

*20th
Annual Report & Accounts
2011-12*



VIPPY SPINPRO LTD.



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

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**NOTICE**

Notice is hereby given that the 20th Annual General Meeting of the Company will be held on Saturday, 29th day of September, 2012 at 10.00 a.m. at the Hotel Amar Vilas, 1, Chandra Nagar, A.B. Road, Opp. Sony World, Indore (M.P.)-452010 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2012 and the Profit and Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri K. Raghuram who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Pranet Mutha who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Sodani & Co., Chartered Accountants, (Firm Registration No. 000880C), as Auditors of the Company, from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board
For Vippy Spinpro Ltd.

Dewas
May 30th, 2012

Piyush Mutha
Managing Director

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company.
2. The instrument appointing proxy should be deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.
3. The register of members and share transfer books will remain closed from Saturday, 22nd day of September, 2012 to Saturday, the 29th day of September, 2012 (both days inclusive) for the purpose of Annual General Meeting.
4. Members who hold shares in physical form are requested to notify any change in their address to the Company's Registrar and Share Transfer Agent (RTA), M/s. Ankit Consultancy Pvt. Ltd., 60, Electronic Complex, Pardeshipura, Indore (M.P.)-452010.
5. Shareholders desiring any information as regards the Accounts are requested to write to the Company at an early date so as enable the Management to keep information ready.
6. Members/proxies who wish to attend the meeting are requested to bring the enclosed attendance slip duly filled and deliver the same at the entrance of the Meeting Hall.
7. Members who hold the shares in dematerialized form, are requested to bring details of their DP and client ID number for easier identification and attendance at the meeting.
8. Members are requested to bring their copies of Annual Report at the time of attending the Meeting.
9. Corporate Members intending to send their authorized representative are requested to send a duly certified copy of Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.



10. The members, who are still holding the Company's equity shares in physical form and have not converted their shareholding in dematerialized form, are once again requested to convert their equity shares from physical form to dematerialized form .
11. Brief particulars of Directors of the Company proposed to be appointed or re-appointed at ensuing Annual General Meeting are provided in the Corporate Governance Report forming part of the Annual Report.

By Order of the Board
For Vippy Spinpro Ltd.

Dewas
May 30th, 2012

Piyush Mutha
Managing Director

**DIRECTORS' REPORT**

Dear Members,

Yours Directors have pleasure in presenting the 20th Annual Report together with the audited accounts of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS

(₹ In Lacs)

Particulars	March 31,2012	March 31,2011
Income		
Revenue from Operations	10223.45	8872.62
Other Income	72.69	47.37
Total Revenue	10296.14	8919.99
Profit before finance cost, depreciation & amortization, prior period expenditure and tax	770.27	751.96
Finance Costs	167.72	167.93
Depreciation and amortization expenses	257.23	281.49
Profit before prior period expenditure and tax	345.32	302.54
Less: Prior period expenditure	2.47	0.40
Profit before Tax	342.85	302.14
Less: Tax Expenses		
Current Tax	131.25	114.50
Deferred Tax (Assets)/Liabilities	(22.77)	(15.68)
Profit for the year	234.37	203.32
Earning per equity share		
Basic	3.99	3.47
Diluted	3.99	3.47

OPERATIONAL REVIEW

Your Directors are pleased to report another set of strong results for year 2011-12. This was made possible despite the global recessionary trends and challenging conditions in textile industry.

Your Company achieved a turnover of ₹ 10296.14 lacs as against ₹ 8919.99 lacs in the previous financial year, recording an increase of 15.43%. The Profit before Tax of ₹ 342.85 lacs as against ₹ 302.14 lacs in the previous financial year, recording an increase of 13.47%. The Profit after tax of ₹ 234.37 lacs as against ₹ 203.32 lacs in the previous financial year, recording an increase of 15.27%.

DIVIDEND

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

**DIRECTORS**

In accordance with the provision of the Companies Act, 1956 and the Article of Association of the Company, Shri K.Raghuram and Shri Praneet Mutha will retire at the ensuing Annual General Meeting and being eligible, offer themselves for the reappointment.

PUBLIC DEPOSITS

The company has not invited /accepted deposits from the public under Section 58A of the Companies Act, 1956 and rules made there under.

INSURANCE

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

PARTICULARS OF EMPLOYEES

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

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

The information relating Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 are set out in a separate statement attached hereto and marked as Annexure –A and forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby confirm that :

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

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. As required under Clause 49 of Listing Agreement with Stock Exchange, a Report on Corporate Governance is forms part of the Annual Report as well as Practicing Company Secretary's Certificate on compliance of Corporate Governance are annexed to this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A separate section titled "Management Discussion and Analysis Report" forms part of this Annual Report.

AUDITORS

The Statutory Auditors of the Company M/s. Sodani & Company, Chartered Accountants (Firm Registration No.000880C), retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment. The Company has received a letter from them to the effect that their reappointment, if made would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

COST AUDITORS

M.Goyal & Co., Cost Accountants, Jaipur, have been appointed as Cost Auditors of the Company to conduct the Cost Audit of Textiles for the year 2012-13 subject to approval of the Central Government.

**LISTING OF THE SHARES**

Your Company Equity shares are listed with Bombay Stock Exchange Ltd. The Company has paid Annual Listing fees for the year 2012-2013.

ENVIRONMENT & SOCIAL CONCERN

Your Company continues to give top priority importance to pollution control and environment protection. The Company ensures the very minimum quantity of generation of waste, low emission levels and noise pollutions. The Company complies with various emission standards and other environmental requirements as per pollution control norms.

Environment pollution and the emission of Co2 from use of fossil fuels constitute a threat to health, the environment and sustainable economic growth. The world needs the different natural energy sources available to us. Wind Energy is one of them which is friendly to surrounding environment, as no fossil fuels are burnt to generate electricity from wind energy. In line of the Company had set up the Wind Mill that generates electricity and made little contribution to help the nations towards save natural resources & make clean and green environment.

Rainwater harvesting is being carried out at manufacturing plant continuously to reduce dependence on water from other natural resources. The 8040 Sq meters of the roof area has been covered under the rain water harvesting and approx. 5822 cubic meters of water has been collected at the factory at Dewas, resulting the saving water and recharging the five bore wells during the year.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company is committed to being a good corporate citizenship and believes is shouldering responsibility towards society, community and environmentally.

We had taken significant efforts in the area of Corporate Sustainability, encompassing Corporate Governance, Social Responsibility and Environment care. We strive towards using locally available material and resources to generate employment and business opportunity for the local community. We have involved ourselves in various welfare activities around our manufacturing location. We have focused our attentions on areas like imparting education to underprivileged children and providing employment opportunities to women and physically challenged people.

In the memory of our founder Late Shri Prakash Mutha, we had started many inspirable activities for promoting the education such as giving awards to meritorious students, distribute bicycle, School Dress, School Bags, School Books & education material. During the year 85 students of the surrounding area of plant of the Company got benefitted.

We organized a medical camp to create awareness of health and screening & treatment of the people residing in surrounding area to the plant of the Company. We examined 62 people by taking free blood sample & distribute free medicine among the of them who were suffering from health problems and provide financial help where is necessary. We immunized 62 people against Hepatitis-B.

The Company continued maintains "Rain Water Harvesting System" during the year. The Wind Mill continually generates electricity & help to maintain clean and green environment.

The Company continues to open water hut in the summer at various places at Dewas City during the year.

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

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



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

ACKNOWLEDGEMENTS

Yours Directors wish to place on record their appreciation for the continued support and co-operation received from shareholders, customers, suppliers, dealers, banks, government authorities. Yours Directors also wish to place on record their sincere appreciation of the contribution made by the employees of the Company.

For and on behalf of the Board of Directors

Dewas
May 30th, 2012

Piyush Mutha
Managing Director

M.Maruthi Rao
Director

**ANNEXURE TO THE DIRECTORS' REPORT****ANNEXURE-A**

Information as per section 217(1)(e) of the Companies Act, 1956 read with Companies(Disclosures of Particulars in the Report of Board of Directors) Rules,1988 and forming part of the Directors' Report for the year ended 31st March 2012.

I. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

I. 50 KVAR capacitor added & 9 nos. of old capacitor replaced by new and to maintain average power factor .

II. 500 KVA stabilizer installed

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

N.A.

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

I. Installation of 50 KVAR capacitor and new capacitors replaced in place of Nos. old capacitor. , saved ₹2,01,872.15 per month .

II.By installation of stabilizer, stabilized voltage saved energy.

