the Commercial Tax Department to treat such purchases as exempted purchases not liable to Entry Tax. Presently pending before the Hon'ble High Court of Madhya Pradesh (Indore Bench).
22. The Company has filed the Writ Petition before Hon'ble High Court of Madhya Pradesh (Indore Bench), against the order dt. 16.01.2008 passed by State Appellate Forum, whereby an appeal filed by the Company against an order dt. 16.04.2001, passed by the State Level Committee after reconsidering the matter in respect of capacity with reference to deferment of sales tax regarding ex-parte amendment order passed by the Sales Tax Authority reassessing the production capacity of company's plant as on 31.03.1993 after direction given by Hon'ble High Court to State Level Committee to reconsider the entire matter and decide the same afresh after giving the Company an opportunity of being heard. After considering such writ petition the Hon'ble High Court has quashed the order dt. 16.01.2008 passed by the State Appellate Forum, and directed to State Appellate Forum for the revival of the appeal earlier filed by the Company and hear the same as fresh in accordance with law after giving the company an opportunity of personal hearing. The matter has been heard on 25.03.10 by the State Appellate Forum and the said appeal has been rejected by State Appellate Forum vide its order dated 09.06.2010, company has filed the writ petition on 20.06.2011 before Hon'ble High Court of Madhya Pradesh (Indore Bench). The same is pending before Hon'ble High Court Indore.
23. The Commissioner Commercial Tax Govt. of M.P., Indore has filed an appeal before the Hon'ble AAIFR against the reliefs and concessions as envisaged in the sanctioned rehabilitation scheme read with para 10 of the order dt. 4.10.2007 of Hon'ble BIFR towards settlement of outstanding dues of the deferred sales tax dues relating to Govt. of M.P./MPSIDC & same was dismissed by Hon'ble AAIFR vide its order dt. 25.08.2008. Thereafter the State Government of Madhya Pradesh has filed writ petition before Hon'ble High Court, M.P. against the aforesaid order of Hon'ble AAIFR, but the Hon'ble High Court vide its order dt. 23.09.2009 has revert back the matter before Hon'ble AAIFR to decide the same on merits.
- Hon'ble AAIFR given direction vide its order dt. 30.05.2011 to reconsider the matter in the light of offer made by the Company i.e. ₹ 2.07 Crores without interest and take an appropriate decision within 45 days from the date of communication of this order in accordance with law keeping in view the revival of sick industrial company. And the matter is under consideration before State Govt. of Madhya Pradesh.
24. **DEFERRED INCOME TAX:**  
Deferred tax assets are ₹ 529.46 Lacs (₹ 525.81 Lacs) arising mainly of Entry tax & purchase tax not allowable as expenditure under the Income tax Act 1961.  
Deferred tax liability is ₹ 317.04 lacs (₹ 380.37 lacs) arising on account of higher depreciation admissible as per Income tax Act Rules, 1962.  
Deferred tax assets being higher than deferred tax liabilities, net deferred tax assets are ₹ 212.42 Lacs (₹ 145.44 lacs).  
The Company recognizes deferred tax assets to the extent of deferred tax liability, and following a conservative and prudent approach excess of deferred tax assets has not been given effect in the Balance Sheet.
25. In the opinion of the Board, the current assets, loan and advances have a value on realization in the ordinary course of business at least equal to the amount at which these are stated and provisions for all known liabilities are adequate and not in excess of the amount considered reasonable and necessary.
26. The Company's operation relates to manufacture of soya products, which are in the nature of joint products and by-products. Hence, the company has only one reportable Segment as per Accounting Standard-17.

**27 CONTINGENT LIABILITIES:**

Claims against the Company not acknowledge as debts.

	<b>(March 31, 2013)</b>	(March 31, 2012)
Income tax matters in dispute/under appeal	` 267.04 Lacs	` 158.77 Lacs

**28 FORWARD BOOKING CONTRACTS**

The Company in accordance with its risk managements polices and procedure enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. These contracts are for a period from one day to one year.

The company has outstanding forward booking contracts at year end.

Foreign Currency	<b>Million</b>	Million
	<b>(March 31, 2013)</b>	(March 31, 2012)
U.S. DOLLAR / INR	<b>10.16</b>	7.85
EURO / US \$	<b>0.50</b>	0.30

The net gain on forward booking contracts on mark to market basis as on 31.03.2013 is ` 139.11 lacs and has not been recognized in the Statement of Profit & Loss. During the previous year the company incurred a net loss of ` 85.70 lacs which was provided for.

**29 RELATED PARTY DISCLOSURES:**

a) Managerial Remuneration

Name	Description of Relationship	Nature of Transaction ( ` )
Shri Rahul Mutha	Managing Director	Remuneration ` 28,51,667 Provident Fund ` 3,42,200 Perquisites : ` 97,170
Shri Praneet Mutha	Executive Director	Remuneration ` 24,00,000 Provident Fund ` 2,88,000

The directors, apart from above, have no other transaction, pecuniary or otherwise, or business relationship with the company.

