

28th
Annual Report & Accounts
2019-2020



VIPPY SPINPRO LTD.



Board of Directors	:	Shri Piyush Mutha (Managing Director) Shri Praneet Mutha (Director) Shri Mangalore Maruthi Rao (Whole Time Director) Shri Mohan Jain (Independent Director) Shri Subhash Kocheta (Independent Director) Shri Raghuram Krishnamurthy (Independent Director) Smt. Deepa Sudhir Mekal (Independent Director/Woman Director)
Chief Financial Officer	:	Shri Hassan Ali
Company Secretary	:	Ms. Itisha Sahu
Auditors	:	M/s R.S. Bansal & Co. Chartered Accountants
Banker	:	HDFC Bank Limited
Registered Office	:	414, City Centre, 570, M.G. Road, Indore-452001(M.P.) Phone: 0731-2546710
Works Office	:	14-A, Industrial Area A.B. Road, Dewas-455001(M.P.) Phone Nos.: 07272-258251/258252/405352 Fax No. 07272-400121
Registrar & Share Transfer Agent	:	Ankit Consultancy Pvt. Ltd. 60, Electronic Complex Pardeshipura, Indore -452010 (M.P.) Email: ankit_4321@yahoo.com Ph. 0731-2551745-46 Fax.0731- 4065798

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NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of the Company will be held on Wednesday, 30th day of September, 2020 at 11.30 a.m. through two-way Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) for which purposes the registered office of the Company situated at 414, City Center, 570, M.G. Road, Indore – 452001 (M. P.) shall be deemed as the venue for the Meeting and the proceedings of the Annual General Meeting shall be deemed to be made there at, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended March 31, 2020 and Reports of the Board of Directors and Auditors thereon, and in this regard, to consider, and if thought fit, to pass, with or without modification(s), if any, the following resolutions as an Ordinary Resolution:
“RESOLVED THAT the Audited Financial Statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”
2. To appoint a Director in place of Shri Mangalore Maruthi Rao (DIN-00775060) who retires by rotation and being eligible, offers himself for re-appointment, and in this regard, to consider, and if thought fit, to pass, with or without modification(s), if any, the following resolutions as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Mangalore Maruthi Rao (DIN-00775060), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS

3. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2021, and in this regard, to consider, and if thought fit, to pass with or without modification(s), if any, the following Resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s M. Goyal & Co., Cost Accountants, Jaipur (Registration No.000051) appointed as Cost Auditors of the Company by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2021, be paid the remuneration of ₹ 25000/- (Rupees Twenty Five Thousands Only) in addition to out of pocket and/or travelling expenses as may incur in carrying out their duties as such Cost Auditors, and the same is hereby ratified and approved.
RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”
4. To consider, and if thought fit, to pass, with or without modification(s), if any, the following Resolution as a Special Resolution:
“RESOLVED THAT pursuant to the provisions of Section 9, 14 and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the Articles of Association of the Company be and is hereby altered by deletion of clause 117, 118 of Articles of Associations of the Company which is as under:

THE SEAL

The seal its custody and use Affixation of Seal

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- (i) The Board shall provide a common seal of the Company and shall have power from time to time to destroy the



same and substitute a new seal in lieu thereof, The Common Seal shall be kept at the registered office of the Company and committed to the custody of Directors.

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(ii) The seal shall not be affixed to any instrument except by authority of a resolution of the Board or Committee and unless the Board otherwise determine every deed or other instruments to which the seal is required to be affixed shall, unless the same is executed by a duty constituted attorney for the Company be signed by two Director, and the Secretary in whose presence the seal shall have been fixed or such other person as may from time to time be authorized by the Board and provided nevertheless that any instrument bearing the seal of the Company and issued for valuable considerations shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same provided also the counter signature of the Managing Director or other authorized person shall not be necessary in the case of instrument executed in favour of the Managing Director, which shall be sealed in the presence of any one Director and signed by him on behalf of the Company.

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby severally authorized to file all the necessary forms and other necessary documents as may be required by the statutory authorities including the Registrar of Companies (ROC) and to do such acts, deeds and things that maybe required for the purpose of alteration of Articles of Association of the Company that may be Suggested by the Registrar of Companies or such other statutory authorities in the implementation of the aforesaid resolutions and to authorize such person or persons to give effect to the above resolutions and to submit all documents to the concerned authorities with regard to the same and to take all the necessary steps in this regard.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, the consent of the Members be and is hereby accorded for the re-appointment of Shri Mangalore Maruthi Rao (DIN-00775060), as a Whole Time Director for a period of two (2) years w.e.f October 28, 2020.

RESOLVED FURTHER THAT Shri Mangalore Maruthi Rao being the Whole Time Director of the Company shall be entitled to get a remuneration of subject to maximum of ₹ 35000/- (Rupees Thirty Five Thousand Only) per month.

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

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

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



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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactments thereof, for the time being in force), the consent of the Members be and is hereby accorded for the re-appointment of Shri Piyush Mutha (DIN-00424206), as a Managing Director for the period of One (1) year with effect from 01.04.2020 to 31.03.2021 on the terms and conditions of appointment including remuneration as mentioned in the explanatory statement annexed to the notice convening this meeting.

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

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

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

Dewas

June 29, 2020

CIN: L01710MP1992PLC007043

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

Indore- 452001 (M.P.) Tele: 0731-2546710

Email : admin@vippyspinpro.com

Website : www.vippyspinpro.com

**By Order of the Board of Directors
For Vippy Spinpro Ltd.**

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

**Notes:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 5, 2020, physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and AGM be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.vippyspinpro.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 5, 2020.
8. The recorded transcript of the forthcoming AGM on September 30, 2020, shall also be made available on the website of the Company www.vippyspinpro.com.
9. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at its email ID admin@vippyspinpro.com till the date of AGM.
10. The Register of Directors and Key Managerial Personnel, the Register of Contract or Arrangements, has been made available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send their requests to admin@vippyspinpro.com.



11. The register of members and share transfer books will remain closed from Thursday, September 24, 2020 to Wednesday, September 30, 2020 (both days inclusive) for the purpose of Annual General Meeting.
12. 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-452010(M.P.), in respect of their physical share folio, if any
13. Members who are holding shares in demat mode are requested to notify any change in their residential address, Bank A/c details and/ or email address immediately to their respective Depository Participants.
14. The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents.
15. Pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance, the information about the Directors proposed to be appointed/ re-appointed at the Annual General Meeting is given in the Annexure to the Notice.
16. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Businesses specified above is annexed hereto.
17. Corporate Members intending to send their authorized representative are requested to send a duly certified copy of Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
18. Shri Shilpesh Dalal, Practising Company Secretary (Membership No. F5316, COP No. 4235) appointed as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
19. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.vippysinpro.com, and website of National Securities Depository Limited (NSDL) i.e. www.evoting.nsdl.com not later than 48 hours of the conclusion of the Meeting.
20. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH.13.
21. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility for voting by electronic means for all its Members to enable them to cast their vote electronically and the business may be transacted through such e-voting.

A member may exercise his/her vote at the Annual General Meeting by electronic means and the Company may pass any resolution by electronic voting system in accordance with the provisions of the aforesaid Rule.

For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorize agency.

The facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by NSDL.

The Member attending the AGM who have not already cast their vote by remote e-voting on the day of the AGM will be provided by NDSL.



The Members who have cast their vote by remote e-voting prior to the meeting may also attend the AGM but shall not be entitled to cast their vote again.

22. The remote e-voting period commence on Sunday, September 27, 2020 at 10.00 a.m. and ends on Tuesday, 2nd will September 29, 2020 at 5.00 p.m.

Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Wednesday, September 23, 2020, may opt for remote e-voting and cast their vote electronically.

A person, whose name is recorded in the register of members or in the register of beneficial owner maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting at the Meeting.

Any person, who acquires shares of the Company and become member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., September 23, 2020 may obtain the login ID and password by sending an email to evoting@nsdl.co.in by mentioning their Folio No. / DP ID and Client ID No. However, if you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote. If you forget password, you can reset your password by using “Forget user Details/Password” option available on www.evoting.nsdl.com.

Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.

Members may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again.

At the end of remote e-voting period, the facility shall forthwith be blocked.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER :-

The remote e-voting period begins on Sunday, September 27, 2020 at 10:00 A.M. and ends on Tuesday, September 29, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :



Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - How to retrieve your ‘initial password’?
 - If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio Number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
- Click on **“Forgot User Details/Password?”**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.



7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to shilpeshdalal@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in or contact NSDL officials
Mr. Pratik Bhatt at designated email ID: pratikb@nsdl.co.in or at telephone nos.: +91-22-24994738, or
Ms. Sarita Mote at designated email ID: saritam@nsdl.co.in or at telephone nos. : +91-22-24994890.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to admin@vippspinpro.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to admin@vippspinpro.com

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their view or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their Name, DP ID and Client ID/ Folio Number, PAN, Mobile Number at admin@vippyspinpro.com at least 48 hours before the start of the AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserve the right to restrict the number of speakers depending on the availability of time for the AGM.

Dewas

June 29, 2020

CIN: L01710MP1992PLC007043

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

Indore- 452001 (M.P.) Tele: 0731-2546710

Email : admin@vippyspinpro.com

Website : www.vippyspinpro.com

**By Order of the Board of Directors
For Vippy Spinpro Ltd.**

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

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****Item No.3**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the M/s M. Goyal & Co., Cost Accountants, Jaipur (Registration No.000051) as Cost Auditors of the company to conduct the audit of cost records of the Company for the financial year 2020-2021 at a remuneration of ₹ 25000/- (Rupees Twenty Five Thousands Only) in addition to out of pocket and/or travelling expenses as may incur in carrying out their duties as such Cost Auditors. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

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

The Board of Directors recommends the said resolutions set out at item no. 3 of the notice for your approval by Ordinary Resolution.

Item No.4

Pursuant to Companies (Amendment) Act, 2015 use of Common seal has now become optional for companies. Further Company being a Manufacturing Company has to execute various agreements, documents etc. towards its business matters including for borrowing proposals and other administrative necessities. In view of the same and to facilitate administrative convenience for execution of such documents on behalf of the Company it is proposed to alter the existing Articles of Association (“AOA”) of the Company by removing the related clauses in AOA.

Pursuant to Section 14 of the Companies Act, 2013, the said alteration can be effected only with the approval of Shareholders by passing a special resolution. Thus the Board recommends the resolution set forth in item no. 4 for the approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item except as members.

Item No.5

The tenure of Shri Mangalore Maruthi Rao will expire on October 27, 2020. The Nomination & Remuneration Committee has considered and recommended to the Board of Directors in prior for re-appointment of Shri Mangalore Maruthi Rao as Whole Time Director w.e.f. October 28, 2020 for further period of 2 (two) years on remuneration of subject to maximum of ₹35,000/- per month.

He has practical working experience in various leading textiles mills since 1964. He has in depth experience in cotton industries. The Board of Directors of the Company is of the opinion that under the direction of Shri Mangalore Maruthi Rao, the Company has benefited overall. Hence the Board of Directors decided in their meeting held on June 29, 2020 to re-appoint him as Whole Time Director of the Company w.e.f. October 28, 2020 for further period of 2 (two) years subject to approval of shareholders.

Except Shri Mangalore Maruthi Rao himself, none other Directors/Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the aforementioned resolution.

The Board of Directors recommends resolution, as set out in item no. 5 of the notice for your approval by Special Resolution as required in Part I of Schedule V of the Companies Act, 2013 read with Section 196 of the Companies Act, 2013, because Shri Mangalore Maruthi Rao has attended the aged 82 years.

**Item No.6**

The Nomination and Remuneration Committee has considered and approved the terms, conditions including remuneration and recommended to the Board of Directors for the re-appointment of Shri Piyush Mutha (DIN-00424206) as a Managing Director for the period of One (1) year with effect from 01.04.2020 to 31.03.2021. The Board of Directors has considered that under his dynamic leadership, initiatives and directions, the Company has benefited in its overall operations since he is Managing Director of the Company. He is the key factor behind the overall growth and success of the Company. His devotion, vision and experience are essential for the continuing growth of the Company. The Board of Directors at their meeting held on March 11, 2020, subject to approval of members in ensuing Annual General Meeting, approved re-appointment of Shri Piyush Mutha as a Managing Director on the following terms and conditions including remuneration:

1. Basic Salary: Maximum of ₹7,50,000/- (Rupees Seven Lakhs Fifty Thousands Only) per month.
2. Perquisites:
 - (i) Expenses pertaining to Gas, Electricity, Water, Furnishings and other utilities including repairs will be borne/reimbursed by the Company on actual and subject to maximum ₹2,00,000/- per annum.
 - (ii) Medical Reimbursement: Reimbursement of medical expenses including insurance premium for medical incurred for self and family not exceeding ₹2,00,000/- per annum.
 - (iii) Club Fees: Fees in respect of two clubs not exceeding ₹50,000/- per annum.
 - (iv) Personal Accident Insurance: Premium not exceeding ₹25,000/- per annum.
 - (v) Assignment of Insurance Policy: Assignment of Insurance Policy in favour of Shri Piyush Mutha, if any, subject to maximum amount ₹5,00,000/- per annum.

All the above Perquisites shall be interchangeable, i.e. any excess in a particular Perquisites & benefit may be permissible by a corresponding reduction in one or more of the other Perquisite(s).

3. Shri Piyush Mutha shall entitled to the following other perquisites which shall not be considered in computing the value of Perquisites:
 - (i) Telephone: Free Telephone and mobile facility at residence for official use.
 - (ii) Car with Driver: Free use of Car with driver for official use.
4. In addition to the Perquisites as aforesaid, Shri Piyush Mutha shall also be entitled to the following benefits which shall not be considered for the purpose of calculation of the maximum permissible remuneration:
 - (i) Contribution to provident fund, superannuation fund to the extent not taxable under the Income Tax Act, 1961, and Gratuity as per rules of the Company.
 - (ii) Encashment of leave at the end of tenure to the extent not taxable under the Income Tax Act, 1961.
5. Reimbursement of expenses: Reimbursement of all expenses incurred by Shri Piyush Mutha during the course of and in connection with the business of the Company.
6. Sitting Fee: No Sitting Fee shall be paid to Shri Piyush Mutha for attending the Meetings of Board of Directors of the Company or any Committees thereof;
7. Shri Piyush Mutha shall be entailed to get any loan from the Company as per rules of the Company.



Shri Piyush Mutha is interested in the resolution set out at item no.6 of the Notice as a Managing Director and also interested to the extent of his shareholding interest in the Company. Shri Praneet Mutha, Director, being relative is interested in the resolution and also interested to the extent of his shareholding interest in the Company.

The Promoter and Promoter Group, Piyush Mutha HUF, Smt. Usha Mutha, Smt. Priti Mutha & Shri Parth Mutha being relatives of Shri Piyush Mutha, are interested to the extent of shareholding interest in the Company.

Save and except the above none of the other Directors/Key Managerial Personnel of the Company and their relatives are, in any way concerned or interested, financially or otherwise in the aforementioned resolution.

The Board of Directors recommends resolution, as set out in item no. 6 of the notice for your approval by Special Resolution as required in Section II of Part II of Schedule V of the Companies Act, 2013 because the said remuneration exceeds the limits as specified in Section II of Part II of Schedule V of the Companies Act, 2013.

The statement containing required information as required in Section II of Part II of Schedule V of the Companies Act, 2013.

I. GENERAL INFORMATION

1. Nature of Industry: The Company is engaged in manufacturing of cotton yarn.
2. Date or expected date of commencement of commercial production:
The Company had commenced commercial production on October 18, 1993.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
4. Financial performance based on given indicators:

(₹ In lakhs)

Financial year ended	March 31, 2020	March 31, 2019
Income		
Revenue from Operations	11066.00	11355.48
Other Income	63.06	33.61
Total Revenue	11129.06	11389.09
Profit before finance cost, depreciation & amortization, and tax	714.28	912.75
Less : Finance Costs	79.70	103.15
Less: Depreciation and amortization expenses	181.33	210.29
Profit before Tax	453.25	599.31
Less: Tax Expenses	74.63	151.92
Profit after tax for the year	378.62	447.39
Other Comprehensive Income/(Loss) for the year	(11.80)	(4.64)
Total Comprehensive Income for the year	366.82	442.75

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

**II. INFORMATION ABOUT THE APPOINTEE**

1. Background Details: Shri Piyush Mutha is B.E. and MBA. Shri Piyush Mutha is Director of the Company since April 1, 1992. He is a Managing Director of the Company since May 1, 2001. He has over 27 years of experience in the industry and business. He is skillfully steering the Company business during his tenure.
2. Past Remuneration: The total remuneration including perquisites paid to Shri Piyush Mutha during the period 01.04.2018 -31.03.2019 and 01.04.2019-31.03.2020 was ₹ 9784282/- & ₹11294321/- respectively.
3. Recognition or awards: Nil.
4. Job Profile and his suitability: Shri Piyush Mutha exercises substantial power of management subject to the superintendence, control and direction of the Board of Directors of the Company. He is responsible for the operations and affairs of the Company. He has rich experience in conceptualizing, planning, directing and implementing business decision and translates them in terms of business growth. Under his dynamic leadership, initiatives and directions, the Company has benefited in its overall operations. He is the key factor behind the overall growth and success of the Company. His devotion, vision and experience are essential for continuing growth of the Company. Taking into consideration his qualifications and experience, Shri Piyush Mutha is best suited for the responsibilities assigned to him.
5. Remuneration Proposed: As stated in the explanatory statement at item no. 6 of the notice.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: Taking into consideration the size of the Company, the profile of the appointee, the remuneration proposed is commensurate with the remuneration packages paid to similar level appointees in similar cotton yarn companies operating in India.
7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Shri Piyush Mutha is one of the promoters of the Company and he is holding 8.89% shares of the Company. Apart from this, he doesn't have any other pecuniary transactions with Company except by way of drawing remuneration during employment with the Company. Shri Piyush Mutha is interested as a Managing Director and also interested to the extent of his shareholding interest in the Company. Shri Praneet Mutha, Director, being relative is interested and also interested to the extent of his shareholding interest in the Company.

The Promoter and Promoter Group, Piyush Mutha HUF, Smt. Usha Mutha, Smt. Priti Mutha & Shri Parth Mutha being relatives of Shri Piyush Mutha, are interested to the extent of shareholding interest in the Company.

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits: external and unexpected circumstances beyond the control of management, viz, general economic meltdown, fluctuation in price of raw material, sharp volatility in the prices of textiles products and other factors putting pressure on profits of the Company.
2. Steps taken or proposed to be taken for improvement: Company has taken the following steps for improvement in performance:
 - (i) Development of New Export Markets
 - (ii) Focus on Value added product
 - (iii) Training program for employees
 - (iv) Continuous product development and cost reduction



3. Expected increase in productivity and profits in measurable terms: With the aforesaid measures taken by the Company, the productivity and profitability of the Company is expected to increase in coming years.