FORM-A

Particulars with respect to conservation of energy

Particulars	Current year 2011-12	Previous Year 2010-11
A. Power & Fuel Consumption		
1. Electricity		
a. Purchased		
Units	98,12,365	97,43,750
Total Amt. ₹ (excluding cess)	4,70,37,568	4,27,39,731
Rate/Unit ₹	4.79	4.38
b. Own Generation		
(i) Through Diesel Generator		
Units	42,840	80,444
Units / liter of HSD/LDO (₹)	2.83	3.09
Cost / Unit (₹)	13.94	16.24
(ii) Through Steam Turbine /Generator	-	-
2. Coal		
Quality Consumed (in MT)	-	-
Total Cost (₹)	-	-
Average Rate (₹ /MT)	-	-
3. Furnace Oil	-	-
4. Others /internal generation	-	-
B. Consumption per unit of production		
Electricity (Unit /MT)	1,261	1,329
Furnace Oil	-	-
Coal (Kg/MT)	-	-
Others	-	-

**II. TECHNOLOGY ABSORPTION:
FORM-B****Form of disclosures of particulars with respect to absorption:****(A) RESEARCH & DEVELOPMENT: Not Applicable****(B) TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION: Not Applicable****III. FOREIGN EXCHANGE EARNING AND OUTGO**

		Current Year	Previous Year
1.	Earning (₹)	4,31,07,832	3,44,79,550
2.	Outgo (₹)	6,28,882	1,05,69,699

For and on behalf of the Board of Directors

Dewas
May 30th, 2012Piyush Mutha
Managing DirectorM.Maruthi Rao
Director

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

The Global Economy growing slowly after economic crises in the year 2008 -2009. European debt crises, political turmoil in Middle East ,along with certain exogenous shock like the Japanese nuclear disaster, has resulted in a sharp global economic slowdown during the 2011-12. The fragility of many of the world's major economies is continuing. Recently the IMF projected that the China would grow 8.2% in year 2012 and 8.3% in 2013, and India would grow 6.9%in 2012 and 7.3% in 2013, and the global economy is expected to grow 3.5 per cent this year, rising to 4.1 per cent in 2013. Prsently the political, economic and social breakdown in Greece is an acute expression of a broader crisis of European and world capitalism.

The Indian Economy has been adversely affected by the global economic crises created by the sovereign debt crises, political turmoil in Middle East and consequent rise in crude oil prices. Weaking of rupees is continuing the major concern for development of the Indian Economy.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian textile industry is one the largest and older sectors in the country and plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. Indian Textile Industry contributes about 14% to industrial production, 4% to the GDP, and 17% to the Country's export earnings. It provides direct employment to over 35 million people, & it is the second largest provider of employment after agriculture. India has potential to increase to its textiles products share in the world trade form the current level.

The Ministry of Textile has taken various policy initiatives in the last few years to improve the competitiveness of the Indian Textile Industry. Various schemes such as Technology Up gradation Fund Scheme (TUFS), Scheme for Integrated Textile Parks, Development of Mega Cluster, Integrated Skill Development Scheme, & Technology Mission of Technical Textiles etc. have been launched with the objective of accelerating growth in export and investment in the textile sector.

The Government has been continually supporting the textiles exports sector through various provisions of the Foreign Trade Policy and the other policy initiatives to enable the sector to increase market share in the global textiles market.

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

OPPORTUNITY AND THREATS**Opportunities**

The Textile & Clothing sector are continuing to grow in India because of enhanced demand in the international market as well as increase in consumption in domestic market .With consumerism and disposal income on the incline, the retail sector has witnessed rapid growth in the past decade several international retails are also focusing on India due to its emergence as a potential sourcing destinations.

Threats

The volatility in prices of Cotton, increase in finance cost, increase in price of crude oil, transportation charges, shortage of manpower, are the some of the concerns the company is facing.

SEGMENT WISE PERFORMANCE

The Company generates power through wind mill for captive use. Hence no segment reported.

FUTURE OUTLOOK

This year witnessed a significant slowdown in textiles production due to a combination of factors such as slowdown in demand, high raw martial prices etc. The slowdown in global economic growth is expected to affect the cotton consumption of textile products and demand for cotton fiber domestically



and internationally. However the overall scenario of textile and clothing industry looks optimistic & India will continue to be a dominant payer in the textile and clothing market both for export and domestic market and the overall prospects in the long term seems to be encouraging.

RISK AND CONCERN

Cotton is raw material for our company, which we source from the domestic market. Cotton is an agriculture product and its supply and quality are subject to force of nature. Any material shortage or interruption in the domestic supply or deterioration in the quality of cotton due to natural causes or other factors could result in increased production costs, which may have adverse impact on the business of the company.

High Power costs, Higher Interest Rate, Rising of price of Crude Oil, changes in government policies, may have an adverse impact on the business of the Company.

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

ADEQUACY OF INTERNAL CONTROL SYSTEMS

Company has an adequate and effective internal control system to ensure that assets and interests of the Company are safeguarded and reliability of accounting data and accuracy are ensured with proper checks and balances.

The internal control system is improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems.

FINANCIAL ANALYSIS

Your Company achieved a turnover of ₹10296.14 lacs as against ₹8919.99 lacs in the previous financial year, recording an increase of 15.43%. The Profit before Tax of ₹342.85 lacs as against ₹302.14 lacs in the previous financial year, recording an increase of 13.47%. The Profit after tax of ₹234.37 lacs as against ₹203.32 lacs in the previous financial year, recording an increase of 15.27%.

DEVELOPMENT IN HUMAN RESOURCE AND INDUSTRIAL RELATIONS

The Company considers its human resources as valuable assets and provides them an environment, where each employee is motivated to contribute his best to achieve the Company's objective. The company has a progressive HR policy for helping employees to develop their organisation skill, knowledge, and abilities to achieve greater efficiency. To develop high quality and to provide adequate knowledge to the employees, the Company regularly provides necessary training.

Developing a learning culture has always been and will continue to be our uppermost priority. Our efforts in the coming years will be to enable our employees to continually grow and build a competitive edge by translating the learning into positive actions.

Relation between the employees and the management of the Company continued to be cordial during the year.

CAUTIONARY STATEMENT

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

**CORPORATE GOVERNANCE REPORT**

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

1. Company's Philosophy

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

2. Board of Directors**Composition**

As on 31st March 2012, the Company have 7 directors. The composition of the Board is in conformity with clause 49 of the Listing Agreement.

The necessary disclosure regarding Committee positions have been made by all the Directors. None of the Directors on the Board is Member of more than 10 Committees or a Chairman of more than 5 Committees across all the Companies in which they are Directors.

The Composition of the Board of Directors, their attendance at the Board Meetings and at the last Annual General Meeting held during the year and the number of other directorship and committee chairmanship/membership held by them in other companies is given below. Chairmanship/membership of the Board Committees includes only Audit and Shareholders/Investors Grievance Committees.

S. No	Name	Category	No. of Board Meetings		Attendance at last AGM	No. of Directorship in other public companies incorporated in India	No. of Committee positions held in other public companies incorporated in India	
			Held	Attended			Chairman	Member
1.	Shri Piyush Mutha	Promoter-Executive	8	8	Yes	-	-	-
2.	Shri Praneet Mutha	Promoter – Non-Executive	8	8	Yes	1	-	-
3.	Shri M.L. Jain	Independent Non -Executive	8	6	Yes	-	-	-
4.	Shri M.Maruthi Rao	Non- Independent Executive	8	8	Yes	-	-	-
5.	Shri Shailendra K. Jain	Independent Non- Executive	8	-	No	4	-	-
6.	Shri Subhash Kocheta	Independent Non- Executive	8	4	No	-	-	-
7.	Shri K. Raghuram	Independent Non- Executive	8	-	No	-	-	-

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

None of the Independent Directors has any material financial interest in the Company apart from the remuneration by way of sitting fess which may affects independence of the director.

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

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri K. Raghuram and Shri Praneet Mutha, Directors, are due to retire at the ensuing Annual General Meeting, and being eligible, have offered themselves for their re-appointment.