**30 EARNING PER SHARE (EPS)**

	<b>Current Year</b>	Previous Year
a) Net profit for the year ( ` )	<b>16,16,53,849</b>	15,67,40,673
b) Weighted average Number of Equity Shares	<b>16,05,77,596</b>	16,05,77,596
c) Nominal value of per ordinary share ( ` )	<b>1/-</b>	1/-
d) Basic earning per share ( ` )	<b>1/-</b>	0.98
e) Diluted earning per share ( ` )	<b>1/-</b>	0.98

31 Figures and words in brackets pertain to previous year unless otherwise specified.

32 Figures have been rounded off to the nearest Rupee.

33 Additional information required under paragraph 3 & 4 in part II of schedule VI of the Companies Act, 1956

a) Auditors remuneration	<b>Current Year</b>	Previous Year
	( ` )	( ` )
i) Audit fees	<b>2,93,840</b>	2,93,840
ii) Cost audit fees	<b>35,000</b>	35,000

b) Number of employees throughout the year who were in receipt of remuneration in aggregate to ` 60,00,000/- per annum or more.

	<b>Current Year</b>	Previous Year
i) Number of Employee	<b>Nil</b>	Nil
ii) Salary & Others ( ` )	<b>Nil</b>	Nil
iii) Contribution to P.F. ( ` )	<b>Nil</b>	Nil



c) Number of employees employed for any part of the year whose remuneration was ` 500,000/- or more per month in aggregate.

	<b>Current Year</b>	Previous Year
i) Number of Employee	Nil	Nil
ii) Salary & Others ( ` )	Nil	Nil
iii) Contribution to P.F. ( ` )	Nil	Nil

d) Particulars of installed capacity (in M.T.)

	<b>Current year</b>	Previous Year
i) Solvent Extraction Plant	<b>4,12,500</b>	4,12,500
ii) Oil Refinery / Degumming	<b>1,02,500</b>	1,02,500

e) Turnover, stock, production (in M.T.)

	<b>Solvent Extraction</b>		Oil Refinery	
	<b>Current Year</b>	<b>Previous Year</b>	<b>Current Year</b>	Previous Year
Opening Stock	6,713	11,799	1,081	136
Production/ Purchase	<b>3,15,488</b>	<b>3,32,724</b>	43,359	44,205
Turnover	<b>3,18,416</b>	<b>3,37,810</b>	44,399	43,260
Closing Stock	<b>3,785</b>	<b>6,713</b>	41	1,081

f) Loss on hedging ` 143.75 lacs (Previous year Loss ` 451.25 Lacs) taken in to account of Refined oil sales.

g) Derivatives contracts entered into by the company and out standing as on 31<sup>st</sup> March.2013. For hedging commodity related risk:

For hedging commodity related risk ;

	<b>31<sup>st</sup> March.13</b>	31 <sup>st</sup> March.12
Soyabean seed	<b>1000 MT</b>	20 MT
Refined oil	<b>0 MT</b>	1200MT
Meal	<b>0 MT</b>	200MT

Aforesaid derivative instrument acquired by the company for hedging purpose only.

h) Consumption of Raw Material (in M.T.)

	<b>Indigenous</b>		Imported	
	<b>Current Year</b>	<b>Previous Year</b>	<b>Current Year</b>	Previous Year
i) Solvent Extraction Plant	<b>2,60,954</b>	<b>3,09,156</b>	NIL	NIL
ii) Oil Refinery/Degumming	<b>55,634</b>	<b>73,507</b>	NIL	NIL

i) Expenditure in Foreign Exchange

	<b>Current Year ( ` )</b>	Previous Year ( ` )
i) On account of Capital Goods / Stores	<b>NIL</b>	3,37,099
ii) Travelling	<b>1,92,285</b>	2,37,342
iii) Commission	<b>18,46,595</b>	21,04,330
iv) Others	<b>40,45,302</b>	26,02,342

v) Earnings in Foreign Exchange

	<b>Current Year</b>	Previous Year
Export of Finished Products (Including earning foreign Exchange on FOB basis)	<b>288,39,49,753</b>	122,13,00,441

vi) Managerial Remuneration to Directors

	<b>Current Year ( ` )</b>	Previous Year ( ` )
i) Managing Director		
a) Remuneration	<b>28,51,667</b>	22,50,000
b) Contribution to Provident & Other funds	<b>3,42,200</b>	2,70,000