IV. DISCLOSURES

The required disclosures have been made in Report on Corporate Governance forms part of Director's Report.

Dewas

June 29, 2020

CIN: L01710MP1992PLC007043

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

Indore- 452001 (M.P.) Tele: 0731-2546710

Email : admin@vippyspinpro.com

Website : www.vippyspinpro.com

**By Order of the Board of Directors
For Vippy Spinpro Ltd.**

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



Details of the Director seeking appointment/re-appointment in the Annual General Meeting as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

1.) Shri Mangalore Maruthi Rao

Name of Director	Shri Mangalore Maruthi Rao
Director Identification Number	00775060
Date of Birth	30.01.1938
Nationality	Indian
Date of Appointment	28.10.2002
Qualification	B.Sc. in Textile
Expertise in specific functional area	He has over 56 year's practical experience in the area of textiles.
Disclosure of relationship between directors inter-se	NIL
Name of other listed companies in which he holds directorship	NIL
Chairmanship/Memberships of Committees of the other listed companies in which he is Director	NIL
Number of Shares held in the Company	NIL

2.) Shri Piyush Mutha

Name of Director	Shri Piyush Mutha
Director Identification Number	00424206
Date of Birth	23.04.1969
Nationality	Indian
Date of Appointment	01.04.1992
Qualification	BE, MBA.
Expertise in specific functional area	He has over 27 years' experience in the cotton industry and business. He has rich experience in conceptualizing, planning, directing and implementing business decision.
Disclosure of relationship between directors inter-se	He is brother of Shri Praneet Mutha, Director of the Company
Name of other listed companies in which he holds directorship	NIL
Chairmanship/Memberships of Committees of the other listed companies in which he is Director	NIL
Number of Shares held in the Company	521750

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 28th Annual Report together with the Audited Financial Statement of the Company for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

(₹ In lakhs)

Particulars	2019-20	2018-19
Income		
Revenue from Operations	11066.00	11355.48
Other Income	63.06	33.61
Total Revenue	11129.06	11389.09
Profit before finance cost, depreciation & amortization, and tax	714.28	912.75
Less: Finance Costs	79.70	103.15
Less: Depreciation and amortization expenses	181.33	210.29
Profit before Tax	453.25	599.31
Less: Tax Expenses		
Current Tax	114.41	139.46
Deferred Tax (Assets)/Liabilities	(39.78)	12.46
Profit for the year	378.62	447.39
Other Comprehensive Income	(11.80)	(4.64)
Total Comprehensive Income	366.82	442.75
Earning per equity share		
Basic	6.45	7.62
Diluted	6.45	7.62

PERFORMANCE REVIEW & COMPANY AFFAIRS

The Company's total revenue for the year under review amounted to ₹ 11129.06 Lakhs as compared to ₹ 11389.09 Lakhs of the previous year. The Profit before Tax for the year under review amounted to ₹ 453.25 Lakhs as compared to ₹ 599.31 Lakhs of the previous year. The Profit after Tax for the year under review amounted to ₹ 378.62 Lakhs as compared to ₹ 447.39 Lakhs of the previous year. The Company is engaged in the manufacturing of cotton yarn for different applications by Rotor Spinning.

GLOBAL PANDEMIC – COVID-19

In March 2020, the World Health Organization (WHO) declared COVID-19 a global pandemic. COVID-19 is the most tumultuous, most catastrophic and the most defining epoch of our lifetime. With no precedence, it has rattled lives and economies across world, and India has not been spared either. Consequent to this, Government of India declared nationwide lockdown on March 24, 2020, which has impacted normal business operations of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external



information available up to the date of approval of these financial results, to determine the impact of Company's revenue from operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plants and equipment's, investments, inventories, and trade receivable. The impact of COVID-19 pandemic on the overall environment economic being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial results, which may differ from that considered as at the date of approval of the financials results. As the situation is unprecedented, while the lockdown is gradually lifting, the Company is closely monitoring the situation as it evolves in the future. The Company has resumed its business activities by starting the factory, in line with guideline issued by the Government authorities. The Company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations.

RESERVES

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

DIVIDEND

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

LISTING OF THE SHARES

The Equity Shares of the Company are presently listed at BSE Ltd. Further the Company has paid listing fees to BSE Ltd. for the year 2020-2021.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under schedule III to the act have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year under review, Shri Hassan Ali appointed as a Chief Financial Officer of the Company w.e.f. 18.04.2019.

During the year under review, Shri Satyanarayan Patidar, Company Secretary has resigned from the post of Company Secretary of the company w.e.f. 30.06.2019.

During the year under review, Ms. Itisha Sahu appointed as a Company Secretary of the Company w.e.f. 10.08.2019.



During the year under review, Shri Piyush Mutha (DIN-00424206) was re-appointed as a Managing Director of the Company for a period of one (1) years w.e.f. 01.04.2020, subject to approval of members in ensuing Annual General Meeting.

During the year under review, the members of the Company at the Annual General Meeting held during the year, have approved the re-appointment of Shri Mohan Jain, Shri Subhash Kocheta and Shri Raghuram Krishnamurthy, as an Independent Directors of the Company, for a term of 5(five) consecutive years on the Board of the Company .

The Company has received the necessary declarations from each Independent Director under Section 149(7) of the Act that he/she meets the criteria of independence laid down in Section 149(6) of the Act and Regulation 16(1)(b) read with Regulation 25(8) of the SEBI Listing Regulations. The Board have taken on record these declarations after undertaking the due assessment of the veracity of the same.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Shri Mangalore Maruthi Rao (DIN- 00775060), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for his re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on date are Shri Piyush Mutha, Managing Director, Shri Mangalore Maruthi Rao, Whole Time Director, Ms. Itisha Sahu, Company Secretary, and Shri Hassan Ali, Chief Financial Officer.

DECLARATION BY INDEPENDENT DIRECTORS

The Company had received declaration from all the Independent Directors of the Company confirming that they meet criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Listing Regulations and are independent of the management.

BOARD EVALUATION

The Company has duly approved Nomination and Remuneration policy prescribing inter-alia the criteria for appointment, remuneration and performance evaluation of the directors. As mandate by Section 134 & 178 read with Schedule IV of the Act and Regulation 25 of the SEBI (LODR) Regulations, 2015 as applicable on the Company. The Independent Director in their separate meeting held on January 28, 2020 have reviewed the performance of Non-Independent Directors and Board as a whole along with review of quality, quantity and timeliness of flow of information between Board and management and expressed their satisfaction over the same.

Further the Board, in its meeting held on March 11, 2020 also reviewed the performance of the Board, its Committees and all Individual Directors of the Company and expressed its satisfaction over the performance of the Board its Committees and Individual Directors. Furthermore Board is of the opinion that Independent Directors of the Company are person of high repute, integrity & possess the relevant expertise & experience in their respective field.

INSURANCE

Assets of the Company are adequately insured.

DEPOSIT

During the year under review, your Company has not accepted any deposits from public, pursuant to Section 73 and 74 of the Companies Act, 2013 & the Deposit Rules made there under.

**NO DEFAULTS**

The Company has not defaulted in payment of interest and/or repayment of loans to any of the financial institutions and/or banks during the year under review.

SUBSIDIARIES, ASSOCIATE & JOINT VENTURE COMPANIES

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

RELATED PARTY TRANSACTIONS

The Company has not entered into any material contracts, with the related parties during the year 2019-20 and other contracts or arrangements were in the ordinary course of business on arm's length basis. Therefore, there is no particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 which needs to disclose in the prescribed form AOC-2 and may be treated as not applicable. However, the particulars of contracts or arrangement with related parties have been disclosed in the note no. 40 of the financial statements for the year ended under review.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. All the transactions are properly authorized and recorded. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting in financial statements. The Internal Audit is conducted by outside auditing firms which evaluate the functioning and quality of internal controls and check; and provides assurance of its adequacy and effectiveness. The Internal Audit Reports are actively reviews by the Audit Committee and adequate remedial measures, if any, are taken. The Internal Audit Reports are also reviews by the Board of Directors periodically. During the year, no reportable material weaknesses in the design or operations were observed.

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT PLAN

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. Your Company recognizes that the risk is an integral part of business and is committed to managing the risk in proactive and efficient manner. The Company had adopted Risk Management Policy to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management.

The management is however, of the view that none of the risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case of any of these risks materialize. The risk management framework is reviewed periodically by the Board and Audit Committee. The details of risks and other concerns are included in the Management Discussion and Analysis Report which is the part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

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

**PARTICULARS OF LOAN GIVEN, INVESTMENTS MADE, GUARANTEE GIVEN UNDER SECTION 186 OF COMPANIES ACT, 2013**

During the year, there are no loans given, investments made, guarantee given or security provided by the Company under Section 186 of the Companies Act, 2013.

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

The Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, are provided in **ANNEXURE -I** to this Report.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the detail forming part of annual return in Form No. MGT-9 is annexed to this report as **ANNEXURE – II**. The annual return for the financial year 2019-20 is uploaded on the website of the Company.

MEETING OF DIRECTORS

During the year under review, our Board met Eleven (11) times. The details of the number of meetings of the board during the year forms part of the Report on Corporate Governance. During the year under review One (1) meeting of Independent Directors was held.

Committees of the Board

The Board of Directors has the following committees:

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

Average net profit of the Company calculated under Section 198 of the Companies Act, 2013 was more than 5 crore for the financial year 2018-19. In accordance with the provision of Section 135 of Companies Act, 2013 and rules framed thereunder, the Company has constituted a Corporate Social Responsibility (CSR) Committee.

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

NOMINATION & REMUNERATION POLICY

Pursuant to Section 178 of the Companies Act, 2013, the rules made there under and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and for determination of their remuneration. The salient features of Nomination & Remuneration Policy are stated in the Corporate Governance Report. The Nomination & Remuneration Policy duly approved by the Board has been posted on the Company's website www.vippyspinpro.com and annexed herewith as **ANNEXURE-III** to this Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism / Whistle Blower Policy to report genuine concerns or grievances. The vigil mechanism provides for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. Besides, as per the requirement of SEBI (Prohibition of Insider Trading) Regulations as amended by SEBI (Prohibition of Insider



Trading) (Amendment) Regulations, 2018, the Company ensures to make employees aware of such Whistle –Blower Policy to report instances of leak of unpublished price sensitive information. This policy may be accessed on the Company’s website, at [weblink: http://www.vippyspinpro.com/Whistle-Blower-Policy.pdf](http://www.vippyspinpro.com/Whistle-Blower-Policy.pdf).

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information in accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **ANNEXURE -IV** to this Report.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirement under Section 135 of Companies Act, 2013, and the rules made thereunder, read with Schedule VII of the Companies Act, 2013, the Company has constituted CSR Committee and framed Policy for CSR indicating the activities to be undertaken by the Company. The CSR Policy is annexed herewith as **ANNEXURE- V**. The Company had undertaken CSR activities in the areas of promoting education, Health Care including Preventive Health Care also undertaken in area of promoting and ensuring environmental sustainability through prevention of flora and fauna.

The report on CSR activities, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **ANNEXURE- VI** to this Report.

CREDIT RATINGS

The details on Credit Rating are set out in Corporate Governance Report, which forms part of this report.

AUDITORS

Statutory Auditors

M/s R.S. Bansal & Co., Chartered Accountants (Firm Registration No.000939C), were appointed as Statutory Auditors of the Company at the Annual General Meeting held on September 27, 2017, for a term of 5 consecutive years. They have confirmed that they are not disqualified from continuing as auditors of the Company.

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

Cost Auditor

The Board of Directors have appointed M/s M. Goyal & Co., Cost Accountants, Jaipur, (Registration No.000051) as Cost auditors of the Company to conduct audit of the cost accounting records of the Company for the year 2019-20. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the Board seeks ratification at the ensuing Annual General Meeting of the remuneration payable to the cost Auditors for the financial year 2020-21.

Secretarial Auditor

The Secretarial Audit Report for the financial year ended March 31, 2020 issued by M/s Shilpesh Dalal & Co., Practising Company Secretary is annexed herewith as **ANNEXURE-VII** to this report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer, and no explanation on part of the Board of Directors is called for.

The Board appointed M/s Shilpesh Dalal & Co. Practising Company Secretary, to conduct Secretarial Audit for the year 2020-21.

**Internal Auditor**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, M/s R.K. Saklecha & Associates, Chartered Accountants was appointed as an Internal Auditor of the Company for the financial year 2020-21.

PREVENTION OF SEXUAL HARASSMENT POLICY

The Company has a Prevention of Sexual Harassment Policy in force in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The objective of this policy is to ensure a safe, secure and friendly work environment where employees will deliver their best without any inhibition, threat of fear. The company has constituted Internal Complaints Committee as per the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints were reported during the year under review under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

The people are recruited in the Company on the basis of their qualification/eligibility and merits without any discrimination against their gender, religion, caste, colour, ancestry, marital status, nationality and disability, and among equally qualified individuals, preference are given to people from the disadvantaged groups. The Company also conducts training programme from time to time for up-skilling, training of employees from socially disadvantaged sections of society.

ENVIRONMENT & SOCIAL CONCERN

Your Company is committed to build business with save energy and save environment. In line of this, the Company had set up the wind mill and solar panels that generates electricity and contributed to displace emissions from the nation's coal-fired power plants and eliminates the nation's major source of acid rain, reduce total emissions of CO₂.

Your Company is committed to the sustainable use of all natural resources and minimizes waste at source and recycles where possible. Considering the scarcity of natural resources, the Company continue to maintain "Rain Water Harvesting System" at the factory premises at Dewas. The 8040 sq meters of roof area has been covered under the rain water harvesting and approx 1096.40 cubic meters of water has been collected at factory premises at Dewas, resulting in saving water and recharging the five bore wells consequently.

In memory of founder Late Shri Prakash Mutha, during the year, Company has involved in inspirable activities in the area around the plant situated at Dewas such as giving bicycle, school dress, education material and distributed prizes to the meritorious students. Total 41 Students got such benefit during the year.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of the Company which have occurred after March 31, 2020 till the date of this report.

There has been no change in the nature of the business of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**GENERAL**

Yours Directors state that no disclosures or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

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

Your Directors further state that:

-The accounts and cost records as required to be made and maintained by the Company as specified under sub-section (1) of Section 148 of the Companies Act, 2013, were made and maintained by the Company during the year 2019-20.

-In terms of the provisions of Section 134(3)(ca) of the Companies Act, 2013, there were no fraud committed against the Company by any person under Section 143(12) during the year 2019-20. Further that there were no frauds which needs to be reported by the Auditors of the Company to the Central Government.

ACKNOWLEDGEMENTS

Your Directors would like to gratefully acknowledge all stakeholders of the Company viz: customers, dealers, suppliers, banks, shareholders and other business associates for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company's well-being.

For and on behalf of the Board of Directors

**Place: Dewas
June 29, 2020**

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

**Praneet Mutha
Director
(DIN-00424250)**

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

(i)	the steps taken or impact on conservation of energy	(a) 200 KVVR Capacitors i.e. 8 No. old capacitors replaced by new one to maintain power factor. (b) 92 old tubes light were replaced with energy saving LED tubes light. (c) 2013 Meter Aluminium Armd. Cable 185 Sqmm x 3.5 core replaced for maintain power stable & power saving.
(ii)	the steps taken by the company for utilizing alternate sources of energy	NIL
(iii)	the capital investment on energy conservation equipments	NIL

b) Technology absorption

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

c) Foreign exchange earnings and Outgo

Particulars	Year ended 31.03.2020 (₹ in Lakhs)
Foreign exchange earned in terms of Actual inflows (FOB) basis	210.64
Foreign exchange outgo in terms of Actual outflows basis	10.18

For and on behalf of the Board of Directors

Place: Dewas
June 29, 2020

Piyush Mutha
Managing Director
(DIN-00424206)

Praneet Mutha
Director
(DIN-00424250)

**Annexure-II****FORM MGT-9****EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2020

(Pursuant to Section 92 (3) of the Companies Act, 2013 and

Rule 12(1) of the Companies (Management & Administration) Rules, 2014)

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

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

All the business activities contributing 10% or more of the turnover of the Company are given below:

SI No.	Name & Description of main product services	NIC Code of the product/service	% to total turnover of the company
1.	Cotton Yarn	13111	100%

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

Category of Shareholder	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	3204190	500	3204690	54.59	3204690	0	3204690	54.59	0.00
(b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	425696	31900	457596	7.80	620148	0	620148	10.56	2.76
(e) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A) (1):-	3629886	32400	3662286	62.39	3824838	0	3824838	65.16	2.77
(2) Foreign									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	3629886	32400	3662286	62.39	3824838	0	3824838	65.16	2.77
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	0	3800	3800	0.06	0	3800	3800	0.06	0.00
(b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.000



(c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (B)(1):-	0	3800	3800	0.06	0	3800	3800	0.06	0.00
(2) Non Institutions									
(a) Bodies corp.									
(i) Indian	12188	11600	23788	0.41	4748	11600	16348	0.28	-0.13
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 Lakhs	820261	782670	1602931	27.31	723855	746820	1470675	25.05	-2.26
(ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 Lakhs	357554	17800	375354	6.39	358967	0	358967	6.12	-0.27
(c) Others									
(i) NRI	35641	166100	201741	3.44	29681	165000	194681	3.32	-0.12
(ii) Clearing Member	100	0	100	0	691	0	691	0.01	0.01
Sub Total (B)(2):-	1225744	978170	2203914	37.55	1117942	923420	2041362	34.78	-2.77
Total Public Shareholding (B)= (B)(1)+(B)(2)	1225744	981970	2207714	37.61	1117942	927220	2045162	34.84	-2.77
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	4855630	1014370	5870000	100.00	4942780	927220	5870000	100.00	0.00