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

Name of Director	K. Raghuram
Date of Birth	06 th September, 1969
Date of Appointment	31.10.2000
Qualification	B.E. in Electronics & MBA
Experience in specific functional area	Shri K.Raghuram is Bachelor of Engineering (B.E.) in Electronics and has also done MBA. He has over 22 years vast experience in the field of technical, Commercial, Finance and various other areas.
Directorship held in other Indian public companies	-
Membership/Chairmanship of Committees of other public companies(includes only Audit Committee and Shareholders/investors Grievance Committee)	-
Number of Shares held in the Company	-

The Profile of the Shri Praneet Mutha, Director is as under:

Name of Director	Praneet Mutha
Date of Birth	11 th September, 1971
Date of Appointment	19.12.2000
Qualification	M. Com
Experience in specific functional area	Shri Praneet Mutha is Master of Commerce (M.Com.) and possess vast experience in the field of Finance and Marketing. He has more than 16 years experience in cotton industry and other industries.
Directorship held in other Indian public companies	1
Membership/Chairmanship of Committees of other public companies(includes only Audit Committee and Shareholders/investors Grievance Committee)	-
Number of Shares held in the Company	521050

Board Procedures

The Board generally meets 4 times during the year. Additionally meetings are held whenever necessary. The Board of Directors of the Company met 8 times during the year 2011-2012 i.e. 30.05.2011, 12.08.2011, 15.09.2011, 29.10.2011, 14.11.2011, 30.11.2011, 11.02.2012 & 31.03.2012.



The gap between two meetings did not exceed four months. The Key information is placed before the Board of Directors to apprise the directors of the affairs of the company. The Board reviews compliance reports of all laws as applicable to the Company as well as steps taken by the company to rectify instances of non-compliances, if any.

Code of Conduct

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

3. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956.

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

Composition

As on 31st March 2012, the Audit Committee of the Company comprises of three directors of the Company. All members are of the Committee are Non- Executive & Independent Directors. All members of the Audit Committee are financially literate.

The composition of the Audit Committee and details of meeting attended by the Directors are given below:

Name	Position	Category	No. of Meetings during the year	
			Held	Attended
Shri M.L. Jain	Chairman	Independent Non- Executive	4	4
Shri Subhash Kocheta	Member	Independent Non -Executive	4	4
Shri K. Raghuram	Member	Independent Non -Executive	-	-

The Committee met 4 times on 30.05.2011,12.08.2011,14.11.2011 & 11.02.2012. The Audit Committee meetings are attended by the CFO and the Statutory Auditors and Internal Auditors , Managing Director who are invited to the meetings as and when required.

Chairman of the Committee has attended previous Annual General Meeting of the Company was held on 30th September, 2011.

4. Remuneration Committee

The Remuneration Committee considers, approves and recommends to the Board the remuneration payable to Managerial personnel coming within the purview of applicable provisions of the Companies Act, 1956.

Composition

The Remuneration Committee comprises of three directors of the Company, all are Non- Executive & Independent Directors.

The composition of the Remuneration Committee are given below:

Name	Position	Category
Shri K. Raghuram	Chairman	Independent Non- Executive
Shri M.L. Jain	Member	Independent Non -Executive
Shri Subhash Kocheta	Member	Independent Non -Executive

During the year 2011-2012, no meeting of Remuneration Committee was held.

Director Remuneration**Remuneration policy**

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



- (a) Present employment scenario
 (b) Remuneration package of the industry/other industries for the requisite managerial talent.

Remuneration to Executive Directors

The details of remuneration paid to Executive Directors during the year for the year ended 31st March,2012 was as under.

Name of Director	Designation	Salary (₹)	Perquisites and other benefits (₹)	PF& other Fund (₹)	Total (₹)
Shri Piyush Mutha	Managing Director	18,00,000	1,10,443	4,86,000	23,96,443
Shri M. Maruthi Rao	Whole Time Director	2,65,000	-	-	2,65,000

Remuneration to Non Executive Directors

Sitting fees are paid to Non- Executive Directors for attending the meetings of the Board of Directors in accordance with limit prescribed under the Companies Act, 1956. The Company has no pecuniary relationship or transactions with its Non Executive Directors other than payment of sitting fees.

Criteria of Making Payments to Non –Executive Directors

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

-Number of Board meetings attended by such Directors.

During the year 2011-12 sitting fees were paid to Non –Executive Directors as amounted to ₹ 5000/-

Number of shares held by Non-Executive Directors as on 31.03.2012

Name	No. of shares held
Shri Shailendra K. Jain	5000
Shri Praneet Mutha	521050

5. Shareholders / Investors Grievance Committee

The Committee looks into Shareholders / Investors complaints on matters relating to transfer of shares, non receipt of annual report, non receipt of declared dividends and demat of shares etc. and all other matters which can facilitate better investor services and relations. The Share Department of the Company and the Registrar and Share Transfer Agent, attend to all grievances of the shareholders and investors received directly or thorough SEBI, Stock Exchange, Ministry of Corporate Affairs , and Registrar of Companies etc.

Composition

The Shareholders / Investors Grievance Committee comprises of two directors of the Company all are Non-Executive & Independent Directors.

The composition of the Shareholders / Investors Grievance Committee and details of meeting attended by the Directors are given below:

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

During the year 2011-12, the Committee met 4 times on 30.05.2011,12.08.2011,14.11.2011 & 11.02.2012. Shri Anil Agrawal is the Compliance Officer.



The details of complaints /grievances received and resolved are as under:

Total number of grievances / complaints received during the year	Total number of grievances / complaints resolved during the year	Total number of grievances / complaints pending as on 31.03.2012
02	02	NIL

There is no grievances / complaints received from shareholders remaining unresolved except disputed as every efforts is maintained to immediately redress investors grievances / complaints without loss of time. The number of pending share transfer requests as on 31st March, 2012 is Nil.

Insider Trading

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

6. General Body Meeting

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

Annual General Meeting (AGM)	Day	Date	Time	Venue
17 th	Saturday	26.09.2009	10.00 a.m.	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010(M.P.)
18 th	Thursday	30.09.2010	10.00 a.m.	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010(M.P.)
19 th	Friday	30.09.2011	10.00 a.m.	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010(M.P.)

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

AGM held on	Special Resolutions passed	Summary
26.09.2009	No	N.A.
30.09.2010	No	N.A.
30.09.2011	Yes	a) Re-appointment of Whole Time Director b) Re-appointment of Managing Director

Passing of resolution by postal ballot

No special resolution proposed to be conducted through postal ballot during the financial year. At the forthcoming Annual General Meeting also, there is no item in the Agenda that needs approval by postal ballot.

7. Disclosures

I. There are no materially significant transactions with the related parties that may have potential conflict with the interest of the Company at large. The transactions with related parties are disclosed in the Notes to the Balance Sheet of the Company forming part of the Annual Report.



- I. Company has Risk Assessment and Minimization Procedures, which are reviewed by the Board periodically.
- II. There has been no instance of non-compliance by the company on any matter related to capital markets, during the last three years. No penalties or strictures has been imposed by SEBI, the Stock Exchange or any statutory authority on the Company.
- III. In preparation of the financial statements, the company has followed the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- IV. The Company does not have any Whistle Blower Policy in place, however no personnel has been denied to access to the audit committee.
- V. The Company is complying with all the mandatory requirements of clause 49 of the Listing Agreement. The non-mandatory requirement of Clause 49 regarding the Remuneration Committee had been complied with by the Company.

8. CEO/CFO Certification

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

9. Means of Communication

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

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

Pursuant to Clause 47(f) of the Listing Agreement, the Company has designated the following exclusive e-mail Id for the convenience of investors.

investorrelations.vsl@gmail.com

No presentation was made to the Institutional Investors or to the Analysts during the year 2011-2012.

Management Discussion and Analysis Report forms part of Annual Report.