**VIPPY INDUSTRIES LTD.**

An ISO 9001:2008 Certified Company

39<sup>th</sup> Annual Report & Accounts 2012-13

ii) Directors other than Managing Director		
a) Remuneration	<b>24,00,000</b>	15,00,000
b) Contribution to PF & other funds	<b>2,88,000</b>	1,80,000
c) Perquisites	<b>0</b>	0
iii) Non- Executive Directors		
Sitting Fees	<b>30,000</b>	40,000
34 Balance Sheet Abstract and Company's General Business Profile pursuant to provision of part IV of Schedule VI to the Companies Act, 1956 as amended vide Notification No.G.S.R. 388(E) dated 15.05.1995.		
<b>I Registration Details</b>		
Registration No. 10-1225	State Code : 10	
Balance Sheet Date: 31.03.2013		
<b>II Capital raised during the year (Amount in Rs. Thousand)</b>		
Public Issue	Nil	
Right Issue	Nil	
Bonus Issue	Nil	
Private Placement	NIL	
<b>III Position of mobilization and deployment of fund (Amount in ` Thousand)</b>		
Total Liabilities	<b>16,18,312</b>	
Total Assets	<b>16,18,312</b>	
<b>Source of Funds</b>		
Paid up capital	<b>1,60,578</b>	
Reserve & Surplus	<b>9,63,380</b>	
Long Term borrowings	<b>21,891</b>	
Other Long term Liabilities	<b>2,500</b>	
Current Liabilities	<b>4,69,964</b>	
<b>Application of funds</b>		
Net Fixed Assets	<b>5,26,127</b>	
Non-Current Investment	<b>2,260</b>	
Long term loan & advances	<b>8,965</b>	
Other non-current assets	<b>8,595</b>	
Current Assets	<b>10,72,365</b>	
Misc. Expenses	<b>0</b>	
<b>IV Performance of the Company</b>		
Turnover	<b>1,22,98,246</b>	
Total Expenditure	<b>1,20,96,235</b>	
Total Tax	<b>40,357</b>	
Profit/ (Loss) after Tax	<b>1,61,654</b>	
Earning per Share	<b>1</b>	
Dividend	<b>NIL</b>	
<b>V. Generic Names of Three Principal Products/ Services of the Company</b>		
Item Code (ITC Code)	Product Description	
1. 150710	Soya Oil	
2. 230400	Soya Meal	



As per our Report even date

For Sodani & Company  
Chartered Accountants

**Rajesh .Sodani**  
Partner  
M.NO.F-77005

**V.K.Mittal**  
General Manager Finance /CFO

For and on behalf of the Board of Directors

**Rahul Mutha**  
Managing Director

**Sajeve Deora**  
Director

**Prakash Chakrawarti**  
Sr. Manager (Legal) & Company Secretary

**Praneet Mutha**  
Executive Director

Date : 30.05.2013  
Place: Dewas



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**VIPPY INDUSTRIES LTD.**

Regd. Office : 28, Industrial Area, A.B. Road, Dewas 455001 (M.P.) India.

**ATTENDANCE SLIP  
39<sup>th</sup> Annual General Meeting**

DP Id\*..... Folio No.....

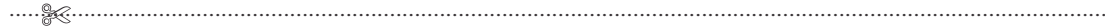
Client Id\*..... No. of Shares.....

Full Name of the Shareholder/Proxy attending the meeting  
.....  
(First Name) (Middle Name) (Surname)

I hereby record my presence at the Annual General Meeting on Monday, the 30<sup>th</sup> day of September 2013 at 2.00 P.M at 28, Industrial Area, A.B. Road, Dewas-455 001 (M.P.)

Signature of Member/Proxy

\*Applicable for investors holding shares in electronic form  
**Note:** Member/Proxy attending the meeting must fill in this attendance slip and hand it over at the entrance of the meeting hall.



**VIPPY INDUSTRIES LTD.**

Regd. Office : 28, Industrial Area, A.B. Road, Dewas 455001 (M.P.) India.

**PROXY FORM  
39<sup>th</sup> Annual General Meeting 30<sup>th</sup> September, 2013**

DP Id\*..... Folio No.....

Client Id\*..... No. of Shares.....

I/WE..... of.....

in the district of.....being a Member/Members of

**Vippy Industries Ltd.**, hereby appoint .....of.....

..... in the district of ..... or failing him/her

.....of.....in the district of

..... as my /our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday, the 30<sup>th</sup> day of September , 2013 at 2.00 P.M. at 28, Industrial Area, A.B. Road, Dewas-455 001 (M.P.) and at any adjournment there of.

Signed this ..... day of .....2013



\*Applicable for investors holding shares in electronic form.  
**Note:** This Proxy form, in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less that 48 hours before the meeting.

Signature





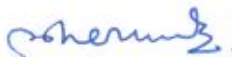


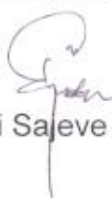
**BOOK - POST**

To, \_\_\_\_\_  
\_\_\_\_\_  
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*If undelivered, Please return to:*  
**VIPPY INDUSTRIES LTD.**  
28, Industrial Area, A.B. Road,  
Dewas 455 001 (M.P.) India.

### FORM A

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

1	Name of the Company	Vippy Industries Limited
2	Annual financial statements for the year ended	31 <sup>st</sup> March , 2013
3	Type of Audit observation	Unqualified
4	Frequency of observation	Not Applicable
5	To be signed by-	
	CEO/Managing Director	 Shri Rahul Mutha (Managing Director) 
	CFO/Person in-charge of Finance	 Shri Joher Ali Assistant General Manager(Accounts) 
	Auditor of the Company	M/s.Sodani & Company Chartered Accountants (Firm Registration No.000880C) 
	Audit Committee Chairman	 Shri Saleve Deora 