**Attachment C****IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)****(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% change in shareholding during the year
		No. of shares	% of Total Share of Company	% of Shares Pledge/ encumbered to total shares	No. of shares	% of Total Share of Company	% of Shares Pledge/ encumbered to total shares	
1	Usha Mutha	681768	11.61	0.00	681768	11.61	0.00	0.00
2	Piyush Mutha	521750	8.89	0.00	521750	8.89	0.00	0.00
3	Praneet Mutha	521050	8.88	0.00	521050	8.88	0.00	0.00
4	Sunita Mutha	468400	7.98	0.00	468400	7.98	0.00	0.00
5	Vippy Industries Ltd.	355534	6.06	0.00	518086	8.83	0.00	2.77
6	Rahul Mutha HUF	339142	5.78	0.00	339142	5.78	0.00	0.00
7	Chandrakala Mutha	259550	4.42	0.00	259550	4.42	0.00	0.00
8	Vimal Chand Manmal Mutha HUF	194250	3.31	0.00	194250	3.31	0.00	0.00
9	Priti Mutha	106896	1.82	0.00	106896	1.82	0.00	0.00
10	Piyush Mutha HUF	104491	1.78	0.00	104491	1.78	0.00	0.00
11	Sungem Impex Pvt. Ltd	102062	1.74	0.00	102062	1.74	0.00	0.00
12	Srishti Mutha	4393	0.07	0.00	4393	0.07	0.00	0.00
13	Parth Mutha	3000	0.05	0.00	3000	0.05	0.00	0.00
	Total	3662286	62.39	0.00	3824838	65.16	0.00	2.77


Attachment D
IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)
(iii) Change in Promoters' Shareholding

Sr. No.	Name	Shareholding at the Beginning (As on 01.04.2019)/ end of the year (31.03.2020)		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No of shares	% of total Shares of the company				No of shares	% of total Shares of the company
1.	Vippy Industries Ltd	355534	6.06	01.04.2019				
				07.06.2019	20497	Purchase	376031	6.41
				14.06.2019	4053		380084	6.48
				21.06.2019	336		380420	6.48
				28.06.2019	305		380725	6.49
				05.07.2019	1029		381754	6.50
				23.08.2019	12699		394453	6.72
				30.08.2019	2468		396921	6.76
				06.09.2019	511		397432	6.77
				13.09.2019	1101		398533	6.79
				20.09.2019	2011		400544	6.82
				23.09.2019	72		400616	6.82
				27.09.2019	1091		401707	6.84
				30.09.2019	950		402657	6.86
				04.10.2019	9713		412370	7.03
				22.11.2019	4187		416557	7.10
				29.11.2019	2965		419522	7.15
				06.12.2019	6046		425568	7.25
				13.12.2019	1482		427050	7.28
				20.12.2019	11595		438645	7.47
				27.12.2019	2275		440920	7.51
				03.01.2020	3213		444133	7.57
				07.02.2020	3153		447286	7.62
				14.02.2020	2169		449455	7.66
				21.02.2020	29296		478751	8.16
				28.02.2020	814		479565	8.17
				06.03.2020	8295		487860	8.31
				13.03.2020	15913		503773	8.58
				20.03.2020	2200		505973	8.62
				27.03.2020	12113		518086	8.83
		518086	8.83	31-03-2020			518086	8.83


Attachment E
IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)
(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sr. No.	Name	Shareholding at the Beginning (As on 01.04.2019)/ end of the year(31.03.2020)		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No of shares	% of total Shares of the company				No. of shares	% of total Shares of the company
1.	Mahendra Girdharilal	170211	2.90	01.04.2019		Nil movement during the year		
		170211	2.90	31.03.2020			170211	2.90
2.	Subramanian P	136330	2.32	01.04.2019				
				01.11.2019	2115	Purchase	138445	2.32
				08.11.2019	-138445	Sale	0	0.00
		0	0.00	31.03.2020			0	0.00
3.	Kewal Pravinchand Gudhaka	20000	0.34	01.04.2019		Nil movement during the year		
		20000	0.34	31.03.2020			20000	0.34
4.	Kusum Agrawal	19910	0.34	01.04.2019				
				30.08.2019	-10	Sale	19900	0.34
				31.12.2019	-1000	Sale	18900	0.32
				24.01.2020	150	Purchase	19050	0.32
				07.02.2020	850	Purchase	19900	0.34
				14.02.2020	-1000	Sale	18900	0.32
				21.02.2020	120	Purchase	19020	0.32
				28.02.2020	1	Purchase	19021	0.32
				06.03.2020	176	Purchase	19197	0.33
				13.03.2020	490	Purchase	19687	0.34
				20.03.2020	-180	Sale	19507	0.33
				27.03.2020	-98	Sale	19409	0.33
		31.03.2020	-201	Sale	19208	0.33		
		19208	0.33	31.03.2020		19208	0.33	
5.	Usha Jain*	17800	0.30	01.04.2019				
				31.05.2019	-17800	Sale	0	0.00
		0	0.00	31.03.2020			0	0.00
6.	Madhuben U Patel	11203	0.19	01.04.2019		Nil movement during the year		
		11203	0.19	31.03.2020			11203	0.19



7.	Ladharam Nagjibhai Ramani*	10000	0.17	01.04.2019				
				21.02.2020	-10000	Sale	0	0.00
		0	0.00	31.03.2020			0	0.00
8.	Pankaj Bhadrilal Shah	8324	0.14	01.04.2019		Nil movement during the year		
		8324	0.14	31.03.2020			8324	0.14
9.	Annam Sreenivas Reddy	7999	0.14	01.04.2019		Nil movement during the year		
		7999	0.14	31.03.2020			7999	0.14
10.	Pooja Amit Banka(Pooja Shah)*	7800	0.13	01.04.2019				
				12.07.2019	7800	Purchase	7800	0.13
				26.07.2019	-516	Sale	7284	0.12
				09.08.2019	-2	Sale	7282	0.12
				23.08.2019	-1482	Sale	5800	0.10
				29.11.2019	-1150	Sale	4650	0.08
				06.12.2019	-1600	Sale	3050	0.05
				13.12.2019	-2550	Sale	500	0.008
				20.12.2020	-500	Sale	0	0.00
		0	0.00	31.03.2020	0		0	0.00
11.	Sangeetha S. Subramanian #	0	0.00	01.04.2019		Purchase		
				08.11.2019	138445		138445	2.36
		138445	2.36	31.03.2020			138445	2.36
12.	Paras Kumar Jain #	7680	0.13	01.04.2019		Nil movement during the year		
		7680	0.13	31.03.2020			7680	0.13
13.	Prasanna Kumar V#	7200	0.12	01.04.2019		Nil movement during the year		
		7200	0.12	31.03.2020			7200	0.12

Note: *Ceased to be in the list of Top 10 shareholders as on 31-03-2020. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2019.

Not in the list of Top 10 shareholders as on 01-04-2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2020.

**Attachment F****IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)****(v) Shareholding of Directors and Key Managerial Personnel**

Sr. No	Name	Shareholding at the beginning(As on 01.04.2019)/ end of the year(31.03.2020)		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total Shares of the company				No of shares	% of total Shares of the company
1.	Shri Piyush Mutha (Promoter/Managing Director)	521750	8.89	01.04.2019		Nil movement during the year		
		521750	8.89	31.03.2020			521750	8.89
2.	Shri Mohan Jain (Independent Director*)	0	0.00	30.09.2019		Nil holding/ movement during the year		
		0	0.00	31.03.2020			0	0.00
3.	Shri Mangalore MaruthiRao (Whole Time Director)	0	0.00	01.04.2019		Nil holding/ movement during the year		
		0	0.00	31.03.2020			0	0.00
4.	Shri Praneet Mutha (Promoter /Non Executive Director)	521050	8.88	01.04.2019		Nil movement during the year		
		521050	8.88	31.03.2020			521050	8.88
5.	Shri Subhash Kocheta (Independent Director)	0	0.00	01.04.2019		Nil holding/ movement during the year		
		0	0.00	31.03.2020			0	0.00
6.	Shri Raghuram Krishnamurthy (Independent Director)	0	0.00	01.04.2019		Nil holding/ movement during the year		
		0	0.00	31.03.2020			0	0.00
7.	Smt. Deepa Sudhir Mekal (Independent Director/ Woman Director)	0	0.00	01.04.2019		Nil holding/ movement during the year		
		0	0.00	31.03.2020			0	0.00



8.	Shri Satyanarayan Patidar**	0	0.00	01.04.2019		Nil holding/ movement during the year		
		0	0.00	30.06.2019			0	0.00
9	Ms. Itisha Sahu#	0	0.00	10.08.2019		Nil holding/ movement during the year		
		0	0.00	31.03.2020			0	0.00
10.	Shri Hassan Ali@	0	0.00	17.04.2019		Nil holding/ movement during respective period		
		0	0.00	31.03.2020			0	0.00

*Appointed as Independent Director of the Company w.e.f. 30.09.2019.

**Resigned as Company Secretary w.e.f. 30.06.2019.

Appointed as Company Secretary w.e.f. 10.08.2019.

@ Appointed as Chief Financial Officer w.e.f. 17.04.2019.

Attachment G

V. INDEBTEDNESS

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

(₹ In Lakhs)

Particulars		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	2007.78	-	-	2007.78
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	1.68	-	-	1.68
	Total (i+ii+iii)	2009.46	-	-	2009.46
Change in Indebtedness during the financial year					
	Addition	-	-	-	-
	Reduction	1155.62	-	-	1155.62
	Net Change	(1155.62)	-	-	(1155.62)



Indebtedness at the end of the financial year					
i)	Principal Amount	852.16	-	-	852.16
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	1.22	-	-	1.22
	Total (i+ii+iii)	853.38	-	-	853.38

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

Sr. No.	Particulars of Remuneration		Name of MD/WTD		Total Amount (₹ In Lakhs)
1		Gross salary	Piyush Mutha (MD)	Mangalore Maruthi Rao (WTD)	
	(a)	Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	90.00	4.20	94.20
	(b)	Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	1.34	-	1.34
	(c)	Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961	-	-	-
2		Stock Option	-	-	-
3		Sweat Equity	-	-	-
4		Commission	-	-	-
		- as % of profit	-	-	-
		-Others(specify)	-	-	-
5		Others, please specify (PF & other funds)	21.60	-	21.60
		Total i (1+2+3+4+5)	112.94	4.20	117.14
		Ceiling as per the Act	Remuneration was paid ₹117.14 Lakhs exceed the limit (i.e., 10% as specify under Companies Act, 2013) which was approved by the members in accordance with the Section 197 read with Schedule V of the Companies Act, 2013.		



Attachment I

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(ii) Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Director					Total amounts (In ₹)
		Mohan Jain	Subhash Kocheta	Raghuram Krishnamurthy*	Deepa Sudhir Mekal	Praneet Mutha	
1.	Independent Director						
	• Fee for attending board/committee meeting	2000	3500	-	4000	-	9500
	• Commission	-	-	-	-	-	-
	• Other, please specify	-	-	-	-	-	-
	Total ii (1)	2000	3500	-	4000	-	9500
2.	Other Non-Executive Directors						
	• Fee for attending board/committee meeting	-	-	-	-	5000	5000
	• Commission	-	-	-	-	-	-
	• Other, please specify	-	-	-	-	-	-
	Total ii (2)	-	-	-	-	5000	5000
	Total ii (1 + 2)	2000	3500	-	4000	5000	14500
	Ceiling as per act	Within the Limit as specified under Companies Act, 2013.					
	Total Managerial Remuneration (being total of i and ii)	₹ 117.14					
	Overall Ceiling as per the Act	1. Remuneration paid to Executive Directors were above the limit (i.e., 11 % of the profit calculated as per Section 198 of the Companies Act, 2013) 2. Sitting Fees paid to Non-Executive Directors were within the limit as specified under Companies Act, 2013.					

*Shri Raghuram Krishnamurthy waived off his right to receive Sitting Fees for attending Board Meeting w.e.f. 08.04.2019.

**Attachment J****VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****(iii) Remuneration to Key Managerial Personnel Other than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration		Name of Key Managerial Personnel			Total Amounts (₹ In Lakhs)
			Satyanarayan Patidar (Company Secretary)*	Itisha Sahu (Company Secretary)#	Hassan Ali (Chief Financial Officer)@	
1.	Gross salary					
	(a)	Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	0.84	2.62	2.49	5.95
	(b)	Value of perquisites u/s 17(2) of the Income-tax act, 1961	-	-	-	-
	(c)	Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	-	-	-	-
2.	Stock Option		-	-	-	-
3.	Sweat Equity		-	-	-	-
4.	Commission - as % of profit -Others(specify)		- - -	- - -	- - -	- - -
5.	Others, please specify (PF)		0.05	0.15	0.16	0.36
	Total (C) (₹ In Lakhs)		0.89	2.77	2.67	6.31

* Resigned w.e.f. 30.06.2019

#Appointed w.e.f. 10.08.2019

@Appointed w.e.f. 18.04.2019

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

Place: Dewas
June 29, 2020

Piyush Mutha
Managing Director
(DIN-00424206)

Pranveet Mutha
Director
(DIN-00424250)

**ANNEXURE-III****NOMINATION & REMUNERATION POLICY****INTRODUCTION**

The Nomination and Remuneration Policy adopted by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee in compliance of Section 178 of the Companies Act, 2013, read along with applicable rules thereto & Regulation 19 of SEBI (LODR) Regulations, 2015 as amended from time to time.

The Policy has been formulated by Nomination and Remuneration Committee & approved by the Board of Directors.

APPLICABILITY

This policy is applicable to:

- a. Directors (Executive, non-Executive and Independent)
- b. Key Managerial Personnel (KMP)
- c. Senior Management Personnel
- d. Other employees as may be decided by the Committees ("NRC")

BRIEF OVERVIEW UNDER COMPANIES ACT 2013 AND SEBI (LODR) REGULATIONS, 2015

{Section 178 & Companies [Meetings of Board and its Powers] Rules, 2014 and Regulation 19 of SEBI (LODR) Regulations, 2015}

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

TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.



- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on the Board diversity.
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
- Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits such as Commission, if any, payable to the Non- Executive Directors.
- Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of the independent directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

CRITERIA FOR DETERMINING THE FOLLOWING

Qualifications for appointment of Directors (including Independent Directors)

- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Their industrial experience.
- Appropriate other qualification/experience to meet the objectives of the Company.
- As per the applicable provisions of Companies Act 2013, Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Positive attributes of Directors (including Independent Directors)

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the industry, market conditions and applicable legal provisions.
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.



- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

Criteria for appointment of KMP/Senior Management

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

EVALUATION

The Evaluation will be done on the following parameters:

(i) Board

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

(ii) Chairperson of the Company

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

(iii) Committees of the Board

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

(iv) Executive Directors

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

(v) Non-Executive Directors including Independent Directors

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



criteria of Independent Director and their independence from the management etc.

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

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

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

REVIEW

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

For and on behalf of the Board of Directors

**Place: Dewas
June 29, 2020**

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

**Praneet Mutha
Director
(DIN-00424250)**

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

The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20.

Name	Designation	Ratio of remuneration to the median employees' remuneration
Shri Piyush Mutha	Managing Director	75.19
Shri Mangalore Maruthi Rao	Whole Time Director	2.80

Remuneration excludes provision for gratuity.

2. Percentage increase in remuneration of each Director and Key Managerial Personnel in the financial year 2019-20.

Name	Designation	Increase in Remuneration (%)
Shri Piyush Mutha	Managing Director	13.63
Shri Mangalore Maruthi Rao	Whole Time Director	-
Shri Hassan Ali*	Chief Financial Officer	-
Ms. Itisha Sahu**	Company Secretary	-

* Appointed w.e.f. 18.04.2019, therefore the remuneration figure is not comparable.

** Appointed w.e.f 10.08.2019 therefore the remuneration figure is not comparable.

3. The percentage increase/ decrease in the median remuneration of employees in the financial year 2019-20 is 8.59%.**4. The number of permanent employees on the rolls of Company:**

There were 96 permanent employees on the rolls of Company as on March 31, 2020.

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration

Average percentile increase in the salaries of employee other than the Managerial personnel in the Financial Year 2019-20 was 5.50% and the increase in the salary of the Managerial personnel was 13.63%.

There is no direct relationship between the average increase in remuneration and Company performance. The Company takes various things like inflation, market trend and other related issue at the time of increase in remuneration of the employee. The Individual Performance is also one of the major criteria in increase of remuneration.

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

**7. Details of employees as per rule 5(2) read with rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

a) Name of the top 10 employees in terms of remuneration drawn during the financial year 2019-20

Sr. No	Name of Employee	Designation of the Employee	Remuneration received (in ₹)	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Shri Piyush Mutha	Managing Director	112.94 Lakhs	Permanent Employee	B.E & MBA, 27 years Experience	Re-appointment for one (1) years w.e.f. 01.04.2020	51	-	He is brother of Shri Praneet Mutha, Director of the Company
2	Shri Ashwani Kamra	Assistant Vice President (Operation)	14.15 Lakhs	Permanent Employee	B.Tech (Textile), 28 years	02.12.2012	50	Ginni Filaments Ltd.	-
3	Shri Chandra Shekhar Sharma	Assistant General Manager (Commercial)	8.08 Lakhs	Permanent Employee	B.Com, 28 years	15.10.2011	52	Pratibha Syntex Ltd	-
4	Shri Arvind Deshmukh	Assistant General Manager (Production)	7.95 Lakhs	Permanent Employee	Diploma in Electronics & Textile, 23 years	30.07.2006	50	Sanjay Gandhi Cooperative Spinning Mills	-
5	Shri Neeraj Verma	Manager (Electrical)	6.12 Lakhs	Permanent Employee	B.Tech (Electrical & Electronics), 19 Years	05.11.2019	45	Gujrat Ambuja Export Ltd.	-



6	Shri Raju Gupta	Manager (P&A)	5.45 Lakhs	Permanent Employee	Master in Personnel Management, 15 years	25.12.2013	41	SEL Manufacturing Company Ltd.	-
7	Shri Sanjeev Kumar Gupta	Manager (Production)	5.44 Lakhs	Permanent Employee	B.E. (Mech.), 25 Years	01.06.1999	50	Sulony Fibre Glass Pvt. Ltd.	-
8	Shri Rajendra Pal Singh	Manager (Maintenance)	5.35 Lakhs	Permanent Employee	Diploma in Mech, 26 years	01.09.1998	46	Swastik Spintex Ltd.	-
9	Shri Sanjay Kumar Dubey	Joint Manager (Production)	5.29 Lakhs	Permanent Employee	Diploma in Textile Technology, 27 years	20.06.2005	51	Skumars National Ltd	-
10	Shri Anil Tiwari	Manager (Material)	4.77 Lakhs	Permanent Employee	Diploma in Material Management, 35 years	23.04.2007	54	KM Crown Welding Consumable	-

- b) During the financial year, Shri Piyush Mutha, Managing Director received remuneration in excess of Rupees One Crore and Two Lakhs or more per annum.
- c) During a part of the financial year, Shri Piyush Mutha, Managing Director received remuneration in excess of Rupees Eight Lakhs and Fifty Thousand or more per month.
- d) During the year or a part thereof, none of the employees received remuneration in excess of that drawn by the Managing Director or Whole Time Director and holds himself or along with his spouse and dependent children, 2% or more of the equity shares of the Company.