10. General Shareholders Information**a) Annual General Meeting**

Day	Saturday
Date	29 th day of September, 2012
Time	10.00 a.m.
Venue	Hotel Amar Vilas, I, Chandra Nagar, A.B. Road, Opp. Sony World, Indore(M.P.)-452010

b) Financial Calendar for 2012-2013

Financial Results for the quarter ending 30 th June, 2012	on or before 14 th August, 2012
Financial Results for the quarter ending 30 th September, 2012	on or before 14 th November, 2012
Financial Results for the quarter ending 31 st December, 2012	on or before 14 th February, 2013
Audited Annual Results for the fourth Quarter and Year ending 31 st March, 2013	on or before 30 th May, 2013

c) Book Closure Dates

Saturday, the 22nd day of September, 2012 to Saturday, the 29th day of September, 2012 (both days inclusive)

d) Dividend Payment Date

No Dividend has been proposed by Board of Director of the company for the year 2011-12

e) Listing of Securities & Stock Code

**i) The Company's Equity Shares are listed on the following Stock Exchange:**

Bombay Stock Exchange Ltd. (BSE)
Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai -400051

ii) Stock Code (at Bombay Stock Exchange)

Script Code: 514302
Scrip ID: VIPPYSP
ISIN No. INE660D01017

f) Market Price Data:

The monthly high and low quotation of shares of the company at the Bombay Stock Exchange Ltd., Mumbai during the financial year 2011-12 are given below:

Month	High(₹)	Low(₹)
April,2011	10.90	9.00
May,2011	12.49	9.00
June,2011	11.98	9.21
July,2011	11.79	9.36
August,2011	11.10	7.24
September,2011	10.85	7.72
October,2011	9.84	8.00
November,2011	9.35	7.43
December,2011	9.45	8.16
January,2012	9.65	8.16
February,2012	10.60	8.40
March,2012	10.36	8.75

g) Distribution of Shareholding as on 31.03.2012

	No. of Shareholders	% of Shareholders	No. of Share held	% of Shareholding
Upto 500	8841	93.01	1235914	21.05
501-1000	392	4.12	323174	5.51
1001-2000	143	1.50	211282	3.60
2001-3000	32	0.34	81181	1.38
3001-4000	10	0.11	37436	0.64
4001-5000	36	0.38	177917	3.03
5001-10000	26	0.27	195774	3.34
10001 & Above	25	0.26	3607322	61.45
TOTAL	9505	100	5870000	100

h) Shareholding Pattern of the Company as on 31.03.2012

	Category of Holders	No. of Shares	% (Percentage)
a)	Promoters	2943917	50.15
b)	Mutual Funds/UTI	3800	0.06
c)	Financial Institutions/ Banks/Insurance Companies	-	-
d)	Foreign Institutional Investors	-	-
e)	Corporate Bodies	341332	5.81
f)	Residential Individuals	2317257	39.48
g)	NRI's & OCBs	263693	4.49
h)	Any others(Clearing Members)	1	0.00
Total		5870000	100

**i) Registrar and Share Transfer Agents of the Company:**

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

j) Share Transfer System

Physical Shares are lodged with the Registrar & Share Transfer Agents are processed and returned to the Shareholders within 30 days, if the documents are complete in all respect. Delegation of the power approving the share transfer given to officers of the Company. The details of transfer of shares of the company are placed at every shareholders/ Investors Grievance Committee.

k) Dematerialization of Shares and Liquidity

The details of shares under dematerialized and physical mode as on 31.03.2012 are as under:

Particulars	No. of Equity Shares	% (percentage)
National Securities Depository Ltd.(NSDL)	3676946	62.64
Central Depository Services (India) Ltd.(CDSL)	900784	15.35
Total Dematerialized	4577730	77.99
Physical	1292270	22.01
Total	5870000	100

l) Outstanding Securities

There are no securities outstanding at the end 31.03.2012.

m) Unclaimed Dividends

Pursuant to Section 205C of the Companies Act, 1956, dividends that are unpaid/unclaimed for a period of seven years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administrated by the Central Government. Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF:

Financial Year	Date of declaration of Dividend	Due date for transfer to IEPF
2005-06	September 30,2006	November 5,2013
2006-07	September 29,2007	November 4,2014

n) Plant Location:

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

o) Address for correspondence:

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



CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of **Vippy Spinpro Ltd.**

We have examined the compliance of conditions of Corporate Governance by Vippy Spinpro Ltd. for the year ended 31st March 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd..

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

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

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

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

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

Indore, May 30th, 2012

Shilpesh Dalal

(Proprietor)

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

As per the requirements of clause 49 (I) (D) (ii) of the Listing Agreement, I hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed confirmed compliance with the Code of Conduct for the year ended 31st March, 2012.

Dewas

May 30th, 2012

Piyush Mutha

Managing Director

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

We have audited the accompanying financial statements of **VIPPY SPINPRO LTD.**, ("the Company") which comprises the Balance Sheet as at March 31, 2012 the statement of Profit and Loss and the Cash Flow Statement for the year ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

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

- (i) In the case of Balance Sheet, of the State of affairs of the Company as at March 31, 2012;
- (ii) In the case of the Statement of Profit and Loss Account, of the Profit for the year ended on that date, and
- (iii) In the case of the Cash Flow Statement, of Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) (Amendment) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that;
 - I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit; .
 - II. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books of the Company;
 - III. The Balance Sheet, the Statement of Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- IV. In our opinion, the Balance Sheet, Statement of Profit and Loss Account and the Cash Flow Statements dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- V. On the basis of written representations received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

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

Dewas
May 30th, 2012

**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in our report of even date)

- (i) In respect of fixed assets:
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, the assets have been physically verified by the management during the year in accordance with a phased program of verification, which in our opinion is reasonable, considering size and the nature of the company. The frequency of verification is reasonable and no material discrepancies have been noticed on such verification.
 - c) The company has not disposed off any substantial part of fixed assets during the year.
- (ii) In respect of inventory:
 - a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
 - b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) In our opinion and according to the information and explanation given to us, the company is maintaining proper records of inventory and the discrepancies noticed between the physical stocks and book records, wherever physical verification have been conducted, adjusted to material consumption account at the year end. No material discrepancies were noticed on physical verification.
- (iii) As informed to us, the company has neither granted nor taken any loans, secured or unsecured, to/from companies, firm or other parties listed in the register, maintained under section 301 of the Companies Act, 1956 and as such clauses 4 (iii)(a) to (g) of the order are not applicable .
- (iv) There are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls systems.
- (v) In respect of the contracts or arrangement referred to in section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000 in respective of one party amounting to ₹ 52,57,980/- During the year have been made at prices which appear reasonable as per information available with the company.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public. Hence, the compliance with the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size of the company and nature of its business.



- (viii) We have broadly Reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011, prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.
- (ix) a) According to the information and explanations given to us and the records examined by us, the company have been generally regularly in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, custom duty, excise duty service tax, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2012 for a period of more than six month from the date they became payable.
- b) According to the records of the company, outstanding dues of sales tax, income tax, custom duty, excise duty and cess on the account of any dispute are as follows :-

Forum where disputes is pending	Name of the Statue	Nature of the dues	Amount Outstanding as on 31.03.12	Period to which the amount relates
Appellate Board Bhopal	Entry Tax Act	Entry Tax	₹ 2,43,910/-	2004-05
Appellate Board, Bhopal	Entry Tax Act	Entry Tax	₹ 1,07,982/-	2005-06
Additional Commissioner Indore	Entry Tax Act	Entry Tax	₹ 7,90,496/-	2007-08
Income Tax Department	Income tax Act, 1961	Income Tax	₹ 1,65,272/-	1996-97

- (x) The company has no accumulated losses at the end of the financial year ended March 31, 2012 and it has not incurred cash loss in the current financial year and immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given to us, we are of opinion that the company has not defaulted in repayment of dues to any bank.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the order are not applicable to the company.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Accordingly, the provisions of clause 4 (xiii) of the order are not applicable to the company.
- (xiv) The company has maintained proper records of transactions and contracts in respect of dealing in shares, securities and other investments and timely entries have been made therein. All shares and other securities have been held by the company in its own name, except to the extent of the exemption granted under section 49 of the Companies Act, 1956.



- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the order are not applicable to the company.
- (xvi) According to the information and explanation given to us, the company has raised new term loan during the year. The term loans outstanding at the beginning of the year and those taken during the year have been applied for the purposes for which they were raised.
- (xvii) According to the information and explanation given to us and on examination of the books of accounts of the company, we report that no funds raised on short term basis have been used for long term investment by the company and vice versa.
- (xviii) The company has not made any preferential allotment of shares to the parties and companies listed in the register maintained under section 301 of the Companies Act, 1956 during the year. Accordingly, the provision of clause 4 (xviii) of the order not applicable to the company.
- (xix) The company has not issued any debentures during the year. Accordingly, the provisions of clause 4(xix) of the order are not applicable to the company.
- (xx) The company has not raised any money through public issue during the year. Accordingly the provisions of the clause 4 (xx) of the order are not applicable to the company.
- (xxi) According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit, which causes the financial statements to be materially misstated.

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

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

Dewas
May 30th, 2012

**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Notes	March 31, 2012 (₹)	March 31, 2011 (₹)
EQUITY AND LIABILITIES			
Shareholders' fund			
(a) Share capital	3	5,87,00,000	5,85,91,500
(b) Reserves and surplus	4	11,01,92,305	<u>8,67,55,221</u>
		16,88,92,305	<u>14,53,46,721</u>
Non-current liabilities			
(a) Long term borrowings	5	7,40,35,481	8,51,84,032
(b) Deferred tax liability (Net)	6	1,84,95,561	2,07,72,670
(c) Other long term liabilities		-	-
(d) Long term provisions	7	28,07,073	<u>11,32,155</u>
		9,53,38,115	<u>10,70,88,857</u>
Current liabilities			
(a) Short term borrowings	8	17,08,98,843	12,59,38,079
(b) Trade payables	9	93,22,667	1,36,28,337
(c) Other current liabilities	10	3,57,39,435	4,32,97,409
(d) Short term provisions	11	1,74,87,700	<u>2,14,29,641</u>
		23,34,48,645	<u>20,42,93,466</u>
	TOTAL	49,76,79,065	<u>45,67,29,044</u>
ASSETS			
Non-current assets			
(a) Fixed assets			
Tangible assets	12	16,22,50,637	18,09,64,409
Capital work in progress	12	87,57,547	-
(b) Non-current investments	13	13,02,094	13,55,405
(c) Deferred tax asset (Net)		-	-
(d) Long-term loans and advances	14	97,49,592	52,91,471
(e) Other non current asset		-	-
		18,20,59,870	<u>18,76,11,285</u>
Current assets			
(a) Current investments		-	-
(b) Inventories	15	19,59,98,677	17,57,60,339
(c) Trade receivables	16	9,74,78,335	8,11,26,955
(d) Cash and bank balances	17	22,27,182	22,93,206
(e) Short term loan and advances	18	1,86,95,936	94,07,327
(f) Other current assets	19	12,19,065	<u>5,29,932</u>
		31,56,19,195	<u>26,91,17,759</u>
	TOTAL	49,76,79,065	<u>45,67,29,044</u>

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

As per our report of even date.

For SODANI & COMPANY
Firm registration No. 000880C
Chartered Accountants

Rajesh Sodani
Partner
M. No. F-077005
Dewas
May 30th, 2012

Piyush Mutha
Managing Director

M.L. Jain
Director

M. Maruthi Rao
Director

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

	Notes	March 31, 2012 (₹)	March 31, 2011 (₹)
INCOME			
Revenue from operations	20	1,02,23,44,863	88,72,62,439
Other income	21	72,69,034	47,37,018
Total revenue		<u>1,02,96,13,897</u>	<u>89,19,99,457</u>
EXPENSES			
Cost of material consumed	22	79,54,95,719	67,32,46,517
Purchase of Traded Goods		52,87,980	2,66,77,087
Change in inventories of finished goods and work in progress	23	1,02,46,516	(1,99,51,020)
Employees benefits expense	24	1,85,29,768	1,32,27,786
Financial costs	25	1,67,71,949	1,67,93,210
Depreciation and amortization expenses	12	2,57,22,542	2,81,49,447
Other expenses	26	12,30,27,219	12,36,02,270
Total expenses		<u>99,50,81,693</u>	<u>86,17,45,297</u>
Profit before prior period expenditure and tax		3,45,32,204	3,02,54,160
Prior period expenditure		2,47,229	40,162
Profit before tax		<u>3,42,84,975</u>	<u>3,02,13,998</u>
Tax expense :			
Current tax		1,31,25,000	1,14,50,000
Deferred tax (Assets)/Liabilities		(22,77,109)	(15,67,707)
Profit for the year		<u>2,34,37,084</u>	<u>2,03,31,705</u>
Earnings per equity share of nominal value of ₹ 10/- (₹ 10/-)			
Basic		3.99	3.47
Diluted		3.99	3.47

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

As per our report of even date.

For **SODANI & COMPANY**
Firm registration No. 000880C
Chartered Accountants

Rajesh Sodani

Partner

Membership No. F-077005

Dewas

May 30th, 2012

Piyush Mutha
Managing Director

M.L. Jain
Director

M. Maruthi Rao
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

	For the Year ended on 31.03.2012	For the Year ended on 31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extraordinary items:	3,45,32,204	3,02,54,160
Adjustment For :		
Depreciation & Write offs	2,57,22,542	2,81,49,447
Loss/ (Profit) on sale of Fixed assets	(1,07,730)	-
Financial Charges	1,67,71,949	1,67,93,210
Dividend Income	(1,62,184)	(88,964)
Interest Income	(12,26,513)	(6,50,018)
Gain on sales of Investment	(9,54,921)	-
Gain on variation on Foreign exchange rates	(6,04,589)	-
Premium on foreign Exchange contract	(1,88,108)	-
Prior period Adjustment	(2,47,229)	(40,162)
Operating Profit before Working Capital Changes	7,35,35,421	7,44,17,673
Adjustment For :		
Increase / (Decrease) in trade payable	(43,05,670)	(2,53,14,503)
Increase / (Decrease) in other current liabilities	(75,57,974)	1,31,70,361
Increase / (Decrease) in short term provisions	(39,41,901)	1,03,97,042
Increase / (Decrease) in long term provisions	16,74,878	-
Decrease / (Increase) in trade receivable	(1,63,51,380)	(43,77,852)
Decrease / (Increase) in short term loan & advances	(92,88,609)	(19,80,063)
Decrease / (Increase) in inventories	(2,02,38,338)	(5,94,28,965)
Decrease / (Increase) in other current assets	(6,89,133)	84,892
Decrease / (Increase) in long term loan & advances	(44,58,121)	(8,35,553)
Cash Generated from operation	83,79,173	61,33,032
Financial Charges	(1,67,71,949)	(1,67,93,210)
Direct Taxes paid	(1,31,25,000)	(1,14,50,000)
NET CASH FROM OPERATING ACTIVITIES:	(2,15,17,776)	(2,21,10,178)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,58,70,276)	(1,63,31,425)
Sale of Fixed Assets	2,65,000	-
Proceeds from sales of current investments	7,09,54,921	-
Purchase of current investments	(7,00,00,000)	-
Dividend Income	1,62,184	88,964
Interest Income	12,26,513	6,50,018
Gain on variation on Foreign exchange rates	6,04,589	-
Premium on foreign Exchange contract	1,88,108	-
NET CASH USED IN INVESTING ACTIVITIES	(1,24,68,961)	(1,55,92,443)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Allotment Money	1,08,500	-
Proceeds from long term borrowings	1,16,62,030	98,76,550
Repayment of long term borrowings	(2,28,10,581)	(2,33,85,658)
Proceeds from Short term borrowings	4,49,60,764	4,76,10,248
NET CASH FLOW FROM FINANCING ACTIVITIES:	3,39,20,713	3,41,01,140
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(66,024)	(36,01,481)
Cash and Cash Equivalents as at 1/4/2011 (Opening Balance)	22,93,206	58,94,687
Cash and Cash Equivalents as at 31/3/2012 (Closing Balance)	22,27,182	22,93,206

As per our report of even date.

For **SODANI & COMPANY**
Firm registration No. 000880C
Chartered Accountants

Rajesh Sodani

Partner

Membership No. F-077005

Dewas

May 30th, 2012

Piyush Mutha
Managing Director

M.L. Jain
Director

M. Maruthi Rao
Director

**Notes to the financial statements as at March 31, 2012****(annexed to and forming part of the financial statement for the year ended 31st March, 2012)****Note 1 -CORPORATE INFORMATION**

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

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

The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") on accrual basis under the historical cost convention. GAAP comprises mandatory accounting standards as notified by the Companies (Accounting Standards) Rules, 2006, the provisions of Companies Act, 1956, and guidelines issued by the Securities Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The management evaluates all recently issued or revised accounting standards on an ongoing basis.

b) TANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS

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

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

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

c) GOVERNMENT GRANTS & SUBSIDIES

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

d) IMPAIRMENT OF ASSETS

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

e) INVESTMENTS

Long term investments are valued at cost and current invest investment are valued at lower of cost and market price. Provision of diminution in value is considered, if in the opinion of the management, such decline is considered permanent.

f) INVENTORIES

Finished goods and stock in process are valued at lower of cost or net realisable value. Cost includes cost of conversion and other expenses incurred in bringing the goods to their location and condition. Raw materials, packing materials, stores and spares are valued at lower of cost or net realisable value. Cost is ascertained on "weighted Average basis.