For and on behalf of the Board of Directors

**Place: Dewas
June 29, 2020**

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

**Praneet Mutha
Director
(DIN-00424250)**

**ANNEXURE-V****CORPORATE SOCIAL RESPONSIBILITY POLICY****1. CSR OVERVIEW**

“Corporate Social Responsibility” (CSR) is a way of conducting business, by which corporate entities visibly contribute to the social good. The essence of CSR is to integrate economic, environmental and social objectives with the company’s operations and growth. CSR is the process by which an organization thinks about and evolves its relationships with society for the common good and demonstrates its commitment by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies.

The main objective of CSR policy is to make CSR a key business process for sustainable development of society. In its endeavors to mutually achieve the said objective, the Act stipulates the provisions regarding mandatory adherence to the Corporate Social Responsibility practices by the prescribed classes of companies.

2. OBJECTIVE

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. Therefore, the Policy will function as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and national norms.

The main objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

3. CSR COMMITTEE**i. Composition:**

The Corporate Social Responsibility committee (CSR Committee) shall consist of three or more directors.

ii. Role: the CSR Committee, inter alia shall

a) Formulate and recommend to the Board the CSR Policy and any amendments thereof which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

b) Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy;

c) Be responsible for implementation and monitoring the CSR projects or programs or activities of the Company;

d) Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

iii. Meetings: The CSR Committee shall meet as and when necessary**iv. Sitting Fees: No sitting fees shall be payable for attending CSR Committee.****v. Quorum: Quorum of meeting of CSR Committee shall be one third of the total strength or two directors, whichever is higher.****vi. The CSR Committee may invite Executives, Advisors, representatives of Social Organizations, Auditors of the Company and such other person(s) as it may consider necessary to attend the meeting.****4. LIST OF ACTIVITIES/PROJECTS**

The Company shall undertake any of the following Activities/Projects or such other activities/projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility (CSR):



- i. Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promoting of sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognized sports, and olympic sports;
- viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the Schedule Tribes, other backward classes, minorities and women;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.;
- x. Rural development projects;
- xi. Slum area development;
Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- xii. Disaster management, including relief, rehabilitation and reconstruction activities.

The provisions of the Companies Act, 2013 and CSR Rules made thereafter shall have overriding effect Vis-a Vis the provisions of this policy.

Periodic review of this policy shall be done to ensure its continued suitability, adequacy and efficacy.

5. FUNDING

In line with extent provisions of Section 135 of the Companies Act, 2013 and requirements laid down in the Companies (CSR Policy) Rules, 2014; 2 % of the average net profit of the Company made during the three immediately preceding financial years will be allocated for CSR activities.

CSR budget for the relevant financial year shall be approved by the Board.

5% of annual CSR Budget will be kept as reserve for emergency like disaster, calamity, etc. If the same remains unutilized, it may be used in the last quarter of the financial year for the other activities mentioned in Schedule VII of the Companies (CSR Policy) Rules, 2014.

The Company may build CSR capacities of their own personnel as well as those of their implementing agencies through Institutions with established track records of at least 3 financial years but such expenditure shall not



exceed 5% of the total CSR expenditure of the Company in one financial year.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the Business profit of a company and same shall be spent for undertaking any CSR activities only.

If the Company fails to spend, the amount stated hereinabove, then reason for not spending shall be stated in the Directors Report

6. IMPLEMENTATION OF CSR ACTIVITIES

The Company may undertake CSR Activities either directly by itself or through a registered trust or registered society or any company established by the Company, its holding or subsidiary company or associate company under Section 8 of the Act for such non-for-profit objectives.

Provided that the Company can carry out the CSR Activities through such other institutes having an established track record of 3 (three) years in undertaking the CSR Activities.

The Company may collaborate with other companies for undertaking the CSR Activities subject to fulfillment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the rules).

The scope of this policy will extend to activities as stated under Schedule VII of the Companies Act, 2013, as presently in force. The scope of the policy to also include all additional and allied matters, as will be notified by Ministry of Corporate Affairs or such other body, as appointed/notified by Central or State Government, from time to time for this purpose.

CSR programs will be undertaken by the Company to the best possible extent within the defined ambit of the identified Project/Program.

The time period/duration over which a particular program will be spread, will depend on its nature, extent of coverage and the intended impact of the program.

The process for implementation of CSR programs will involve the following steps:

Identification of programs will be done by means of the following:

- i. Need identification studies by the Senior Management/Professional Institutions/agencies.
- ii. Receipt of proposals/ requests from District Administration/local Govt. etc.
- iii. Suggestion from the Board of Directors/Senior Management level.
- iv. Detailed assessment survey.

The Company shall give preference to the local areas and areas where the Company operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.

7. MONITORING AND FEEDBACK

The administration of the CSR policy and execution of CSR Projects/programs and activities shall be carried out under the overall superintendence and guidance of an internal monitoring group (herein after CSR Team) formed for this purpose.

The internal monitoring group/CSR Team shall consistof:

- i. Managing Director
- ii. Executive Director
- iii. Chief Financial Officer of the Company
- iv. HR unit head



The CSR Team shall submit its report to CSR Committee formed under the Act.

CSR Team will try to obtain feedback from beneficiaries about the programs implemented at the area.

CSR initiatives of the Company will be reported in the Annual Report of the Company & the Board will Report in compliance with Section 135 of the Act, and rules made there under.

8. PROCEDURE FOR CSR ACTIVITIES

The Committee shall recommend the Board suitable CSR Activities to be undertaken during for the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;

The Board shall give its approval based on the recommendation of the Committee and in compliance of this policy;

The Committee, after approval, shall submit its report giving status of the CSR Activities undertaken, Expenditure incurred and such other details as may be required by the Board.

9. EXCLUSION

The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.

The Company shall not make any payment directly or indirectly to Political Party (ies) for CSR Activities.

The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with Section 135 of the Act.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company but should be added in the CSR Fund.

10. ALLIED MATTERS

With regard to CSR activities, Boards Report to state such particulars as stated under Companies (Corporate Social Responsibility) Rules, 2014.

The Company shall display such particulars relating to CSR Policy and activities undertaken there under as stated under Companies (Corporate Social Responsibility) Rules, 2014.

11. GENERAL

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

The CSR Committee reserves the right to modify, add, or amend any of provisions of this policy subject to approval of the Board.

For and on behalf of the Board of Directors

**Place: Dewas
June 29, 2020**

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

**Pranect Mutha
Director
(DIN-00424250)**

**ANNEXURE – VI****THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

[Pursuant to Section 135 of the Companies Act, 2013 and Companies
(Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline of the Company’s CSR Policy, including overview of projects or programmes proposed to be undertaken:

In accordance with the provisions of the Companies Act, 2013 and rules made there under, the Company had framed its CSR Policy to carry out its CSR activities in accordance with Schedule VII of the Act. The CSR Policy annexed as **Annexure-V** to this report. The CSR policy may be assessed on the company's website at www.vippyspinpro.com

The Company believes in conducting its business responsibly, fairly and in a most transparent manner. It continuously seeks ways to bring about an overall positive impact on the society and environment where it operates and as a part of its social objectives.

The main objective of the CSR Policy of the Company is to lay down guidelines to make CSR a key business process for sustainable development of the society and the environment in which it operates.

During the year, the Company as part of its CSR activities provided a grant towards promoting education, healthcare, environment and skilling & livelihood. The CSR Committee is the governing body that articulates the scope of CSR activities and ensures compliance with the CSR Policy including overview of the projects undertaken.

2. The Composition of the CSR Committee:

Shri Piyush Mutha (Chairman),
Shri Praneet Mutha, and
Smt. Deepa Sudhir Mokal.

3. Average net profit of the company for last three financial years: ₹. 5,19,59,828/-**4. Prescribed CSR expenditure (2% of the amount as in item 3 above): ₹ 10,39,200/-****5. Details of CSR spend during the financial year**

- a) **Total amount spent during the financial year: ₹ 10, 49,000/-**
- b) **Amount unspent, if any: NIL**
- c) **Manner in which the amount spent during the financial year is detailed**

The Company has undertaken CSR activities in the areas of promoting education including The Company has adopted two schools through “Friends of Tribal’s Society”, Company has also made contribution for the education of children across the country through “CRY” and “Smile Foundation”.

The Company has also given contribution to Ujjain Charitable Trust Hospital and Research Centre for promoting Health Care including Preventive Health Care in the area of District Ujjain (M.P.).

The Company has also given contribution to Roopantaran Samajik Evam Jankalyan Sanstha for promotion of Plantation and Environment benefit activities.



Manner in which the amounts spent during the financial year ended March 31, 2020 are detailed below:

Sr. No.	CSR project or activity identified	Sector in which the Project is covered (clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or Programmes (1) Local area or other (2) Specify the State and district where projects or programmes was undertaken	Amount (₹) outlay (Budget project or programs wise)	Amount(in ₹) spent on the projects or programs Sub-heads: 1.Direct expenditure on projects or programmes 2.Overheads (₹)	Cumulative expenditure (in ₹) upto to the reporting period. i.e. 2014-15 onwards	Amount spent: Direct or through implementing agency
1.	a. Promoting Education in Tribals	Promoting education etc. {Clause. (ii)}	District-Indore (M.P.)	44000	Direct Exp- 44000 Overheads-Nil	44000	Through Implement Agency (Friends of Tribals Society, Indore, M.P.)
	b. Promoting Education in school	Promoting education etc. {Clause. (ii)}	PAN - India	25000	Direct Exp- 25000 Overheads-Nil	25000	Through Implement Agency (CRY Foundation)
	c. Promoting Education in school	Promoting Education in school {Clause. (ii)}	PAN – India	30000	Direct Exp- 30000 Overheads-Nil	30000	Through Implement Agency (Smile Foundation)
2.	Promoting and ensuring environmental sustainability	Promoting and ensuring environmental sustainability & promoting conservation of natural resources & maintaining quality of soil, air and water {Clause (iv)}	District- Ujjain (M.P.)	40200	Direct Exp- 50000 Overhead-Nil	50000	Through Implement Agency (Roopantaran Samajik Evam Jankalyan Sanstha)
3.	Promoting Health Care	Promoting Health Care including Preventive Health Care {Clause (i)}	District – Ujjain(M.P.)	9 Lacs	Direct Exp- 9 Lacs Overheads-Nil	9 Lacs	Through Implement Agency(Ujjain Charitable Trust Hospital and Research Centre, Ujjain (M.P.)
			Total	10.39 Lacs	10.49 Lacs	10.49 Lacs	



6. In case the company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: Not Applicable
7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

**Place: Dewas
June 29, 2020**

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

**Praneet Mutha
Director
(DIN-00424250)**

**ANNEXURE-VII****SECRETARIAL AUDIT REPORT**

For the Financial Year ended on March 31, 2020

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Vippy Spinpro Ltd. for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Period, as there was no such transaction)
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
 - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period, as there was no such transaction);
 - (iv) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period, as there was no such transaction)
 - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period, as there was no such transaction)
 - (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client



- (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period, as there was no such transaction).
- (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period, as there was no such transaction).
- (ix) SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as applicable from time to time.

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

- (i) Secretarial Standards on Board and General Meetings, as issued by the Institute of Company Secretaries of India
- (ii) The Listing Agreements as entered into by the Company with Bombay Stock Exchange Limited. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that on the representation made by the Company and its Officer for system and mechanism formed by the Company for compliances, and examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws/acts specifically applicable to the Company:

- (i) The Factories Act, 1948
- (ii) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, Compensation etc.;
- (iii) Labour Welfare Acts of State.
- (iv) Acts prescribed under Direct and Indirect Taxes
- (v) The Competition Act, 2002
- (vi) The Negotiable Instruments Act, 1881
- (vii) Environment Laws
- (viii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Further that, no changes in the composition of the Board of directors have taken place during the period under review.

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

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

For Shilpesh Dalal & Co.,
Company Secretary

Shilpesh Dalal (Proprietor)
M.No. FCS-5316
C.P. No. 4235
Indore
June 29, 2020
UDIN: F005316B000386202

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



‘Annexure- A’

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

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

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

For, Shilpesh Dalal & Co.,
Company Secretary

SHILPESH DALAL
(Proprietor)
M.No. FCS-5316
C.P. No. 4235
Indore
June 29, 2020

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Member of
Vippy Spinpro Limited
CIN: L01710MP1992PLC007043
414, City Centre, 570, M.G Road,
Indore MP 452001 IN

I have examined the relevant registers, records, forms, returns and disclosure received from the Directors of **Vippy Spinpro Ltd.**, having **CIN L01710MP1992PLC007043** and having registered office at **414, City Centre, 570, M.G Road, Indore MP 452001** (hereinafter referred to as “the Company”), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN/PAN	Date of appointment in Company
1.	Shri Piyush Mutha	00424206	01-04-1992
2.	Shri Praneet Mutha	00424250	19-12-2000
3.	Shri Mangalore Maruthi Rao	00775060	28-10-2002
4.	Shri Subhash Kocheta	00590610	31-03-2003
5.	Shri Raghuram Krishnamurthy	00776063	31-10-2000
6.	Smt. Deepa Sudhir Mekal	05222280	31-03-2017
7.	Shri Mohan Lal Jain	00395584	01-04-1992

Ensuring the eligibility of the appointment/continuing of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Indore
July 20, 2020

For Shilpesh Dalal & Co.,
Company Secretary

SHILPESH DALAL
(Proprietor)
M.No. FCS-5316
C.P. No. 4235
UDIN: F005316B000478965

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

According to IMF's World Economic Outlook projects global growth is projected to rise from an estimated 2.9 percent in 2019 to 3.3 percent in 2020 and 3.4 percent for 2021. The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by -3 percent in 2020, much worse than during the 2008-09 financial crisis. In a baseline scenario—which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Global Textile Market is expected to decline from \$673.9 billion in 2019 to \$655.2 billion in 2020 at a compound annual growth rate (CAGR) of -2.8%. The decline is mainly due to economic slowdown across the countries owing to the COVID-19 outbreak and the measures to contain it. The market is then expected to recover and grow at a CAGR of 7% from 2021 and reach \$795.4 billion in 2023.

India is among the world's largest producer of textile and apparel/ the domestic textile and apparel industry contributes 2.3% to India's GDP and account for 13% of industrial production and 12% of the country's export earnings.

The textile and apparel industry in India is the second largest employer in the country providing employment to 45 million people.

India has also become the second-largest manufacturer of PPE in the world. More than 600 companies in India are certified to produce PPEs today whose global market worth is expected to be over \$92.5 billion by 2025 up from \$52.7 billion in 2019.

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade.

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

OPPORTUNITY AND THREATS**Opportunity**

The Indian textile industry has various opportunities like technical textiles, product development and diversification, FDI and brand recognition. Technical textiles offer the opportunity to the Indian textile industry to maintain the present current growth and flourish in near future. The emerging tendency to spend more on life style product and the spread of organized retailing and e-retailing to smaller towns and even rural areas, the demand for textile products in the domestic market is expected to grow substantially in coming years and also in the long run.

The India's growing population has been a key drive of textile consumption growth in the country. This also works as demand driver due to changing taste and preferences in the urban part of India. India enjoys a comparative advantage in terms of skilled manpower and in cost of production. The future for the Indian textile industry looks promising, sustained by strong domestic consumption. The Indian Government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100% FDI in the Indian textiles sector under the automatic route.

The significant actions of large central bank in recent weeks include monetary stimulus and liquidity facilities to reduce systemic stress. These actions have supported confidence and contribution to limiting the amplification of the shock. Thus ensuring that the economy is better placed to recover. The synchronized actions can magnify their impact on



individual economic and will also help generate the space for emerging market and developing economies to use monetary policy to respond to domestic cyclical conditions.

Threats

The International Monetary Fund slashed FY21 growth projection for India to 19% from 5.8% projected in January holding that the 'Great Lockdown' to combat the COVID-19 outbreak will throw the world economy into the worst recession since the Great Depression in 1930s.

The corona virus pandemic came at a time when India's economy was already slowing due to persistent financial sector weaknesses. The severe disruption of economic activity caused by COVID-19 both through demand and supply shocks has overtaken the incipient recovery in the Indian economy leading to massive job losses. IMF even expect FY20 growth at 4.2% as against 5% estimated by India's statistics department.

SEGMENTWISE PERFORMANCE

The Company generates power through wind mill & solar panels for captive use. Hence no Segment reported.

OUTLOOK

The future of the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. India is the second largest producer of textile and garments and the world's third producer of cotton after China and USA. The Indian market is also the second largest in terms of consumption of Cotton. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. The Company believes that the Government also has significant role to play in the growth of this industry.

The Company is continuously taking various initiatives to reduce the operational cost, development of new innovative value added products, and exploring new markets to achieve better margins in the future.

RISK AND CONCERNS

The Company had adopted Risk Management Policy to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. The volatility in price of cotton which is raw material for the Company, volatility in oil prices in international market and non -availability of skilled manpower are the major threats to the company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls with reference to financial statements. All the transactions are properly authorized and recorded. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The Internal Audit is conducted by outside auditing firms which evaluate the functioning and quality of internal controls and check; and provides assurance of its adequacy and effectiveness. The Internal Audit Reports are actively reviews by the Audit Committee and adequate remedial measures, if any, are taken. The Internal Audit Reports are also reviews by the Board of Directors periodically. During the year, no reportable material weaknesses in the design or operations were observed.

OPERATIONAL & FINANCIAL PERFORMANCE

OPERATIONAL PERFORMANCE

(Qty. in MT.)

Particulars	2019-2020	2018-2019
Production	8766.365	8692.898
Sales	8666.067	8625.893

**FINANCIAL PERFORMANCE**

(₹.in Lakhs)

Particulars	2019-2020	2018-19
Income		
Revenue from Operations	11066.00	11355.48
Other Income	63.06	33.61
Total Revenue	11129.06	11389.09
Profit before finance cost, depreciation & amortization, and tax	714.28	912.75
Less: Finance Costs	79.70	103.15
Less: Depreciation and amortization expenses	181.33	210.29
Profit before Tax	453.25	599.31
Less: Tax Expenses		
Current Tax	114.41	139.46
Deferred Tax (Assets)/Liabilities	(39.78)	12.46
Profit for the year	378.62	447.39
Other Comprehensive Income	(11.80)	(4.64)
Total Comprehensive Income	366.82	442.75
Earning per equity share		
Basic	6.45	7.62
Diluted	6.45	7.62

The Company's total revenue for the year under review amounted to ₹. 11129.06 Lakhs as compared to ₹11389.09 Lakhs of the previous year. The Profit before Tax for the year under review amounted to ₹ 453.25 Lakhs as compared to ₹ 599.31 Lakhs of the previous year. The Profit after Tax for the year under review amounted to ₹ 378.62 Lakhs as compared to ₹ 447.39 Lakhs of the previous year.

MATERIAL DEVELOPMENT IN HUMAN RESOURCE AND INDUSTRIAL RELATIONS

The Company believes that employee plays a pivotal role in achieving a competitive advantage. The Company provides them an environment, where each employee is motivated to contribute his best to achieve the Companies objective. The focus of all aspects of Human Resource Development is on developing a superior workforce so that the organization and individual employee can achieve their work goals. The Company has a progressive HR policy for helping employees to develop their organization skills, knowledge and abilities to achieve greater efficiency. The Industrial Relations of the Company with its personnel has continued to be cordial and friendly during the year. The Company has 96 permanent employees as on the rolls of the Company as on March 31, 2020.

SIGNIFICANT CHANGES IN FINANCIAL RATIOS

During the year, there was no significant change in the financial ratios as compared to the previous year.

CAUTIONARY STATEMENT

Statement in the "Management Discussion and Analysis" describing the Company's objectives, estimates, expectations or projections may be "forward looking statements" within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. The Company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

**REPORT ON CORPORATE GOVERNANCE****1. The Company's Philosophy**

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

Report on Corporate Governance for the year ended March 31, 2020, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out below.

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

The Company has total Seven(7) Directors out of which four (4) Independent Non-Executive Directors, One (1) Non-Executive Promoter Director, One(1) Executive Promoter Director and One (1) Non Independent Executive Director, and it meets the stipulated requirement.

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

Name	Category	Attendance		Total No of Directorship in other Public companies incorporated in India	No of committees positions #held in other Public companies incorporated in India	
		Board Meeting	Last AGM		Chairman	Member
Shri Piyush Mutha	Promoter/Managing Director	11	Yes	1	-	1
Shri Mangalore Maruthi Rao	Whole Time Director	11	Yes	-	-	-
Shri Praneet Mutha	Promoter/ Non-Executive Director	10	Yes	1	-	1
Shri Mohan Jain *	Independent Director	4	No	-	-	-
Shri Subhash Kocheta	Independent Director	7	No	-	-	-
Shri Raghuram Krishnamurthy	Independent Director	2	No	-	-	-
Smt. Deepa Sudhir Mekal	Independent Director/ Woman Director	8	Yes	1	-	-

*Shri Mohan Jain (DIN-00395584), Independent Director, appointed as Independent Director of the Company w.e.f. 30.09.2019 pursuant to Regulation 17(1A) of SEBI (LODR) Regulations, 2015,



Only Audit Committee and Stakeholders Relationship Committee have been considered.

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

During the Financial year ended March 31, 2020, total Eleven (11) meetings of Board of Directors were held on 08.04.2019, 17.04.2019, 10.05.2019, 28.05.2019, 10.08.2019, 02.09.2019, 11.11.2019, 21.12.2019, 28.01.2020, 22.02.2020, 11.03.2020,. Maximum gap between two meetings was less than One Twenty Days.

There has been no pecuniary transaction or relationship between the Company and its Non-Executive Directors during the year ended March 31, 2020 apart from paying sitting fees. All Independent Directors are fulfill the conditions as stipulated in the SEBI (LODR) Regulations, 2015 and are independent from the management of the Company

Board Expertise and Attributes

The Board comprises directors that bring a wide range of skills, expertise and experience which enhance overall | board effectiveness.

The Nomination and Remuneration Committee of Directors assess and recommend to the board, core skill sets require by Directors to enable Board to perform its oversight function effectively. This process also helps to identify skill gaps.

The identified skills and domain expertise required by the directors of the Corporation include leadership and strategic thinking, risk management, legal and regulatory compliance, corporate governance, consumer behavior, sales and marketing, information technology, data analytics, and proficiency in economics, finance, accounting & audit and industry experience. The directors of the Corporation have mapped their skills based on the board skills matrix.

Sr. no.	Name	Designation	Core Skill/ Expertise/ Competencies available with the Board
1	Shri. Piyush Mutha	Managing Director	Leadership, Finance, Legal and Regulatory compliances, Corporate Governance, Data Analytics,
2	Shri. Mangalore Maruthi Rao	WholeTime Director	Strategic Thinking, Consumer Behavior, Data Analytics, Industry Expertise.
3	Shri. Praneet Mutha	Non-executive-non-Independent Director	Sales and Marketing, Consumer Behavior, Information Technology, Proficiency in economic.
4	Shri. Subhash Kocheta	Independent Director	Risk Management, Industry Expertise.
5	Shri. Mohan Jain	Independent Director	Industry Expertise, Accounting and Audit.
6	Shri. Raghuram Krishnamurthy	Independent Director	Data Analytics, Proficiency in Economics.
7	Smt. Deepa Sudhir Mekal	Independent Director	Risk Management, Accounting.

The Company has received the necessary declarations from each Independent Director under Section 149(7) of the Act that he/she meets the criteria of independence laid down in Section 149(6) of the Act and Regulation 16(1)(b) read with Regulation 25(8) of the SEBI Listing Regulations. The Board has taken on record these declarations after undertaking the due assessment of the veracity of the same.



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

Number of shares held by Non-Executive Directors as on March 31, 2020:

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

Familiarization Programme:

The Company has put in place a system to familiarize its Independent Directors with the Company, covering the area as:- nature of the industry in which Company operates, business model of Company, roles, rights & responsibilities of the Independent Directors etc. The details of programme for familiarization is placed on the website of the Company at www.vippyspinrpo.com

Appointment/re-appointment of Director:

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

During the year under review, the members of the Company at the Annual General Meeting held during the year, have approved the re-appointment of Shri Mohan Jain, Shri Subhash Kocheta and Shri Raghuram Krishnamurthy, as an Independent Directors of the Company, for a term of 5(five) consecutive years on the Board of the Company .

Board Procedures:

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

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

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

Separate Meeting of the Independent Directors:

The meeting of Independent Directors held on January 28, 2020, without the attendance of Non-Independent Directors and members of Management. The following issues were discussed in detail:

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

**Code of Conduct:**

The Company had laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct is available on the website of the Company www.vippyspinpro.com. All the Board Members and Senior Management Personnel have affirmed compliances with the Code of Conduct, as on March 31, 2020.

A declaration by Managing Director regarding compliance by the Board Members and Senior Management Personnel, with the said Code of Conduct is enclosed and form part of this report.

3. Audit Committee**Composition and Attendance**

The Audit Committee comprises of three members, two of them are independent- non-executive directors and one is Executive Director. The Committee composition meets with the requirements of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the Committee have relevant experience in financial matters.

During the year under review, Six (6) meeting of Audit Committee were held on 17.04.2019, 28.05.2019, 10.08.2019, 11.11.2019, 28.01.2020 and 11.03.2020.

As on March 31, 2020, the composition of the Audit Committee and details of meeting attended by the members are as under.

Name	Position	Category	No. of Meetings during the year	
			Held	Attended
Shri Mohan Jain*	Chairman	Independent Director	6	2
Shri Subhash Kocheta #	Chairman	Independent Director	6	4
Shri Raghuram Krishnamurthy @	Member	Independent Director	6	-
Shri Piyush Mutha**	Member	Managing Director	6	3
Smt. Deepa Sudhir Mekal	Member	Independent Director	6	6

Company Secretary acts as Secretary to the Audit Committee.

*Shri Mohan Jain, Independent Director appointed as Chairman of the Committee w.e.f. 11.11.2019

** Shri Piyush Mutha, Managing Director appointed as Member of the Committee w.e.f. 08.04.2019

Shri Subhash Kocheta, Independent Director ceased to be a Member of the Committee w.e.f. 11.11.2019

@ Shri Raghuram Krishnamurthy, Independent Director ceased to be a Member of the Committee w.e.f. 08.04.2019

**Terms of reference**

Role of the Audit Committee shall include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment/re-appointment, remuneration and terms of appointment of Statutory Auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - (a) matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustment made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) qualification/modified opinion(s) in the draft audit report;
- Reviewing with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Approving or subsequently modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertaking or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control system;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders(in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the Vigil Mechanism/Whistle Blower Policy;
- Approving the appointment of chief financial officer after assessing the qualifications, experience and background etc. of the candidate;



- Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- Reviewing the financial statements, in particular, the investments made by the unlisted subsidiaries, if any.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances /investments existing as on the date of coming into force of this provision, if any.

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

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

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

The Audit Committee Meetings are usually held at the works Office of the Company and the Audit Committees invites the CFO, Internal Auditor & Statutory Auditors, and Managing Director.

4. Nomination & Remuneration Committee

Composition and Attendance

The Nomination & Remuneration Committee comprises of three members who are independent-non-executive directors. The Committee composition meets with the requirements of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, Five (5) meeting of Nomination & Remuneration Committee were held on 17.04.2019, 28.05.2019, 10.08.2019, 28.01.2020 and 11.03.2020..

As on March 31, 2020, the composition of the Nomination & Remuneration Committee and details of meeting attended by the members are as under:

Name	Position	Category	No. of Meetings during the year	
			Held	Attended
Shri Raghuram Krishnamurthy	Chairman	Independent Director	5	-
Shri Mohan Jain*	Member	Independent Director	5	-
Shri Subhash Kocheta	Member	Independent Director	5	5
Smt. Deepa Sudhir Mehal	Member	Independent Director	5	5

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

*Shri Mohan Jain, Independent Director ceased to be a member of the committee w.e.f. 08.04.2019

**Terms of reference**

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

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

5. Board Evaluation

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

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

Performance Evaluation of Board, Committees & Directors

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

The Independent Directors in the meeting shall:

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

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

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

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

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

The criteria for evaluation of performance of the Board, Executive Directors, Non-Executive Directors including Independent Directors, Chairperson of the Company and Board's Committees is detailed in Nomination and Remuneration Policy of the Company.

The Salient features of Nomination and Remuneration Policy of the Company are forming part of this report.

6. Director Remuneration

- a) The Company did not have any pecuniary relationship or transactions with non-executive directors during the year ended March 31, 2020 except for payment of sitting fees.
- b) **Criteria of making payment to non-executive director**
The following is the Criteria of making payment to non-executive director
- Sitting fees are paid to Non-Executive Directors of the Company for attending of meeting of the Board of Directors.
- c) **Remuneration to Directors**
- (i) the details of remuneration paid to Directors for the year ended March 31, 2020 are as under

Name of Director	Designation	Salary (₹)	Perquisites and other benefits (₹)	PF& other Fund (₹)	Bonus (₹)	Pension (₹)	Stock Option (₹)	Sitting Fees (₹)	Total (₹)
Shri Piyush Mutha	Promoter/ Managing Director	9000000	134321	2160000	-	-	-	-	11294321
Shri Mangalore Maruthi Rao	Whole Time Director	420000	-	-	-	-	-	-	420000
Shri Praneet Mutha	Promoter/ Non-Executive Director	-	-	-	-	-	-	5000	5000
Shri Mohan Jain	Independent Director	-	-	-	-	-	-	2000	2000
Shri Subhash Kocheta	Independent Director	-	-	-	-	-	-	3500	3500
Shri Raghuram Krishnamurthy	Independent Director	-	-	-	-	-	-	-	-
Smt. Deepa Sudhir Mekal	Independent Director/ Woman Director	-	-	-	-	-	-	4000	4000

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

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

**7. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprises of three members, two of them are Independent-Non-Executive Directors and one is Non-Independent-Non-Executive Director. The committee composition and terms of reference meet the requirements of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Terms of reference

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc..
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

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

During the year under review, four (4) meetings of Stakeholders Relationship Committee were held on 28.05.2019, 10.08.2019, 11.11.2019 and 28.01.2020.

Composition and Attendance

The composition of the Stakeholders Relationship Committee and attendance by members are as under.

Name	Position	Category	No. of Meetings during the year	
			Held	Attended
Shri Subhash Kocheta*	Chairman	Independent Director	4	3
Shri Mohan Jain**	Chairman	Independent Director	4	1
Shri Praneet Mutha@	Member	Non-Executive, Non-Independent Director	4	4
Smt. Deepa Sudir Mehal#	Member	Independent Director	4	4

*Shri Subhash Kocheta, Independent Director ceased to be a Member of the Committee w.e.f. 11.11.2019.

**Shri Mohan Jain, Independent Director was appointed as Member of the Committee w.e.f. 11.11.2019.

@Shri Praneet Mutha, Non-Executive- Non- Independent Director appointed as Member of the Committee w.e.f. 08.04.2019.

#Smt. Deepa Sudhir Mehal, Independent Director was appointed as Member of the Committee w.e.f. 08.04.2019.

Company Secretary acts as Secretary to the Stakeholders Relationship Committee.

[a] Name and Designation of Compliance Officer : Ms. Itisha Sahu
Company Secretary
Email-id- cs@vippyspinpro.com



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

No. of Investor complaints pending at the beginning of year	No. of Investor complaints received during the year	No. of Investor complaints disposed of during the year	No. of Investor complaints unresolved at the end of year
0	14	14	0

The number of pending share transfer request as on March 31, 2020 is Nil.

In compliance of Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has submitted the statement for investor complaints on quarterly basis to the BSE Ltd.

8. Corporate Social Responsibility Committee

Composition and Attendance

The Corporate Social Responsibility Committee comprising three members, one of them is Managing Director, One is Non-Executive-Non-Independent Director and One is Independent Director. The quorum for the CSR Committee Meeting is two members.

During the year under review, Two (2) meeting of CSR Committee were held on 02.09.2019 and 11.03.2020.

As on March 31, 2020, the composition of the CSR Committee and details of meeting attended by the members are as under:

Name	Position	Category	No. of Meetings during the year	
			Held	Attended
Shri Piyush Mutha	Chairman	Managing Director	2	2
Shri Praneet Mutha	Member	Non-Executive-Non-Independent Director	2	2
Smt. Deepa Sudhir Mehal	Member	Independent Director	2	2

Terms of reference

The broad terms of reference of Corporate Social Responsibility (CSR) Committee include inter-alia formulating and recommending to the Board a CSR policy, recommending amount of expenditure to be incurred on CSR activities, recommending activities/projects/programs to be undertaken by the Company towards CSR, approve the areas where CSR activities can be adopted, update the Board of Directors on the amount of expenditure incurred by the Company towards CSR and monitoring the implementation of the CSR policy and Business Responsibility guiding principal suggested by SEBI from time to time.

**9. General Body Meeting**

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

Year	Annual General Meeting (AGM)	Day, Date & Time	Venue
2018-19	27 th	Monday, 30 th day of September, 2019 at 9.30 a.m.	Hotel Amar Vilas,1 Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010 (M.P.)
2017-18	26 th	Saturday, 29 th day of September, 2018 at 9.30 a.m.	Hotel Amar Vilas,1 Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010 (M.P.)
2016-17	25 th	Wednesday, 27 th day of September, 2017, 09.30 a.m	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010 (M.P.)

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

AGM held on	Special Resolutions passed	Summary
30.09.2019	Yes	<ol style="list-style-type: none"> 1. Re-appointment of Shri Mangalore Maruthi Rao (DIN-00775060), as a Whole Time Director for a period of two (2) years w.e.f 28.10.2018. 2. Re-appointment of Shri Piyush Mutha (DIN-00424206), as a Managing Director for the period of One (1) year with effect from 01.04.2019 to 31.03.2020 3. Shri Subhash Kocheta re-appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company 4. Shri Raghuram Krishnamurthy re-appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company 5. Shri Mohan Jain appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years
29.09.2018	No	Nil
27.09.2017	Yes	<ol style="list-style-type: none"> 1. Re-appointment of Shri Mangalore Maruthi Rao as a Whole Time Director for a period of 2 years w.e.f. 28.10.2016 2. Approval to deliver document through a particular mode as may be sought by the Member 3. Re-appointment of Shri Piyush Mutha as a Managing Director for a period of 2 years w.e.f. 01.04.2017

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

Passing of resolution by postal ballot :

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

**10. Means of Communication**

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

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

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

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

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

Day, Date & Time	Wednesday, September 30, 2020 at 11.30 a.m.
Venue	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)
Financial Calendar for F.Y.2020-21	
1 st Quarter Results	July 2020 (3 rd week)
2 nd Quarter Results	October 2020 (3 rd week)
3 rd Quarter Results	January 2021 (3 rd week)
4 th Quarter Audited Results and Audited Annual Financial Statements for the FY 2020-21	May 2021 (3 rd week)
Date of Book Closure	Thursday, September 24, 2020 to Wednesday, September 30, 2020 (both days inclusive)
Dividend Payment Date	No Dividend has been proposed by Board of Director of the Company for the year 2019-20
Listing of Securities on the Stock Exchanges & payment of listing fees.	BSE Ltd. (BSE) Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai -400051
Stock Code/Symbol	Scrip Code: 514302 Scrip ID : VIPPYSP
ISIN Number	INE660D01017

b) Financial Year : April 1, 2020 to March 31, 2021.**(c) Listing on Stock Exchange and Stock code**

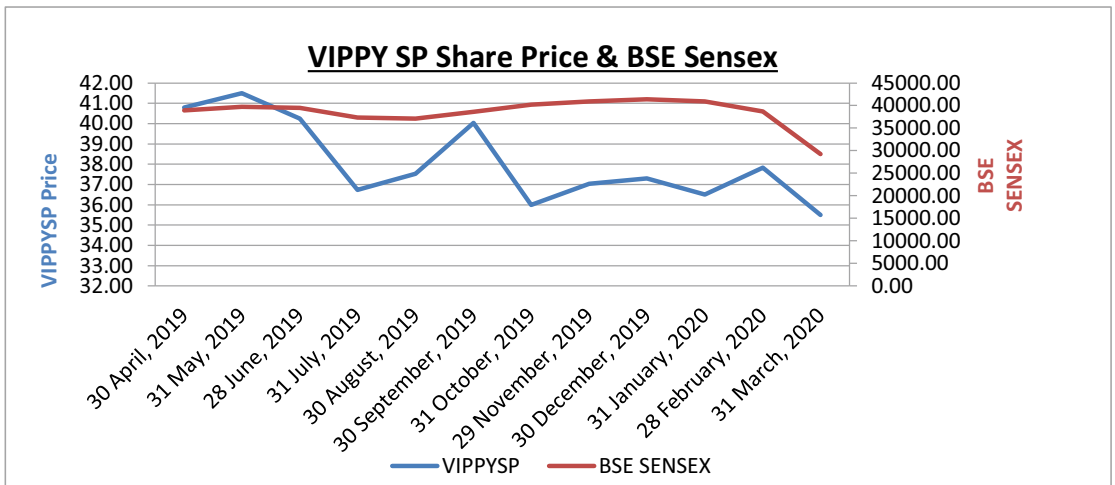
As on March 31, 2020 the equity shares of the Company were listed on Bombay Stock Exchange (BSE), Stock Code: 514302

The listing fee has been paid to BSE for the financial year 2020-21.