**g) DEPRECIATION AND AMORTISATION**

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

h) REVENUE RECOGNITION

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

i) BORROWING COSTS

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

j) EMPLOYEE BENEFITS

Post Employment Benefits:

- (a) Defined Benefit Plans: The Company's Gratuity scheme and Superannuation Scheme for key persons are defined benefit plans. In accordance with the requirements of revised Accounting Standard-15 "Employee Benefits", the Company provides for gratuity covering eligible employees on the basis of actuarial valuation as carried out by an independent actuary. Under the gratuity plan, every employee who completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The both schemes are funded with Life Insurance Corporation of India in the form of qualifying insurance policy.
- (b) Defined Contribution Plans: Contributions payable by the Company to the concerned government authorities in respect of provident fund, family pension fund and employees state insurance are defined contribution plans. The contributions are recognized as an expense in the Profit and Loss Account during the period in which the employee renders the related service. The Company does not have any further obligation in this respect, beyond such contribution.

k) FOREIGN CURRENCY TRANSACTIONS

- a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- b) Monetary items denominated in foreign currencies at the year end are restated at year end rate. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of contract.
- c) Non monetary foreign currency items are carried at cost.
- d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit & loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

l) FINANCIAL DERIVATIVES AND COMMODITY HEDGING TRANSACTION

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

**m) TAXES ON INCOME**

The accounting treatment followed for taxes on income is to provide for Current Tax and Deferred Tax. Provision for current income tax is made for the tax liability payable on taxable income ascertained in accordance with the applicable tax rates and laws.

Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

n) EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

o) CASH AND CASH EQUIVALENTS

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

p) CASH FLOW STATEMENT

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

q) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

	March 31, 2012	March 31, 2011
	(₹)	(₹)
Note 3- SHARE CAPITAL		
Authorised		
70,00,000 (70,00,000) equity shares of ₹ 10/- (₹ 10/-) each	7,00,00,000	7,00,00,000
Issued, subscribed, and paid up		
58,70,000 (58,70,000) equity shares of ₹ 10/- (₹ 10/-) each fully paid up	5,87,00,000	5,87,00,000
Less: Allotment money unpaid (Other than directors)	<u>-</u>	<u>1,08,500</u>
	<u>5,87,00,000</u>	<u>5,85,91,500</u>

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

Particulars	March 31, 2012		March 31, 2011	
	Nos.	(₹)	Nos.	(₹)
Equity				
Outstanding at the beginning of the year	58,70,000	5,87,00,000	58,70,000	5,87,00,000
Issued during the year	0	0	0	0
Outstanding at the end of the year	58,70,000	5,87,00,000	58,70,000	5,87,00,000

(b) Terms/rights attached to equity shares:

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

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

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

S.No.	Name of shareholder	March 31, 2012		March 31, 2011	
		Nos.	%age	Nos.	%age
Equity shares of ₹ 10/- each fully paid					
(i)	Smt. Usha Mutha	681768	11.61%	681768	11.61%
(ii)	Smt. Sunita Mutha	468400	7.98%	461400	7.86%
(iii)	Shri Piyush Mutha	521750	8.89%	521750	8.89%
(iv)	Shri Praneet Mutha	521050	8.88%	521050	8.88%

(d) During the year unpaid allotment money on 21700 shares @ ₹ 5/- per shares total ₹1,08,500/-recd.

Note 4 -RESERVES AND SURPLUS		March 31, 2012	March 31, 2011
		(₹)	(₹)
Capital reserve			
	Balance at the beginning of the year	5,80,000	5,80,000
	Balance at the end of the year (a)	5,80,000	5,80,000
General reserve			
	Balance at the beginning of the year	25,00,000	25,00,000
	Add: Amount transferred from surplus	-	-
	Balance at the end of the year (b)	25,00,000	25,00,000
Surplus			
	Balance at the beginning of the year	8,36,75,221	6,33,43,516
	Add: Profit for the year	2,34,37,084	2,03,31,705
	Balance at the end of the year (c)	10,71,12,305	8,36,75,221
	Total (a+b+c)	11,01,92,305	8,67,55,221
		March 31, 2012	March 31, 2011
		(₹)	(₹)

Note 5 -LONG TERM BORROWINGS

(a) Term loans from Banks (secured)			
	Punjab National Bank-Term loan- II	1,48,42,900	2,50,20,900
	Punjab National Bank-Term loan- III	1,04,48,876	1,41,61,472
	Punjab National Bank-Term loan- IV	3,70,81,675	4,58,29,675
	Punjab National Bank-Term loan- V	1,16,62,030	-
(b) Vehicle Loan			
		-	1,71,985
		7,40,35,481	8,51,84,032

(a) Term loans

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

ii) The Term loan are repayable as under:

S.No.	Term Loan	No. of Instl	Periodicity	Installment (₹)
1	Term Loan II	32	Quarterly	2544500
2	Term Loan III	32	Quarterly	894000
3	Term Loan IV	32	Quarterly	2187000
4	Term Loan V	20	Quarterly	1610000



- iii) The Company has not made any default as at the reporting date in repayment of term loan installment and interest.
- iv) The Term loan carries interest @ 9.75% (net of interest subvention under TUF Scheme @5% except 4% on T/L No. V)

b) Vehicle Loan HDFC Bank

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

Note 6- DEFERRED TAX LIABILITY (NET)

	As at April (Charged)/credited 1, 2011 (₹)	to Profit and Loss Account (₹)	As at March 31, 2012 (₹)
Deferred tax Liability			
Fixed assets (Depreciation)	<u>2,07,72,670</u>	<u>22,77,109</u>	<u>1,84,95,561</u>
	<u>2,07,72,670</u>	<u>22,77,109</u>	<u>1,84,95,561</u>
Net deferred tax liability	<u>2,07,72,670</u>	<u>22,77,109</u>	<u>1,84,95,561</u>

- i) In accordance with the provisions of the Accounting Standard-22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has recognised deferred tax liabilities of ₹ 1,84,95,561/- (₹ 2,07,72,670/-) as at March 31, 2012.
- ii) The net deferred tax assets amounting to ₹ 22,77,109/- (₹ 15,67,707/-) for the year has been recognised in the Statement of Profit and Loss.

March 31, 2012	March 31, 2011
(₹)	(₹)

Note 7- LONG TERM PROVISIONS

Provision for employee benefits	-	-
Others	<u>28,07,073</u>	<u>11,32,155</u>
	<u>28,07,073</u>	<u>11,32,155</u>

Note 8- SHORT TERM BORROWINGS**Secured**

Loans repayable on demand

From Banks

Working capital facilities from Punjab National Bank	<u>17,08,98,843</u>	<u>12,59,38,079</u>
	<u>17,08,98,843</u>	<u>12,59,38,079</u>

(a) Working capital facilities from Punjab National Bank

- i) Working capital facilities, fund based of ₹ 18,00,00,000/- and non fund based of ₹ 1,00,00,000/- (Previous year ₹ 13,00,00,000/- and ₹ 1,00,00,000/-) is secured by hypothecation of stock of raw material, semi finished goods, work in progress/process, stores and spares, packing materials and books debts. (ii) first pari passu charge on all the Company's current assets. The above said working capital facilities is also collaterally secured by way of (i) personal guarantee of 2 (two) directors of the Company.
- ii) The Company has not made any default with respect to working capital facilities as at the reporting date.
- iii) Working capital facilities carries interest @ 14.25% while on Packing Credit interest rate is 11.50%

**Note 9- TRADE PAYABLES**

For goods, services and expenses	93,19,704	1,36,26,302
For capital goods	2,963	2,035
	<u>93,22,667</u>	<u>1,36,28,337</u>

Payments against small scale and ancillary undertakings are made in accordance with the agreed credit terms and to the extent ascertained from available information, there was no amount overdue for more than 30 days as on 31st March 2012. A Small Scale Industrial undertaking has the same meaning as assigned to it under clause (j) of section 3 of the Industries (Development and Regulation) Act, 1951.