**(d) Market Price Data**

The monthly high and low quotation of shares at the BSE Ltd., Mumbai during the year ended March 31, 2020 are as under:

Month	High (in ₹)	Low (in ₹)
April, 2019	49.05	38.70
May, 2019	44.90	33.80
June, 2019	43.05	35.65
July, 2019	42.95	33.50
August, 2019	42.75	30.00
September, 2019	41.55	36.50
October, 2019	39.40	29.40
November, 2019	38.95	32.50
December, 2019	38.65	34.90
January, 2020	39.50	35.10
February, 2020	39.00	34.95
March, 2020	39.25	33.25

(e) Performance of Company's Equity Share's price in comparison to BSE Sensex:

**(f) Distribution of Shareholdings as on March 31, 2020**

Distribution	No. of share holders	%	No. of Shares	%
Upto 100	6529	78.17	626857	10.68
101-200	545	6.53	106460	1.81
201-300	205	2.45	59470	1.01
301-400	106	1.27	41237	0.70
401-500	467	5.59	233008	3.97
501-1000	320	3.83	262467	4.47
1001-2000	111	1.33	160253	2.73
2001-3000	22	0.26	55976	0.95
3001-4000	0	0.00	0	0.00
4001-5000	18	0.22	89142	1.52
5001-10000	12	0.14	79018	1.35
10000 and above	17	0.20	4156112	70.80
TOTAL	8352	100	5870000	100

(g) Category of Shareholding as on March 31, 2020

Category	No. of Shares Held	Percentage of Shareholding
Promoter and Promoter group		
Individual	3204690	54.59
Bodies Corporates	620148	10.57
Public Shareholding		
Institution	3800	0.06
Non-Institutions	2041362	34.78
Grant Total	5870000	100.00

(h) Registrar and Share Transfer Agents of the Company

Ankit Consultancy Pvt. Ltd.

60, Electronic Complex, Pardeshipura,

Indore-452010 (M.P.)

Ph. 0731-2551745-46,

Fax. 0731-4065798

e-mail: ankit_4321@yahoo.com

Time: 10.00 a.m. to 6.00 p.m.

(i) Share Transfer System

The transfer of shares in physical form are completed & returned within time from the date of receipt thereof provided all the documents are in order and in respect of shares held in dematerialized mode, the transfer take place instantly between the transferor and transferee at the depository participant(s) through which electronics debit/credit of the accounts are involved. In compliance with the Listing Regulation, a Practising Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.



- (j) **Dematerialization of Shares and Liquidity:** details of shares under dematerialized and physical mode as on March 31, 2020 are as under:

Particulars	As on March 31, 2020	
	No. of Equity Shares	% percentage
National Securities Depository Ltd.(NSDL)	3898797	66.41
Central Depository Services (India) Ltd.(CDSL)	1043983	17.79
Total Dematerialized	4942780	84.20
Physical	927220	15.80
TOTAL	5870000	100

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

- (k) **Outstanding global depository receipts or American depository receipts or warrant or any convertible instruments, conversion date and likely impact on equity.**

There are no GDRs/ ADRs/ Warrants outstanding as on March 31, 2020.

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

- (m) **Commodity price risk or foreign exchange risk and hedging activities-**

The Company has robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company. The price of the products of the Company are market driven and is fixed based on the prevailing market price. In respect of foreign exchange commitments hedging has been made.

- (n) **Details of Credit Rating obtained by the Company**

Name of Credit Rating Agency : Credit Analysis & Research Ltd.

Facilities	Amount	Rating	Remark
Long-Term/Short term Bank Facilities	22.30	CARE BBB+/ CARE A2 (Triple B plus, Outlook : Stable/ A Two	Reaffirmed
Total Facilities	22.30 (₹Twenty two Crore Thirty Lakh Only)		

- (o) **Plant Location**

The Company's plant located at 14-A, Industrial Area, A.B Road, Dewas 455001(M.P.)

- (p) **Address for correspondence**

Works Office: 14-A, Industrial Area A.B. Road, Dewas 455001(M.P.) Phone Nos.: 07272-258251/258252/405352 Fax No. 07272-40012 website : www.vippyspinpro.com Email: admin@vippyspinpro.com	Registered Office: 414, City Centre, 570, M.G. Road, Indore – 452001(M.P.) Phone: 0731-2546710
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**12. Disclosures**

- The Company has not entered into any transaction of material nature with related parties that may have potential conflict with the interest of the Company at large. The particulars of contracts/arrangement/ transactions with related parties have been disclosed in the Notes to the Financial Statements of the Company forming part of the Annual Report. The Company had adopted a policy on Related Party Transactions and the same is displayed on the website of the Company, Weblink: <http://www.vippyspinpro.com/Related-Party-Transaction-Policy.pdf>.
- The Company has complied with all requirement specified under SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchange or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.
- The Company had adopted a Whistle Blower Policy to provide a vigil mechanism to Directors, employees for reporting illegal & unethical behavior. It also provides adequate safeguards against the victimization of employees who avail of this mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases. Besides, as per the requirement of SEBI (Prohibition of Insider Trading) Regulations as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company ensures to make employees aware of such Whistle –Blower Policy to report instances of leak of unpublished price sensitive information. The details of the said mechanism has been disclosed on the website of the Company, at weblink:<http://www.vippyspinpro.com/Whistle-Blower-Policy.pdf>. During the year under review, no employee was denied access to the Audit Committee.
- In preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind AS).
- There are no subsidiaries of the company. The policy for determination of materiality, which has been put up on the website of the Company at weblink:<http://www.vippyspinpro.com/Policy%20for%20Determination%20of%20Materiality.pdf>.
- Commodity price risk and commodity hedging risk. - The Company has robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact. The price of the products of the Company are market driven and is fixed based on the prevailing market price. In respect of foreign exchange commitments hedging has been made.
- There were no complaints received during the financial year under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- Total fees i.e. ₹ 250000/- paid for all services to statutory auditor during the financial year.
- The Senior Management Personnel of the Company have confirmed to the Board of Directors that they do not have any personal interest relating to material, financial and commercial transactions entered into with the Company that may have a potential conflict with the interests of the Company at large.
- There has been no instance of non-compliance of any requirement of corporate governance report as specified in paras (2) to (10) of Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company complies with all the mandatory requirement and also complied following non-mandatory requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as follows:
 - Modified opinion(s) in Audit Report: During the year under review, there were no audit qualifications in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.
- Reporting of Internal Auditor: Reporting by Internal Auditor directly to the Audit Committee.



- The Company has complied with all the requirement of Corporate governance, as specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- 13. **The certificate from Company Secretary in Practise confirming compliance of the conditions of corporate governance requirements as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) is attached to this report.**
- 14. **Management discussion and Analysis :** The Management Discussion and Analysis Report forms part of Directors Report.
- 15. **CEO/CFO Certification**

The Managing Director and CFO have certified to the Board with regard to the compliance made by them in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for financial year 2019-20 is attached with this report. The Managing Director and CFO of the company also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.
- 16. **Insider Trading**

The Company had revised ‘Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information’ and ‘Code of Conduct for Prevention of Insider Trading’ pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct for Prevention of Insider Trading is applicable to all Designated Persons and immediate relatives of Designated Persons. The Code ensures the prevention of trading in Company’s Shares by person having access to unpublished price sensitive information in relation to the Company. The same is displayed on the website of the Company

For and on behalf of the Board of Directors

**Place: Dewas
June 29, 2020**

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

**Praneet Mutha
Director
(DIN-00424250)**



CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Vippy Spinpro Limited.
CIN: L0170MP1992PLC00743

We have examined the compliance of conditions of Corporate Governance by Vippy Spinpro Ltd. (“the Company”) for the year ended March 31, 2020, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the Company’s 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 Listing Regulations, as applicable.

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

For Shilpesh Dalal & Co.,
Company Secretary

SHILPESH DALAL
(Proprietor)
M.No. FCS-5316
C.P. No. 4235
Indore
July 20,2020
UDIN: F005316B000478822

**CEO/ CFO CERTIFICATION**

To,
The Board of Directors
Vippy Spinpro Ltd.

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

- (a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2020 and to best of our knowledge and belief, we state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true & fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) 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 violative of the Company's Code of Conduct.
- (c) 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 of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and Audit Committee:
 - (i) significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) significant changes, if any, in the accounting policies during the year and that the same have 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 a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors

**Place: Dewas
June 29, 2020**

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

**Hassan Ali
Chief Financial Officer**

DECLARATION

As per the requirements of Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that member of the Board of Directors and Senior Management Personnel, affirmed that they have complied with the Code of Conduct of Board of Directors and Senior Management for the year ended March 31, 2020.

**Place: Dewas
Date: June 29, 2020**

**Piyush Mutha
Managing Director**

**INDEPENDENT AUDITORS' REPORT****To****The Members of Vippy Spinpro Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of **Vippy Spinpro Limited** (“the Company”), which comprise the balance sheet as at March 31, 2020 and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Auditor’s Response
<p>Contingent liabilities in respect of litigations of labour court.</p> <p>The Company has material uncertain labour litigation under dispute which involves significant judgment to determine the possible outcome of these disputes. The Company’s assessment is supported by the facts of matter, their own judgment, past experience, and advices from legal consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Company’s reported profit and the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters.</p>	<p>Our audit approach involved :-</p> <ul style="list-style-type: none"> a. Understanding the current status of the litigations of labour disputes; b. Examining communication received from various Authorities/ Judicial forums and follow up action thereon; c. Evaluating the merit of the subject matter under consideration with reference to available independent legal advice; and d. Review and analysis of evaluation of the contentions of the Company through discussions, collection of details of the subject matter under consideration and the likely outcome;

**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Going Concern

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from



fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143 (3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors’ Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in the “**Annexure A**” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account.



- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”.
- (B) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its financial statements - Refer Note 33 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Company.
- (C) With respect to the matter to be included in the Auditors’ Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For R. S. Bansal & Company

Chartered Accountants

FRN: 000939C

Place: Dewas

Date: June 29, 2020

ICAI UDIN – 20075344AAAABI4441

(CA. Vijay Bansal)

Partner

M No : 075344

**Annexure - A to the Auditors' Report**

As referred to in our Independent Auditor's Report of even date to the members of Vippy Spinpro Limited for the year ended March 31, 2020

1. Fixed Assets:

- (a) As informed to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The entire records have been maintained on computer system.
- (b) As informed and explained to us, the management, during the year, has physically verified the items of the fixed assets of the company at reasonable interval and no significant discrepancies were noticed on such physical verification.
- (c) As per the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company. In respect of immovable properties been taken on lease and disclosed as property in the Ind AS financial statements, the lease agreements are in the name of the company.

2. Inventory:

- (a) As informed and explained to us the inventory has been physically verified during the year by the management at regular intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information given to us, the company has maintained proper records of its inventories. No material discrepancies have been noticed on physical verification of stock.

3. Loans granted:

As per the information and explanation given to us, the company has not granted secured/unsecured loans to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

4. Loan, Investment and Guarantees:

As per information and explanation given to us, the company has not granted any loan or given any guarantee on such loans covered under section 185 of the Companies Act, 2013 and the company has complied with the provision of section 186 of the Companies Act, 2013 in respect of investment made.

5. Public Deposit:

In our opinion and as per the information and explanation given to us, the company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and rules framed there under to the extent notified.

6. Cost Records:

We have broadly reviewed the books of accounts maintained by the company in respect of products where, pursuant to the rule made by the Central Government of India, the maintenance of cost records has been specified



under sub-section (1) of Section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

7. Statutory Dues

- (a) According to the information and explanation given to us, and the records of the company examined by us, in our opinion, the company is generally regular in depositing undisputed dues relating to Provident Fund, Employees' State Insurance, Income Tax, Duties of Customs, Goods and Service Tax, Cess and other material statutory dues as applicable to it with appropriate authorities. There are no undisputed statutory dues payable which are outstanding as at March 31, 2020 for a period of more than 6 months from the date they became payable.
- (b) According to the information given to us, and the records of the company examined by us, there are no dues of Income tax, Sales Tax, Custom duty, Excise duty, Value added tax, Goods and Service Tax, Cess, Professional tax and other statutory liabilities which have not been deposited with appropriate authorities on account of any dispute other than mentioned below :

S. No.	Name of the Statute (Nature of the Dues)	Forum where Matter is pending	Period to which the amounts relates	Amount (in ₹)
1.	M.P. Industrial Relation Act	Hon'ble M.P High Court	2014 - 15 to 2019 - 20	7,82,187/-

8. Default in repayment of dues to Financial Institutions, Banks, Government or debenture holders: According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to any bank as at the Balance Sheet date. The company neither has any loans or borrowings from financial institutions or Government, nor has it issued any debentures as at the Balance Sheet date.

9. Utilization of Term Loans and Initial/Further Public offer:

According to the information and explanations given to us, and based on documents provided to us, term loans availed by the company were, prima-facie, applied by the company for the purposes for which the loans were obtained. However the company has not raised any moneys by way of initial public offer and further public offer (including debt instruments) during the year ended March 31, 2020.

10. Fraud Noticed or Recorded:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

11. Managerial Remuneration:

According to the information and explanations give to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. Nidhi Company:

In our opinion, the company is not a chit fund or a Nidhi mutual benefit fund/ society. Therefore, the provisions of clause (xii) of Para 3 of the said order are not applicable to the company.

**13. Transaction with Related Parties:**

According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. Preferential Allotment/Private Placement:

According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. Non-Cash Transactions:

According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him.

16. Registration with Reserve Bank of India:

The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For R. S. Bansal & Company

Chartered Accountants

FRN: 000939C

Place: Dewas

Date: June 29, 2020

ICAI UDIN – 20075344AAAABI4441

(CA. Vijay Bansal)

Partner

M No : 075344

**Annexure - B to the Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting **Vippy Spinpro Limited**, ("the Company"), as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by The Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Statements

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



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

Inherent Limitations of Internal Financial Controls Over Financial Statements

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

For R. S. Bansal & Company

Chartered Accountants

FRN: 000939C

Place: Dewas

Date: June 29, 2020

ICAI UDIN – 20075344AAAABI4441

(CA. Vijay Bansal)

Partner

M No : 075344

**BALANCE SHEET AS AT 31ST MARCH, 2020**

(₹ in Lakhs)

	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non - Current Assets			
(a) Property, Plant and Equipment	2	1,256.61	1,482.61
(b) Capital work - in - progress	3	-	9.95
(c) Investment Property	4	5.03	-
(d) Financial assets			
(i) Investments	5	22.52	42.45
(ii) Loans	6	71.12	54.15
(iii) Other financial assets	7	24.51	23.12
(e) Other non - current assets	8	0.18	14.43
Sub-total Non-current Assets		1,379.97	1,626.71
Current Assets			
(a) Inventories	9	2,212.71	2,956.52
(b) Financial assets			
(i) Trade receivables	10	2,067.72	1,788.79
(ii) Cash and cash equivalents	11	16.05	3.01
(iii) Other financial assets	12	1.38	219.64
(c) Other current assets	13	156.89	272.09
Sub-total Current Assets		4,454.75	5,240.05
TOTAL - ASSETS		5,834.72	6,866.76
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	587.00	587.00
(b) Other Equity	15	3,819.09	3,452.28
Sub-total Equity		4,406.09	4,039.28
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	90.00	162.00
(b) Provisions	17	-	3.21
(c) Deferred tax liabilities (Net)	18	113.86	166.42
Sub-total Non-current Liabilities		203.86	331.63
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	690.16	1,770.77
(ii) Trade payables			
A.Total Outstanding dues of micro enterprises and small enterprises	20	34.82	91.83
B.Total Outstanding dues of creditors other than micro enterprises and small enterprises	20	65.59	170.71
(iii) Other financial liabilities	21	383.26	396.75
(b) Other current liabilities	22	18.15	21.01
(c) Provisions	23	32.46	31.74
(d) Current tax liabilities (Net)	24	0.33	13.04
Sub-total Current Liabilities		1,224.77	2,495.85
TOTAL - EQUITY AND LIABILITIES		5,834.72	6,866.76

Significant Accounting Policies

1

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For R.S. Bansal & Company

Chartered Accountants

Firm's Registration Number: 000939C

For and on behalf of the Board of Directors

(CA. Vijay Bansal)

Partner

Membership No. 075344

Dewas

June 29, 2020

Piyush Mutha
Managing DirectorPraneet Mutha
DirectorItisha Sahu
Company SecretaryHassan Ali
Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Lakhs)

	Note No.	For the year ended 31.3.2020	For the year ended 31.3.2019
INCOME			
Revenue from operations	25	11,066.00	11,355.48
Other income	26	63.06	33.62
Total Income		11,129.06	11,389.10
EXPENSES			
Cost of material consumed	27	8,528.36	8,561.01
Purchases of Stock - in - Trade		63.89	-
Changes in inventories of Finished goods, work - in -progress and Stock - in - trade	28	(75.95)	(32.30)
Employee benefits expense	29	362.45	354.93
Finance Cost	30	79.70	103.15
Depreciation & amortization expenses	2	181.33	210.30
Other Expenses	31	1,536.03	1,592.70
Total Expenses		10,675.81	10,789.79
Profit before exceptional items & tax		453.25	599.31
Exceptional Items		-	-
Profit before tax		453.25	599.31
Tax expenses:			
(1) Current tax			
Current year		114.50	140.00
Earlier years		(0.09)	(0.54)
(2) Deferred tax		(39.78)	12.46
Total Tax Expense		74.63	151.92
Profit after Tax for the year		378.62	447.39
Other Comprehensive Income			
A. (i) Items that will be reclassified to profit/(loss)		-	-
(ii) Income tax relating to items that will be reclassified to profit/(loss)		-	-
B. (i) Items that will not be reclassified to profit/(loss)		(24.58)	(5.53)
(ii) Income tax relating to items that will not be reclassified to profit/(loss)		12.78	0.89
Other Comprehensive Income for the Year		(11.80)	(4.64)
Total Comprehensive Income for the year (Comprising Profit/(Loss) and Other Comprehensive Income for the year)		366.82	442.75
Earning per equity share of nominal value of ₹10/- each	32		
(1) Basic (₹)		6.45	7.62
(2) Diluted (₹)		6.45	7.62

Significant Accounting Policies

1

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For R.S. Bansal & Company**Chartered Accountants****Firm's Registration Number: 000939C****For and on behalf of the Board of Directors**

(CA. Vijay Bansal)

Partner

Membership No. 075344

Dewas
June 29, 2020Piyush Mutha
Managing DirectorPraneet Mutha
DirectorItisha Sahu
Company SecretaryHassan Ali
Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Lakhs)

	Particulars	Year ended 31 ST March 2020	Year ended 31 ST March 2019
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Profit before income tax	453.25	599.31
	Adjustments for		
	Depreciation and amortisation expense	181.33	210.30
	Loss/(Profit) on sale of Fixed Assets	-	(0.64)
	Financial Charges	79.70	103.15
	Dividend Income	-	-
	Interest Income	(50.16)	(27.78)
	Prior period Adjustment	0.09	0.54
	Profit on sale of shares	-	-
	Reclassification of remeasurement of employee benefits	(4.65)	(2.34)
	Operating Profit before working capital changes	659.55	882.53
	Adjustment for working capital changes:		
	(Decrease)/Increase in Trade payables and other Liabilities	(177.96)	339.35
	(Increase)/Decrease in Inventories	743.80	(708.42)
	(Increase) in Trade Receivable	(278.93)	(489.86)
	(Increase) in Financial and Other Assets	329.36	54.55
	Cash generated from operations	1,275.82	78.15
	Income taxes paid	127.21	131.43
	Net cash inflow from operating activities	1,148.61	(53.28)
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Payments for property, plant and equipment	(19.23)	(110.22)
	Proceeds from sale of investments	-	-
	Proceeds from sale of property, plant and equipment	68.81	6.55
	Dividends received	-	-
	Interest received	50.16	27.78
	Net cash outflow from investing activities	99.75	(75.89)
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from borrowings	(1,080.60)	325.05
	Repayment of borrowings	(75.02)	(95.35)
	Interest paid	(79.70)	(103.15)
	Dividends paid to company's shareholders	-	-
	Net cash inflow (outflow) from financing activities	(1,235.32)	126.56
	Net increase (decrease) in cash and cash equivalents	13.04	(2.60)
	Cash and cash equivalents at the beginning of the financial year	3.01	5.62
	Cash and cash equivalents at the end of the year	16.05	3.01

Previous year figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of the current year.