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

Note 10- OTHER CURRENT LIABILITIES

Current maturities of long term borrowing	2,39,33,680	2,42,28,354
Unpaid dividends	6,97,709	6,98,009
Other payables		
Duties and taxes	12,84,207	10,41,062
Employees salary and other payable	7,03,653	4,39,524
Advances from customers	15,34,809	96,51,979
Other Payable (Exps)	75,85,377	72,38,481
	<u>3,57,39,435</u>	<u>4,32,97,409</u>

(a) Term loan

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

ii) The Term loan is repayable as under

S.No.	Term Loan	No. of Instl	Periodicity	Installment (₹)
1	Term Loan II	32	Quarterly	2544500
2	Term Loan III	32	Quarterly	894000
3	Term Loan IV	32	Quarterly	2187000
4	Term Loan V	20	Quarterly	1610000

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

Note 11- SHORT TERM PROVISIONS

Provision for employee benefits	-	-
Others		
Proposed equity dividend	-	-
Corporate dividend tax	-	-
Income tax	1,31,25,000	1,14,50,000
Wealth tax	-	-
Other Provisions	43,62,700	99,79,641
	<u>1,74,87,700</u>	<u>2,14,29,641</u>



**Note - 12
TANGIBLE ASSETS**

S. Particulars No.	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 2011	Additions	Disposal As at March 31, 2012	Upto March 31, 2011	For the year	Disposals Up to March 31, 2012	As at March 31, 2012	As at March 31, 2011
1. Leasehold Land	8,67,683	-	-	8,67,683	-	-	8,67,683	8,67,683
2. Plant & Machinery	26,44,45,655	56,09,461	-	27,00,55,116	2,02,34,515	-	10,70,83,650	12,17,08,704
3. Office equipments	4,45,486	-	-	4,45,486	18,997	-	85,963	1,04,960
4. Furniture fixtures	19,86,431	6,500	-	19,92,931	1,25,265	-	4,70,543	5,89,308
5. Vehicles	62,81,201	-	11,52,294	51,28,907	6,12,623	9,95,024	17,53,629	25,23,522
6. Building & Site Development	5,48,79,284	12,59,283	-	5,61,38,567	30,51,951	-	3,13,60,256	3,31,52,924
7. Computers	21,07,418	2,37,485	-	23,44,903	86,681	-	3,03,569	1,52,765
8. Wind Mill	2,91,51,490	-	-	2,91,51,490	15,39,199	-	2,03,25,344	2,18,64,543
Total	36,01,64,648	71,12,729	11,52,294	36,61,25,083	2,56,69,231	9,95,024	16,22,50,637	18,09,64,409
Previous Year(2010-11)	33,19,08,019	2,82,56,629	-	36,01,64,648	2,81,49,447	-	18,09,64,409	-
Capital Work in Progress							87,57,547	-



	March 31, 2012 (₹)	March 31, 2011 (₹)
Note 13- NON CURRENT INVESTMENTS		
Investment property		
(At cost less accumulated depreciation)		
Cost of Building given on operating lease	15,96,127	15,96,127
Less: accumulated depreciation	7,24,213	6,70,902
Net Block	<u>8,71,914</u>	<u>9,25,225</u>
Other companies		
Other non trade investment		
i) 20,000 Shares of Asit C. Mehta Financial Services Ltd. (Previous year 20,000, shares)	32,200	32,200
ii) 7,372 Shares of Punjab National Bank (Previous year 7,372, shares)	3,97,980	3,97,980
Aggregate amount of non trade investments	<u>4,30,180</u>	<u>4,30,180</u>
Aggregate amount of investment property & non trade investment	<u>13,02,094</u>	<u>13,55,405</u>
Aggregate market value of quoted investments	<u>72,51,100</u>	<u>97,30,024</u>
Note 14- LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Capital advances	45,20,459	14,60,318
Security deposits MPEB	51,83,850	37,85,870
Security deposits Sales Tax	10,000	10,000
Security deposits others	35,283	35,283
	<u>97,49,592</u>	<u>52,91,471</u>
Note 15- INVENTORIES		
(Valued at lower of cost and net realizable value)		
(a) Raw materials	16,82,92,892	13,64,93,431
(b) Goods in Process	25,22,570	28,66,877
(c) Finished goods:		
Yarn	1,87,22,606	2,76,74,467
Saleable Waste	3,86,780	13,37,128
(d) Stores and spares	57,20,123	69,81,652
(e) Fuel	3,53,706	4,06,784
	<u>19,59,98,677</u>	<u>17,57,60,339</u>



	March 31, 2012	March 31, 2011
	(₹)	(₹)
Note 16- TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	-	15,94,744
Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
(a)	<u>-</u>	<u>15,94,744</u>
Other trade receivables		
Secured, considered good	-	-
Unsecured, considered good	9,74,78,335	7,95,32,211
Doubtful	-	-
(b)	<u>9,74,78,335</u>	<u>7,95,32,211</u>
(a+b)	<u>9,74,78,335</u>	<u>8,11,26,955</u>
Note 17-CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with Banks:		
On current accounts	77,515	1,19,147
Cash on hand	5,58,078	3,90,020
Other bank balances:		
Deposits with original maturity for more than 12 months	8,93,880	10,86,030
Deposits with original maturity for more than 3 months but less than 12 months	-	-
Embarked balances with Banks	-	-
Unpaid dividend accounts	6,97,709	6,98,009
	<u>22,27,182</u>	<u>22,93,206</u>
Deposits with Banks ₹ 8,93,880/- given to bank as margin money against bank guarantee issued by bank.		
Note 18-SHORT TERM LOAN AND ADVANCES		
Unsecured, considered good		
Loans and advances for goods and Exps	33,75,713	3,97,622
Others:		
Advance tax	1,00,00,000	55,00,000
VAT Receivable	18,54,167	45,149
Advance to employee	1,97,911	1,01,272
TED Receivable	11,09,296	-
Tax deducted at sources	2,10,739	1,28,612
Others	19,48,110	32,34,672
	<u>1,86,95,936</u>	<u>94,07,327</u>
Note 19- OTHER CURRENT ASSETS		
Unbilled revenue	-	-
Prepaid expenses	4,58,823	5,29,932
Forward Contract Receivable (Net)	7,60,242	-
	<u>12,19,065</u>	<u>5,29,932</u>



	March 31, 2012 (₹)	March 31, 2011 (₹)
Note 20- REVENUE FROM OPERATIONS		
Sales		
Sale of Finished Goods	1,00,29,83,205	85,30,27,316
Sale of Traded Goods (Soya DOC)	70,86,285	2,76,58,710
Sale of Waste	1,07,61,695	43,54,659
Sales of Others	1,45,021	8,41,669
Other operating revenue		
Sales of Scrap	<u>13,68,657</u>	<u>13,80,085</u>
	1,02,23,44,863	88,72,62,439
Less: Excise duty	<u>-</u>	<u>-</u>
	1,02,23,44,863	88,72,62,439
Note 21- OTHER INCOME		
Interest income from:		
Bank deposits	6,08,988	1,73,325
Customers	6,17,525	4,76,693
Dividend income on:		
Long- term investments	1,62,184	88,964
Sale/Net gain on sale of investments (ShortTerm)	9,54,921	-
Net gain on sale of fixed assets	1,07,730	-
Income from Wind Mill	33,55,111	34,35,086
Lease Rent	6,40,651	5,62,950
Gain from Forex Fluctuation	6,04,589	-
Premium on Forex Booking	1,88,108	-
Others	<u>29,227</u>	<u>-</u>
	72,69,034	47,37,018
Note 22- COST OF RAW MATERIAL CONSUMED		
Material consumed		
Opening stock	13,64,93,431	9,66,79,351
Add: Purchases	<u>82,72,95,180</u>	<u>71,30,60,597</u>
	96,37,88,611	80,97,39,948
Less: Closing stock	<u>16,82,92,892</u>	<u>13,64,93,431</u>
	79,54,95,719	67,32,46,517
Note 23- CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		
Inventories at the beginning of the year		
Finished goods	2,76,74,467	85,51,683
Saleable Waste	13,37,128	7,94,786
Work in progress	<u>28,66,877</u>	<u>25,80,983</u>
	3,18,78,472	1,19,27,452
Inventories at the end of the year		
Finished goods	1,87,22,606	2,76,74,467
Saleable Waste	3,86,780	13,37,128
Work in progress	<u>25,22,570</u>	<u>28,66,877</u>
	2,16,31,956	3,18,78,472
	C=(A-B)	(1,99,51,020)
Note 24- EMPLOYEE BENEFITS COST		
Salary, wages, bonus and allowances	1,57,39,521	1,11,13,416
Contribution to provident and other funds	16,87,691	11,94,914
Gratuity	7,61,829	5,18,663
Staff welfare	<u>3,40,727</u>	<u>4,00,793</u>
	1,85,29,768	1,32,27,786



	March 31, 2012 (₹)	March 31, 2011 (₹)
Note 25- FINANCE COST		
Interest expense on:		
Borrowings from banks	1,59,57,793	1,61,65,186
Others	44,765	1,08,902
Other borrowing costs	-	-
Bank charges	7,69,391	5,19,122
	<u>1,67,71,949</u>	<u>1,67,93,210</u>
Note 26- OTHER EXPENSES		
Manufacturing Exps:		
Stores and spares consumed	90,80,762	71,85,116
Power and fuel consumed	4,76,35,135	4,45,90,339
Repairs to Plant & Machinery	22,80,296	17,16,018
Testing Charges	17,789	33,523
Water Charges	6,06,422	2,83,337
Hank Yarn Exps	20,96,533	1,12,41,946
Other manufacturing Exps	<u>93,99,421</u>	<u>1,01,80,811</u>
	7,11,16,358	7,52,31,090
Administrative Exps:		
Lease Rent	7,562	7,562
Vehicle running & Maintenance	7,51,532	9,80,067
Travelling and conveyance	3,81,321	3,08,657
Printing and stationery	2,84,903	1,76,825
Telephone Exps	2,01,855	1,93,453
Directors Travelling	4,75,126	5,65,555
Repair and maintenance Bldg	5,33,960	10,32,354
Legal and professional Fees	7,25,193	6,59,452
Rates and taxes	7,42,111	6,74,680
Insurance	11,84,251	31,11,068
Advertisement	58,283	89,724
Directors sitting Fees	5,000	5,500
Rent	96,000	-
Membership fee and subscription	85,072	68,259
Payments to Auditors	1,40,071	1,56,742
Other Administrative Exps	<u>5,52,797</u>	<u>6,53,817</u>
	62,25,037	86,83,715
Selling & distribution Exps:		
Selling Exps	-	46,041
Packing Materials & Exps	1,68,38,545	1,56,23,061
Sales commission	1,30,04,060	1,10,43,151
Freight on Sales	1,28,52,205	1,15,24,602
Export Exps	28,93,712	14,05,794
TCS Paid	<u>97,302</u>	<u>44,816</u>
	4,56,85,824	3,96,87,465
	<u>12,30,27,219</u>	<u>12,36,02,270</u>
Payment to Auditors:		
Statutory Audit fees	86,034	86,034
Tax Audit Fees	21,509	21,509
Cost Audit Fees	15,000	15,000
Certification Work	<u>17,528</u>	<u>34,199</u>
	<u>1,40,071</u>	<u>1,56,742</u>

**Note 27- CONTINGENT LIABILITIES**

(to the extent not provided for)

a) Counter Guarantee:

For ₹ 68,78,800/- (₹ 82,61,400/-) given to Punjab National Bank for Guarantee given by them to Custom/DGFT department against which company has given to bank FDR for ₹ 8,93,880/- as margin money.

b) Demand of Entry Tax by commercial tax department ₹ 2,43,910/- for assessment year 2004-05. Case pending with M.P. Tax Tribunal Board Bhopal.

c) Demand of Entry Tax by commercial tax department ₹ 1,07,982/- for assessment year 2005-06. Case pending with M.P. Tax Tribunal Board Bhopal.

d) Demand of Entry Tax by commercial tax department ₹ 7,90,496/- for assessment year 2007-08. Case pending with Addl. Commissioner of Commercial Taxes (Appeal) Indore. Company has provided liabilities for ₹ 3,20,856/- in the financial year 2007-08.

e) Demand outstanding of Income Tax ₹ 1,65,272/- for assessment year 1996-97.

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

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

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

Note 31 - Keyman insurance policy for key persons not renewed by the company during the year premium of ₹ nil paid

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

Note 33- RELATED PARTY DISCLOSURE

a) Transactions:

1	Vippy Industries Ltd.	Other related party	Purchase during the year	₹ 52,57,980

b) Managerial Remuneration

1	Shri Piyush Mutha	Managing Director	Remuneration Provident Fund Super Annuation Perquisite	₹ 18,00,000 ₹ 2,16,000 ₹ 2,70,000 ₹ 1,10,443

Note 34 - EARNING PER SHARES

	2011-12	2010-11
a) Net Profit after tax (₹)	2,34,37,084	2,03,71,867
b) Number of weighted average equity shares	58,70,000	58,70,000
c) Nominal value of shares (₹)	10	10
d) Earning per shares (₹)	3.99	3.47

**Note 35- FORWARD BOOKING CONTRACTS**

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

The Company has outstanding forward booking contracts at the year end

Foreign Currency	March 31,2012	March 31,2011
US Dollar / INR	5,41,960	NIL

Note 36- MANAGERIAL REMUNERATION TO DIRECTORS

	2011-12	2010-11
1. To the Managing Director	(₹)	(₹)
a) Remuneration	18,00,000	13,20,000
b) Contribution to PF	2,16,000	1,58,400
c) Perquisites	1,10,443	1,22,978
d) Meeting Fees	Nil	Nil
e) Commission	Nil	Nil
2. To the Director other than Managing Director		
a) Remuneration	2,65,000	2,05,000
b) Contribution to PF	Nil	Nil
c) Perquisites	Nil	Nil
d) Meeting Fees	Nil	Nil
e) Commission	Nil	Nil
3. To Non executive Director		
a) Sitting Fees	5000	5500

Note 37- PARTICULARS OF LICENCED & INSTALLED CAPACITIES

	2011-12	2010-11
	Rotors	Rotors
a) Licensed Capacity	N.A.	N.A.
b) Installed Capacity	3,168	3,168

Note 38- PRODUCTION & SALES

	Production			Sales			
	2011-12	2010-11	2011-2012	2010-2011			
	M.T.	M.T.	M.T.	₹	M.T.	₹	
Cotton Yarn	7816.030	7394.515	7872.066	100,29,83,205	7259.958	85,30,27,317	
Waste	712.605	596.476	829.072	1,07,61,695	493.392	43,54,659	
Scrap/Others	-	-	-	15,13,678	-	28,65,832	
Soya Grits	-	-	284.430	70,86,285	1411.115	2,70,14,631	

Note 39- RAW MATERIALS CONSUMED

	2011-12		2010-11	
	M.T.	₹	M.T.	₹
a) Cotton	8612.135	79,54,95,719	8068.805	67,32,46,517

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

	2011-12 (₹)	2010-11 (₹)
a) Cotton yarn	198,665	254,701
b) Waste	33,371	149,838

Note 41- VALUE OF IMPORTS (On CIF Basis)

1. Capital Goods	5,17,981	1,02,18,000
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Note 42- EXPENDITURE IN FOREIGN EXCHANGE

1. Foreign travel etc	1,10,901	3,51,699
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Note 43- EARNING IN FOREIGN EXCHANGE

1. Export of Goods (FOB Basis)	4,31,07,832	3,44,79,450
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Note 44- IMPORTED AND INDIGENOUS RAW MATERIALS COMPONENTS AND SPARE PARTS CONSUMED

	Value in ₹		Percentage	
	2011-12	2010-11	2011-12	2010-11
a) Raw Materials				
1 Imported	-	-		
2 Indigenous	79,54,95,719	67,32,46,517	100%	100%
b) Stores & Spares				
1 Imported	22,07,172	14,11,284	24.31%	19.64%
2 Indigenous	68,73,590	57,73,832	75.69%	80.36%

Note 45- CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account ₹ 1,44,83,933/- (Previous year ₹ NIL) and not provided for

Note 46- The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification

As per our report of even date.

For **SODANI & COMPANY**
Firm registration No. 000880C
Chartered Accountants

Rajesh Sodani

Partner
Membership No. F-077005
Dewas
May 30th, 2012

Piyush Mutha
Managing Director

M.L. Jain
Director

M. Maruthi Rao
Director



VIPPY SPINPRO LTD.

Regd. Office : 318, City Centre, 570, M.G. Road, Indore (M.P.) - 452001

ATTENDANCE SLIP

20th Annual General Meeting 29th September, 2012

DP Id* Folio No.....

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

Full Name of the Shareholder/Proxy attending the meeting

(First Name) (Middle Name) (Surname)

I hereby record my presence at the Annual General Meeting on Saturday, the 29th day of September 2012 at 10.00 A.M at Hotel Amar Vilas, 1, Chandra Nagar, A.B.Road, Opp. Sony World, Indore (M.P.) - 452010

Signature of Member/Proxy

*Applicable for investors holding shares in electronic form

Note: Member/Proxy attending the meeting must fill in this attendance slip and hand it over at the entrance of the meeting hall.

.....



VIPPY SPINPRO LTD.

Regd. Office : 318, City Centre, 570, M.G. Road, Indore (M.P.) - 452001

PROXY FORM

20th Annual General Meeting 29th September, 2012

DP Id* Folio No.....

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

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

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

Vippy Spinpro Ltd., hereby appointof.....

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

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

..... as my /our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the

Company to be held on Saturday, the 29th day of September , 2012 at 10.00 A.M. Hotel Amar Vilas, 1, Chandra Nagar,

A.B. Road, Opp. Sony World, Indore (M.P.) - 452010 and at any adjournment thereof.

Signed this day of2012

Affix
₹ 1/-
Revenue
Stamp

*Applicable for investors holding shares in electronic form.

Signature

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

BOOK - POST

To, _____

If undelivered Please return to:
VIPPY SPINPRO LTD.
14-A, Industrial Area, A.B. Road,
Dewas (M.P.) - 455 001 India