As per our report of even date attached

For **R.S. Bansal & Company**

Chartered Accountants

Firm's Registration Number: 000939C

For and on behalf of the Board of Directors

(CA. Vijay Bansal)

Partner

Membership No. 075344

Dewas

June 29, 2020

Piyush Mutha
Managing Director

Praneet Mutha
Director

Itisha Sahu
Company Secretary

Hassan Ali
Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020****A. Equity Share Capital**

(₹ in Lakhs)

Particulars	Equity Share Capital
As at March 31, 2019	587.00
Changes in equity share capital during the year	-
As at March 31, 2020	587.00

B. Other Equity

(₹ in Lakhs)

Particulars	Reservers and Surplus			Equity Instrument through OCI	Total
	Capital Reserve	General Reserves	Retained Earnings		
Balance as at 31 March 2018	5.80	25.00	2,951.06	27.67	3,009.53
Profit for the year	-	-	447.39	-	447.39
Other Comprehensive Income	-	-	(2.34)	(2.30)	(4.64)
Balance as at 31 March 2019	5.80	25.00	3,396.11	25.37	3,452.28
Profit for the year	-	-	378.62	-	378.62
Other Comprehensive Income	-	-	(4.65)	(7.15)	(11.80)
Balance as at 31 March 2020	5.80	25.00	3,770.07	18.22	3,819.09

As per our report of even date attached

For R.S. Bansal & Company

Chartered Accountants

Firm's Registration Number: 000939C

For and on behalf of the Board of Directors

(CA. Vijay Bansal)

Partner

Membership No. 075344

Dewas

June 29, 2020

Piyush Mutha
Managing DirectorPraneet Mutha
DirectorItisha Sahu
Company SecretaryHassan Ali
Chief Financial Officer

**Notes forming part of the Financial Statements****Note 1: Company Overview, Basis of preparation and Significant Accounting Policies****(A) Company Overview**

"Vippy Spinpro Limited ("Vippy" or "the Company") was incorporated in 1992, as a public limited company under the provisions of the Companies Act, 1956. The Company is domiciled in India having registered office at 414, City Centre, 570, M.G. Road, Indore, Madhya Pradesh - 452001 and listed on the Bombay Stock Exchange (BSE).

The Company is mainly engaged in the manufacturing of cotton yarn. The Company specializes in slub yarns, fancy yarns, multi count yarns and multi twist yarns, waxed yarn plied yarn etc. The factory is situated at Dewas, with close proximity to Indore, a main commercial city of Madhya Pradesh. The company has an ISO Certification, certified by Bureau Veritas ISO 9001:2008 since 2004.

(B) Basis of Preparation of Financial Statements**(i) Statement of Compliance:**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Basis of Preparation:**a) Compliance with Ind AS**

These financial statements comprising of Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2020 have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements have been approved for issue by the Company's Board of Directors at their meeting held on June 29, 2020. These financial statements are presented in Indian Rupees (INR), which is also the functional and presentation currency.

b) Historical cost convention

The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis. The financial statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- Defined benefit plans where plan assets are measured at fair value;

Operating cycle is the time between the acquisition of assets for processing and their realisation in Cash and Cash equivalents. The Company has identified twelve months as its operating cycle.

- c) The financial are presented in Indian Rupee ("INR") and all value are rounded off to the nearest lakh as per the requirement of Schedule III, except when otherwise indicated.

(C) Significant Accounting Policies**(i) Fair value measurement**

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.



The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The assumptions made in the measuring fair values is included in the following:

- Investment property
- Financial instruments

(ii) Revenue Recognition

Sales of products are recognised when control of the products has transferred based on the agreed terms. Sales are net of returns, trade discounts, rebates and goods and service tax (GST) as applicable.

Export incentives are recognised when the right to receive the credit is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest income is recognised using the effective interest rate method.

Insurance claims are accounted for on the basis of claim admitted/expected to be admitted to the extent that there is no uncertainty in receiving the claim.

Dividend income is recorded when the right to receive payment is established.

(iii) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

(iv) Property, plant and equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy.

Own manufactured PPE is capitalised at cost including an appropriate share of overheads. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalised as a part of the cost of the PPE.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification.



Depreciation is recognised using straight line method and WDV method so as to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Where cost of a part of the asset (“asset component”) is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation on additions to/deductions from, owned assets is calculated pro rata to the period of use.

Freehold land is not depreciated.

The estimated useful life of Property, Plant and Equipment is mentioned below:

Asset Class	Estimated Useful Life (Years)
Building	30
Plant & Machinery	15
Furniture and Fixtures	10
Computers	3
Office equipment	5
Vehicles	10
Wind Mill	22
Solar	15
Leasehold Land	Lease period

(v) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company depreciates investment properties on a straight-line basis over the useful life of the asset as specified in the table above.

Any gain or loss on disposal of an investment property is recognised in the Statement of Profit and Loss.

The fair values of investment property is disclosed in the notes accompanying these financial statements. Fair values are determined by an independent valuer who holds recognised and relevant professional qualification.

(vi) Leases

Ind AS 116 ‘Leases’ has been introduced effective from 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.



Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases operating and finance lease.

(vii) Inventories

Raw materials, work in progress, stores and spares and finished goods are valued at the lower of cost or net realizable value.

Cost of raw materials and stores and spares comprises cost of purchases. Cost is determined on weighted average basis.

Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate share of manufacturing overheads.

Cost of Inventories comprises of costs of purchase, cost of conversion, duties and taxes (other than those refundable), inward freight and all other costs incurred in bringing them to their respective present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(viii) Statement of Cash Flows**A) Cash and Cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

B) Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the relevant Accounting

(ix) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/ (losses).

Borrowings are classified as current financial liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**(x) Finance Cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

(xi) Foreign Currency Translation**(1) Functional and presentation currency:**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(2) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

(xii) Employee Benefits**a) Short term obligations:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

b) Post-employment obligations:

The Company operates the following post-employment schemes.

1. Defined benefit plans (gratuity)

The Company has unfunded defined benefit gratuity plan for employees. Recognition and measurement of Defined Benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/ (asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary.

2. Defined contribution plans such as provident fund

The Company pays provident fund contributions to publicly administered provident funds as per local



regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(xiii) Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the Company's shareholders.

(xiv) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share, is the net profit for the period. The weighted average number equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(xv) Tax Expenses

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for the jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, to unused tax losses and unabsorbed depreciation.

Current and deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

Provision for Income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income- tax Act, 1961 and Revised Income Computation and Disclosure Standards (ICDS) of the Income-tax Act, 1961.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(xvi) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If



any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the assets belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

(xvii) Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

(xviii) Financial Instruments

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets**Initial Recognition and Measurement**

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

(a) Financial Assets at Amortised Cost

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

(b) Financial Assets at Fair value through Other Comprehensive Income

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss, if any, are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

(c) Financial Assets at Fair value through Profit or Loss

At the date of initial recognition, financial assets are held for trading, or which are measured neither at



Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Investment in Equity Shares

Investments in Equity Securities are initially measured at cost. Any subsequent fair value gain or loss is recognized through other Comprehensive Income.

Investments in Mutual Funds

Investments in Mutual Funds are accounted for at cost. Any subsequent fair value gain or loss is recognized through Profit or Loss Account.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- (a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- (b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Financial Liabilities**Initial Recognition and Measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent Measurement

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities':

(a) Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

(b) Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

**De-recognition of Financial Instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Derivative Financial Instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

(xix) Significant Accounting Judgments, Estimates and Assumptions

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements which have significant effect on the amounts recognized in the financial statement:

a. Income taxes

Judgment of the Management is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets and liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

b. Contingencies

Judgment of the Management is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the company as it is not possible to predict the outcome of pending matters with accuracy.

c. Allowance for uncollected accounts receivable and advances

Trade receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management seems them not collectible. Impairment is made on ECL, which are the present value of the cash shortfall over the expected life of the financial assets.

d. Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

e. Defined Benefit Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These Includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



NOTE 2

PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/AMORTISATION				NET CARRYING AMOUNT	
	AS AT 01.04.2019	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	RE-CLASSIFICATION TO INVESTMENT PROPERTY	AS AT 31.03.2020	UP TO 01.04.2019	DEP. FOR THE YEAR	DEDUCTION DURING THE YEAR	RECLASSIFICATION TO INVESTMENT PROPERTY	AS AT 31.03.2020
Freehold Land	6.50	-	-	-	6.50	-	-	-	-	6.50
Leasehold Land	5.51	-	-	-	5.51	0.43	0.14	-	-	4.94
Building	293.82	-	59.73	6.91	227.19	54.07	17.61	-	1.88	69.80
Windmill	149.91	-	-	-	149.91	33.83	11.28	-	-	45.11
Plant & Machinery	1,062.42	16.97	8.94	-	1,070.45	411.32	113.27	-	-	524.59
Computers	5.07	2.11	-	-	7.19	2.69	0.88	-	-	3.57
Furniture & Fixtures	1.99	0.10	0.14	-	1.95	0.68	0.08	-	-	1.78
Vehicles	32.06	10.00	-	-	42.06	17.51	6.34	-	-	23.85
Office Equipments	0.22	-	-	-	0.22	-	-	-	-	-
Solar	500.89	-	-	-	500.89	55.28	31.72	-	-	87.00
Total Property, Plant and Equipment	2,058.40	29.17	68.81	6.91	2,011.86	575.80	181.33	1.88	1.88	755.25

PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/AMORTISATION				NET CARRYING AMOUNT	
	AS AT 01.04.2018	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	RE-CLASSIFICATION TO INVESTMENT PROPERTY	AS AT 31.03.2019	UP TO 01.04.2018	DEP. FOR THE YEAR	DEDUCTION DURING THE YEAR	RECLASSIFICATION TO INVESTMENT PROPERTY	AS AT 31.03.2019
Freehold Land	6.50	-	-	-	6.50	-	-	-	-	6.50
Leasehold Land	5.51	-	-	-	5.51	0.28	0.14	-	-	0.43
Building	196.54	97.28	-	-	293.82	33.84	20.23	-	-	54.07
Windmill	149.91	-	-	-	149.91	22.56	11.28	-	-	33.83
Plant & Machinery	1,030.89	33.56	2.03	-	1,062.42	271.33	140.74	0.75	-	411.32
Computers	4.49	0.58	-	-	5.07	1.70	0.98	-	-	2.69
Furniture & Fixtures	1.80	.19	-	-	1.99	0.55	0.13	-	-	0.68
Vehicles	40.37	8.31	-	-	32.06	16.12	5.07	3.68	-	17.51
Office Equipments	0.22	-	-	-	0.22	-	-	-	-	-
Solar	500.89	-	-	-	500.89	23.55	31.72	-	-	55.28
Total Property, Plant and Equipment	1,937.13	131.61	10.34	-	2,058.40	369.93	210.30	4.43	-	575.80

2.1. Refer Note Nos. 16.1, 16.2 and 19.1 for the details in respect of certain property, plant and equipments hypothecated/ mortgaged as security for borrowing.

2.2. Additions during the year and capital work-in-progress include ₹ 0.25 lakh (previous year: ₹ 0.38 lakh) being borrowing cost capitalised in accordance with Indian Accounting Standard (Ind AS) 23 on "Borrowing Costs".

**NOTE 3****CAPITAL WORK-IN-PROGRESS**

(₹ in Lakhs)

PARTICULARS	AS AT 01.04.2019	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2020
Capital Work- in- Progress	9.95	-	9.95	-
Previous Year	31.34	9.95	31.34	9.95

NOTE 4**INVESTMENT PROPERTY**

(₹ in Lakhs)

Reconciliation of carrying amount

PARTICULARS	As at March 31, 2020
Gross Carrying Amount	
Balance As at 1 April 2018	-
Balance As at 31 March 2019	-
Transfer From Property , Plant and Equipment	6.91
Balance As at 31 March 2020	6.91
Accumulated Depreciation	
Balance As at 1 April 2018	-
Balance As at 31 March 2019	-
Closing accumulated depreciation at the year ended 31 March 2020	1.88
Balance As at 31 March 2020	1.88
Carrying Amounts	
At 1 April 2018	-
At 31 March 2019	-
At 31 March 2020	5.03

Note 4.1

The fair value of investment property is ₹ 93.82 Lakh and the same has been determined by an external independent property valuer having appropriate recognised professional qualifications. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used. The valuation techniques used for determining the fair value of the property was based on the prevailing market price of similar property in the same locality. Rental income of investment property amounting to ₹ 1.69 Lakh has been recognised in the Statement of Profit and Loss [Other Income - Refer Note No. 26]



Note 5 INVESTMENTS		(₹. in Lakhs)			
Particulars	Face Value per share	As at March 31, 2020		As at March 31, 2019	
		No. of Shares	Value	No. of Shares	Value
Investment (Quoted)					
Equity Instruments (At FVOCI)					
Asit C. Metha Financial Services Ltd.	10	20,000	10.60	20,000	7.25
Punjab National Bank	2	36,860	11.92	36,860	35.20
Aggregate amount of Quoted Investments and Market Value thereof			22.52		42.45
Net Value of Investments			22.52		42.45
			As at March 31, 2020		As at March 31, 2019
Note 6 LOANS					
Security Deposits					
(a) Secured, Considered good			-		-
(b) Unsecured, Considered good			71.12		54.15
			71.12		54.15
Note 7 OTHER FINANCIAL ASSETS - NON CURRENT					
Other bank balances					
Deposits with original maturity for more than 12 months			24.51		23.12
			24.51		23.12
Note 8 OTHER NON - CURRENT ASSETS					
Capital Advances			-		14.25
Security deposit			0.18		0.18
			0.18		14.43
Note 9 INVENTORIES					
Raw Material			1,740.86		2,535.16
Work-in-progress			51.73		77.43
Finished Goods			302.14		200.49
Stores & Spares			117.99		143.44
			2,212.71		2,956.52
Note 10 TRADE RECEIVABLES					
(a) Secured, Considered Good			-		-
(b) Unsecured, Considered Good			2,067.72		1,788.79
Less : Allowance for Bad Debts			-		-
			2,067.72		1,788.79
Note 11 CASH & CASH EQUIVALENTS					
Balance With Banks (Current Account)			15.39		1.98
Cash on Hand			0.66		1.03
			16.05		3.01
Note 12 OTHER FINANCIAL ASSETS					
Advances to Staff			1.20		1.72
Insurance Claim Receivable			-		217.65
Interest Accrued on Deposits			-		0.10
Others			0.18		0.18
			1.38		219.64



		(₹ in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
Note 13	OTHER CURRENT ASSETS		
	Advance to suppliers and service providers	7.24	17.20
	Balance with Government Authorities	133.00	224.18
	Other Receivable	7.85	23.64
	Prepaid Expenses	8.80	7.07
		156.89	272.09

Note 14	EQUITY SHARE CAPITAL		
	Authorized Share Capital		
	70,00,000 (Previous year 70,00,000) Equity shares, ₹ 10/- each	700.00	700.00
		700.00	700.00
	Issued, Subscribed and Fully Paid Up Shares		
	58,70,000 (Previous year 58,70,000) Equity shares, ₹ 10/- each fully paid up	587.00	587.00
		587.00	587.00

Note No 14.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period March 31, 2020:

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	58,70,000	587.00	58,70,000	587.00
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-
Number of shares at the end	58,70,000	587.00	58,70,000	587.00

Note No 14.2: Terms/rights attached to equity shares:

- (A) The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.
- (B) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note No 14.3: The details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares held	% held	No. of shares held	% held
Smt. Usha Mutha	6,81,768	11.61%	6,81,768	11.61%
Smt. Sunita Mutha	4,68,400	7.98%	4,68,400	7.98%
Shri Piyush Mutha	5,21,750	8.89%	5,21,750	8.89%
Shri Praneet Mutha	5,21,050	8.88%	5,21,050	8.88%
Shri Rahul Mutha HUF	3,39,142	5.78%	3,39,142	5.78%
Vippy Industries Ltd.	5,18,086	8.83%	3,55,534	6.06%

Note 15	OTHER EQUITY		
	Reserves & surplus*		
	Capital Reserve #	5.80	5.80
	General Reserves ##	25.00	25.00
	Retained earnings ###	3,770.07	3,396.11
	Other Comprehensive Income (OCI)		
	-Fair Value of Equity Investments through OCI	18.22	25.37
		3,819.09	3,452.28



Capital Reserve: It represents the gains of the capital nature.

General Reserve: The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirement to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

Retained earnings include remeasurement of net defined benefit plan

*For movement, refer statement of changes in equity.

		(₹ in Lakhs)	
Note 16	BORROWINGS - NON CURRENT	<u>As at</u> <u>March 31, 2020</u>	<u>As at</u> <u>March 31, 2019</u>
	Secured		
	Term Loan		
	From Banks:		
	HDFC Bank	<u>90.00</u>	<u>162.00</u>
		<u>90.00</u>	<u>162.00</u>
	Note 16.1: Term Loan from HDFC Bank:		
	i) Term loan from HDFC Bank secured against Solar Panel.		
	ii) The Term loan is repayable as under:		
	Term Loan	No. of Instalments	Periodicity
	HDFC Bank	20	Quarterly
			Installment
			18.00
	iii) The Company has not made any default as at the reporting date in repayment of term loan installment and interest.		
Note 17	PROVISIONS		
	Other Provisions	-	3.21
		<u>-</u>	<u>3.21</u>
Note 18	DEFERRED TAX LIABILITIES		
	Opening Balance	166.42	154.85
	Add/Less: Difference between written down value of fixed assets as per the Companies Act, 2013 and Income tax Act, 1961	1.33	12.46
	Less: Deferred tax liability reversed	(41.11)	-
	Add/Less: Equity Instruments designated at FVOCI	(12.78)	(0.89)
		<u>113.86</u>	<u>166.42</u>
Note 19	BORROWINGS - CURRENT		
	Secured		
	From Bank		
	Working Capital Facilities	690.16	1,770.77
		<u>690.16</u>	<u>1,770.77</u>

Note No. 19.1: Working capital facilities from HDFC Bank:

- i) Working capital facilities, fund based of ₹ 2200.00 Lakh and non fund based of ₹ 30.00 Lakh (Previous year ₹ 1800.00 Lakh and ₹ 25.00 lakh) is secured by hypothecation of stock of raw material, finished goods, semi finished goods, work in progress/process, stores and spares, packing materials and books debts. (ii) first pari passu charge on all the Company's current assets. The above said working capital facilities is also collaterally secured by way of personal guarantee of 2 (two) directors of the Company.
- ii) The Company has not made any default with respect to working capital facilities as at the reporting date
- iii) Working capital facilities carries interest @ 8.40%.



(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019		
Note 20	TRADE PAYABLES			
	Current			
	Dues of micro and small enterprises	91.83		
	Others	170.71		
	100.41	262.54		
Note 21	OTHER FINANCIAL LIABILITIES			
	Current Maturities of Long Term Debt*	75.02		
	Employee salary and other payable	14.49		
	Liabilities for expenses	306.36		
	Sundry Creditors For Capital Goods	0.88		
	383.26	396.75		
	Note 21.1*			
	i) Term loan from HDFC Bank secured against Solar Panel.			
	ii) The Term loan is repayable as under:			
		(₹ in Lakhs)		
	Term Loan	No. of Instalments	Periodicity	Installment
	HDFC Bank	20	Quarterly	18.00
	iii) The Company has not made any default as at the reporting date in repayment of term loan installment and interest.			
Note 22	OTHER CURRENT LIABILITIES			
	Advances From Customers	8.49		
	Statutory Dues Payable	12.52		
	18.15	21.01		
Note 23	PROVISIONS			
	Provision for Employee Benefits	31.74		
	32.46	31.74		
Note 24	CURRENT TAX LIABILITIES (NET)			
	Provision for taxation (net of tax payment)	13.04		
	0.33	13.04		



		(₹ in Lakhs)	
		March 31, 2020	March 31, 2019
Note 25	REVENUE FROM OPERATION		
	Sales of Product	11,054.54	11,341.35
	Other Operating Revenue		
	Scrap Sales	11.46	14.13
		<u>11,066.00</u>	<u>11,355.48</u>
Note 26	OTHER INCOME		
	Interest Income	50.17	27.78
	Net Gain/Loss on Liquid Fund	9.02	2.62
	Gain on sale of PPE	-	0.64
	Provision no longer required	1.19	-
	Rent Income	1.69	1.69
	Other Income	0.99	0.89
		<u>63.06</u>	<u>33.62</u>
Note 27	COST OF MATERIALS CONSUMED		
	Material Consumed :		
	Opening Stock	2,535.16	1,932.19
	Add: Purchases	7,734.06	9,163.98
		<u>10,269.22</u>	<u>11,096.17</u>
	Less Closing Stock	1,740.86	2,535.16
		<u>8,528.36</u>	<u>8,561.01</u>
Note 28	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE		
	<u>FINISHED GOODS</u>		
	Opening Stock of FG	194.20	161.18
	Closing Stock of FG	292.55	194.20
	Change in Stock of Finished Goods (A)	<u>(98.35)</u>	<u>(33.02)</u>
	<u>WORK IN PROGRESS</u>		
	Opening Stock of WIP	77.43	78.81
	Closing Stock of WIP	51.73	77.43
	Change in Stock of Work in Progress (B)	<u>25.70</u>	<u>1.38</u>
	<u>Saleable Waste</u>		
	Opening Stock	6.29	5.63
	Closing Stock	9.59	6.29
	Change in Stock of Saleable Waste (C)	<u>(3.30)</u>	<u>(0.66)</u>
	(A)+(B)+(C)	<u>(75.95)</u>	<u>(32.30)</u>
Note 29	EMPLOYEE BENEFIT EXPENSES		
	Salaries, Wages and Bonus	309.78	298.47
	Contribution to Provident and other funds	48.07	51.96
	Staff Welfare Expenses	4.60	4.50
		<u>362.45</u>	<u>354.93</u>



		(₹ in Lakhs)	
		<u>March 31, 2020</u>	<u>March 31, 2019</u>
Note 30	FINANCE COST		
	Interest	73.13	94.70
	Bank charges	6.57	8.45
		<u>79.70</u>	<u>103.15</u>
Note 31	OTHER EXPENSES		
	Advertisement	2.72	2.12
	Consumption of Stores and Spares	82.44	190.03
	Directors' Sitting Fees	0.15	0.20
	Directors' Travelling	9.57	13.25
	Export Expenses	10.22	23.58
	Freight on sales	182.22	187.87
	Insurance Charges	18.44	17.60
	Lease Rent	0.08	0.08
	Legal & Professional Fee	17.72	16.08
	Membership Fees and Subscription	1.19	1.55
	Miscellaneous expenses	169.04	142.68
	CSR Exps	10.49	-
	Packing Material and Expenses	254.73	235.09
	Payment to Auditor (Refer Note 31.1 below)	2.50	2.50
	Power & Fuel	577.66	570.30
	Rates & Taxes	17.21	2.28
	Repairs & Maintenance:		
	Building	3.09	4.48
	Plant & Machinery	31.31	27.13
	Sales Commission	145.25	155.88
		<u>1,536.03</u>	<u>1,592.70</u>
Note 31.1	Payment to Auditors		
	Statutory Audit Fees	2.25	2.25
	Cost Audit fees	0.25	0.25
		<u>2.50</u>	<u>2.50</u>
Note 32	EARNING PER SHARE		
	(A) Profit attributable to Equity Shareholders	378.62	447.39
	(B) No. of Equity Share outstanding during the year	58,70,000	58,70,000
	(C) Face Value of each Equity Share (₹)	10	10
	(D) Basic & Diluted earning per Share (₹)	6.45	7.62
Note 33	CONTINGENT LIABILITIES		
	As on March 31, 2020 Contingent Liabilities amounts to ₹ 8.78 lakh (Previous Year ₹ 12.04 lakh)		

**Note 34 INCOME TAX****(₹ in Lakhs)****The major components of income tax expense for the year ended March 31, 2020**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
Current tax on profit for the year	114.50	140.00
Adjustments for the current tax of prior periods	(0.09)	(0.54)
Deferred Tax		
Deferred tax liabilities/ (assets)	(39.78)	12.46
	<u>74.63</u>	<u>151.93</u>

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before income tax expense	453.25	599.31
Tax Rate	25.168%	27.820%
Tax at the Indian tax rate	114.07	166.73
Tax Effect of :		
Effect of previous year adjustments	(0.09)	(0.54)
Effect of non deductible expenses	1.50	(14.37)
Effect of reversal of opening DTL for change in income tax rate	(41.11)	-
Others	0.26	0.11
Income Tax Expenses	<u>74.63</u>	<u>151.93</u>

Recognised Deferred tax Assets/ (Liabilities)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A		
WDV of Fixed Assets as per Income Tax Act	802.73	1,028.98
WDV of Fixed Assets as per Companies Act	1,255.13	1,476.11
Deferred Asset/(Liability) of Depreciation	(452.40)	(447.13)
Total Deferred Asset/(Liability) on Timing Difference	(452.40)	(447.13)
Closing Deferred Tax Asset/(Liability)	(113.86)	(153.64)
Less: Opening balance of Deferred Tax Asset/ Liability	(153.64)	(141.18)
Recognised in P&L For the year	39.78	(12.46)
B		
Opening Balance of Deferred Tax liability on Equity Instrument	(12.78)	(13.66)
Add: Recognised in OCI for the year	12.78	0.88
Closing Balance of Deferred Tax Asset/(Liability)	-	(12.78)
Total Deferred Tax Asset/(Liability)	<u>(113.86)</u>	<u>(166.42)</u>

**Note 35 INSURANCE CLAIM**

During the financial year 2017-18, there were fire incidents at the factory premises of the company. Due to fire certain fixed assets, finished goods, work in progress, stores and spare parts and packing material etc. were destroyed. The company has filed an insurance claim. The company had reinstatement clause in its insurance policy and accordingly the company filed its insurance claim. During the year insurance company has finalised and settled claim for ₹408.79 lakh. The final claim received as above includes claim for plant & machinery of ₹14.70 lakh against which company spent ₹18.49 lakh for reacquiring plant and machinery, and for building received ₹ 85.96 lakh, against which company spent ₹97.28 lakh for reconstruction of building. The final claim received as above, further includes claim of yarn of ₹141.51 lakh against the claim of ₹149.50 lakh and received ₹166.62 against the claim for stores & spares parts, Packing materials and miscellaneous items and others of ₹190.47 lakh.

Note 36 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The group monitors capital on the basis of the following gearing ratio:

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Debt (Total Borrowings)	852.16	2,007.78
Total Equity	4,406.09	4,039.28
Cash and cash equivalents, other bank balances and liquid investments	63.09	68.59
Net debt equity ratio	0.18	0.48

**Note 37 EMPLOYEE BENEFITS**

As per IND AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the said Accounting Standards are given below:

(i) Defined Contribution Plan

Contribution to Defined Contribution Plan includes Provident Fund and Superannuation Fund. The expenses recognised for the year are as under:

Particulars	(₹ In Lakhs)	
	2019-20	2018-19
Employer's Contribution to Provident Fund	27.36	26.57
Employer's Contribution to Superannuation Fund	10.80	9.36

(ii) Defined Benefit Plan**Gratuity:**

The disclosure required as per Ind AS 19 "Employees Benefits" issued by the Institute of Chartered Accountants of India (ICAI) and as specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, and based on the report generated by Life Insurance Corporation of India (LIC) is as under.

The following tables set out the funded status of the gratuity and the amounts recognised in the Company's financial statements as at 31 March 2020 and 31 March 2019.

Sr.No.	Particulars	(₹ In Lakhs)	
		2019-20	2018-19
I	Changes in present value of obligations		
	Present value of obligations as at the beginning of year	66.32	56.67
	Interest cost	4.97	4.53
	Current Service Cost	4.13	4.13
	Benefits Paid	2.75	(1.36)
	Actuarial Loss /(gain) on obligations	4.65	2.34
	Present value of obligations as at the end of year	82.83	66.32
II	Changes in the fair value of plan assets		
	Fair value of plan assets at the beginning of year	75.31	64.82
	Expected return on plan assets	5.62	1.05
	Contributions	6.65	10.90
	Benefits paid	(2.75)	(1.36)
	Actuarial gain on Plan assets	-	-
	Fair value of plan assets at the end of year	84.83	75.41
III	Change in the present value of the defined benefit obligation and fair value of plan assets		
	Present value of obligations as at the end of the year	82.83	66.32
	Fair value of plan assets as at the end of the year	84.83	75.41
	Net (liability) / asset recognised in balance sheet	(1.99)	(9.09)
IV	Expenses Recognised in statement of Profit & Loss		
	Current Service cost	4.13	4.13
	Interest Cost	4.97	4.53
	Expected return on plan assets	(5.62)	(1.05)
	Expenses recognised in statement of Profit & Loss Account	3.49	7.61
	In Other Comprehensive Income		
	Actuarial (gain)/Loss for the year -Obligation	4.65	2.34
	Actuarial gain for the year - plan assets	-	-
	Total actuarial (gain)/ loss included in other comprehensive income	4.65	2.34
	Assumption		
	Discount Rate	7.25%	7.50%
	Salary Escalation	8.00%	7.00%

**Note 38 CORPORATE SOCIAL RESPONSIBILITIES**

In accordance with the provisions of the section 135 of the Companies Act, 2013 and rules made there under, the expenditure incurred on CSR during the year are as under:

S. No.	Particulars	₹ In Lakhs)	
		2019-20	2018-19
i)	Gross amount required to be spent by the company during the year	10.39	N.A.
ii)	Amount Spent during the year :		
a)	Directly	-	N.A.
b)	Indirectly	10.49	
	Balance to be spent/(excess)	(0.10)	N.A.

Note 39 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to credit risk, liquidity risk, market risk and price risk.

(A) Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

Credit Risk Management

For financial assets the Company has an investment policy which allows the Company to invest only with counterparties having high credit ratings or with higher credentials. The Company reviews the creditworthiness of these counterparties on an ongoing basis. Another source of credit risk at the reporting date is from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Company. The Company has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits.

(B) Liquidity Risk

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows. The Company has a system of forecasting next twelve months cash inflow and outflow and all liquidity requirements are planned. Trade and other payables are plugged as per credit terms and paid accordingly. All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

(C) Market Risk**Interest Rate Risk Exposure**

The Company is exposed to various types of borrowings as stated in Note Nos. 16 and 19 respectively. The Company's exposure to interest rate risks at the end of the reporting period is as follows:

Particulars	₹ In Lakhs)			
	As at March 31, 2020		As at March 31, 2019	
	Amount	% of Total	Amount	% of Total
Fixed Rate Borrowings	-	-	3.02	0.15%
Variable Rate Borrowings	852.16	100.00%	2,004.77	99.85%
Total Borrowings	852.16	100.00%	2,007.78	100.00%

Sensitivity Analysis on Rate Borrowings

The Company is exposed to various types of borrowings as stated in Note Nos. 16 and 19, respectively. The sensitivity analysis demonstrates a reasonably possible change in the interest rates, with all other variables held constant for the year ended March 31, 2020 and March 31, 2019, every 0.25% increase in the interest would decrease the company's profit approximately by ₹ 1.86 lakh and ₹ 2.45 lakh respectively. A 0.25% decrease in the interest rate would lead to an equal but opposite effect.

(D) Price risk

The Company is exposed to price risk in basic ingredients of Company's raw material and is procuring finished components and bought out materials from vendors directly. The Company monitors its price risk and factors the price increase in pricing of the products.

**Note 40 Related party disclosures as required under Ind AS 24, "Related Party Disclosures", are given below:**

a) Name of the related party and description of relationship:

S.No.	Related Parties	Nature of Relationship
(i)	Shri Piyush Mutha	Managing Director (Key Management Personnel)
(ii)	Shri Mangalore Maruthi Rao	Whole time Director (Key Management Personnel)
(iii)	Shri Praneet Mutha	Director
(iv)	Shri Mohan Lal Jain	Independent Director
(v)	Shri Subhash Kocheta	Independent Director
(vi)	Shri Raghuram Krishnamurthy	Independent Director
(vii)	Mrs. Deepa Sudhir Mokal	Independent Director
(viii)	Vippy Industries Ltd.	Entity in which Key Managerial person's relative having significant influence

b) Details of Transactions during the year with related parties:

(₹ in Lakhs)

S.No.	Related parties	Nature of Transactions during the year	2019-20	2018-19
(i)	Vippy Industries Ltd.	Rent Received	1.69	1.69
	Employee Benefits for Key Management Personnel			
(ii)	Shri Piyush Mutha	Remuneration Paid:		
		Remuneration	90.00	78.00
		Provident Fund	10.80	9.36
		Superannuation fund	10.80	9.36
		Perquisite	1.34	1.12
(iii)	Shri Mangalore Maruthi Rao	Remuneration	4.20	4.20
(iv)	Shri Praneet Mutha	Sitting fees	0.05	0.05
(v)	Shri Mohan Lal Jain	Sitting fees	0.02	0.06
(vi)	Shri Subhash Kocheta	Sitting fees	0.04	0.05
(vii)	Shri Raghuram Krishnamurthy	Sitting fees	-	0.01
(viii)	Mrs. Deepa Sudhir Mokal	Sitting fees	0.04	0.04

c) Balances at end of the year with related parties.

(₹ in Lakhs)

S.No.	Related parties	Nature of Transactions during the year	As at March 31, 2020	As at March 31, 2019
(i)	Vippy Industries Ltd.	Rent Due	0.61	-

Note 41 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act 2006

(₹ in Lakhs)

S.No.	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	34.82	91.83
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv)	The amount of interest due and payable for the year	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

**Note 42 FAIR VALUE MEASUREMENT**

The fair value of Financial instrument as of March 31, 2020 and March 31, 2019 were as follows:

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019	Fair value Hierarchy	Valuation Technique
Assets-				
Investment in Equity Instruments through OCI	22.52	42.45	Level-1	Quoted Market Price
Total	22.52	42.45		

The management assessed that Cash and Cash equivalents, loans, other balances with Banks, trade receivables, trade payables and other current liabilities/assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

Note 43 ESTIMATION OF UNCERTAINTIES RELATING TO GLOBAL HEALTH PANDEMIC COVID -19

Spread of COVID-19 has effected the economic activity across the Globe including India. This impact on the business will depend upon future developments that cannot be predicted reliably at this stage. However based on the preliminary estimates the Company does not anticipate any major challenges in meeting the financial obligations, on the long-term basis. Further, the company does not carry any risk in the recoverability and carrying values of its assets including Property, Plant and Equipment, trade receivables, inventories and investments. The company does not anticipate any additional liability as at the Balance Sheet date.

Note 44 The Company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Liabilities as at 31st March, 2019 and the estimate of Tax Expense for the year ended 31st March, 2020 have been re-measured. As a result there is a reversal of Deferred Tax Liability (DTL).

Note 45 Previous year figures have been regrouped and reclassified wherever considered necessary to confirm to this year's classifications.

Significant Accounting Policies

(Note No.1)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For R.S. Bansal & Company

Chartered Accountants

Firm's Registration Number: 000939C

For and on behalf of the Board of Directors

(CA. Vijay Bansal)

Partner

Membership No. 075344

Dewas

June 29, 2020

Piyush Mutha
Managing DirectorPraneet Mutha
DirectorItisha Sahu
Company SecretaryHassan Ali
Chief Financial Officer

