

*21<sup>st</sup>  
Annual Report & Accounts  
2012-13*



**VIPPY SPINPRO LTD.**



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

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**NOTICE**

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of the Company will be held on Monday, 30<sup>th</sup> day of September, 2013 at 10.00 a.m. at Hotel Amar Vilas, 1 Chandra Nagar, A.B. Road, Opp. Sony World, Indore (M.P.)-452010 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and the Profit and Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri M.L. Jain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Shailendra Kumar Jain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. Sodani & Company, Chartered Accountants (Firm Registration No. 000880C), as Auditors of the Company, from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and fix their remuneration.

**SPECIAL BUSINESS**

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

**“RESOLVED THAT** pursuant to the provisions of section 269, 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereof (including any statutory modification or re-enactment thereof, for the time being in force) the members of the Company hereby accord their approval to the re-appointment of Shri M. Maruthi Rao as Whole Time Director of the Company for a period of two years with effect from 28<sup>th</sup> October, 2012.”

**“RESOLVED FURTHER THAT** Shri M. Maruthi Rao, being whole time director of the Company shall be entitled to get a remuneration of ` 30,000/- (Rupees Thirty Thousands) per month in the scale of ` 30,000/- ` 5,000/- ` 35,000/- w.e.f. from 28<sup>th</sup> October, 2012.”

**“RESOLVED FURTHER THAT** Shri M. Maruthi Rao, whole time director shall not be entitled to get any sitting fee for attending any meeting of the Board of Directors or a committee thereof.”

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

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as Special Resolution:

**“RESOLVED THAT** subject to the approval of Central Government and in accordance with the provisions of section 269, 198, 309, 310, 311, 314 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the Company hereby approves the re-appointment of Shri Piyush Mutha as Managing Director of the Company for a further period of two years with effect from 01<sup>st</sup> April, 2013 on the following terms, conditions including remuneration:

- I. Basic Salary : ` 3,00,000/- (Rupees Three Lacs) per month in the scale of ` 3,00,000/- ` 50,000/- ` 3,50,000/- . Annual Increment of ` 50,000/- shall be payable on 1<sup>st</sup> April each year.
- II. Perquisites & Allowances: Subject to ceiling of ` 24 Lacs per annum.
  - a) Electricity: Expenditure incurred by the Managing Director on Electricity at residence will be provided by the company and shall be valued as per the Income Tax Rules 1962.
  - b) Leave Travel Concession: Reimbursement once in a year subject to maximum of one month's Salary.
  - c) Leave: Leave as per the Company's Rules as specified from time to time.
  - d) Medical Reimbursement: Reimbursement during the year subject to a ceiling of one month's salary.



- e) Provident fund and superannuation: Contribution to provident fund and superannuation fund or annuity fund in accordance with the scheme(s) and rule(s) of the company from time to time.
- f) Gratuity: Gratuity at the rate of half a month's salary for each completed year of service.
- g) Club Fees: Payment of Club Fees subject to a maximum of two clubs excluding life membership fees.
- h) Telephone: Free Telephone and mobile facility at residence for official use.
- i) Car with driver: Free use of one car with driver for official use.
- j) Personal Accident Insurance: Payment of annual premium for personal accident insurance subject to maximum of ` 25,000/- per annum.
- k) Medical Insurance: Annual Premium for medical insurance for self & his family subject to maximum of ` 75,000/- per annum.

**“RESOLVED FURTHER THAT** the Managing Director shall not be paid any sitting fee for attending any meeting of the Board of Directors or a committee thereof.”

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

By Order of the Board of Directors

Piyush Mutha  
Managing Director

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

**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 Monday, 23<sup>rd</sup> day of September, 2013 to Monday, 30<sup>th</sup> day of September, 2013 (both days inclusive) for the purpose of Annual General Meeting.
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 to 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.

By Order of the Board of Directors

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

Piyush Mutha  
Managing Director

**EXPLANATORY STATEMENT**

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

**Item No.5**

The tenure of Shri M. Maruthi Rao has expired on 27<sup>th</sup> October, 2012. The Remuneration Committee has considered and recommended for the re-appointment of Shri M. Maruthi Rao as Whole Time Director w.e.f. 28<sup>th</sup> October, 2012 for a further period of two years on remuneration of ` 30,000/- per month in the scale of ` 30,000/- ` 5,000/- ` 35,000/- subject to approval of Board of Directors and members in ensuing annual general meeting.

He has practical working experience in various leading textiles mills since 1964. He has in depth experience in cotton industries. The Board of Directors of the Company is of the opinion that under the direction of Shri M. Maruthi Rao, the Company has benefited overall. Hence the Board of Directors decided in their meeting held on 26<sup>th</sup> October, 2012 to re-appoint him as Whole Time Director of the Company subject to consent of shareholders w.e.f. 28<sup>th</sup> October, 2012 for further period of two years.

Except Shri M. Maruthi Rao himself, none of the Directors of the Company are in any way concerned or interested in the resolution.

Your Directors propose resolution, as set out in item no.5 as Special Resolution .

**Item No.6**

The present tenure of Shri Piyush Mutha, the Managing Director expired on 31<sup>st</sup> March, 2013. The Remuneration Committee has considered and recommended for the re-appointment of Shri Piyush Mutha as Managing Director w.e.f. 01<sup>st</sup> April, 2013 for a further period of two years. The Board of Directors considered that Shri Piyush Mutha is one of the promoter of the Company and under his dynamic leadership, initiatives and directions, the Company has benefited in its overall operations. He is the key factor behind the overall growth and success of the Company. His devotion, vision and experience are essential for the continuing growth of the Company. Hence the Board of Directors decided in their meeting held on 30<sup>th</sup> March, 2013 to re-appoint him as Managing Director , subject to the consent of shareholders and approval of Central Government w.e.f. 01<sup>st</sup> April, 2013 for further period of two years .

Except Shri Piyush Mutha himself, Shri Praneet Mutha being relative of Shri Piyush Mutha who may be deemed to be interested, no other Directors are concerned or interested in the resolution.

Your Directors propose resolution, as set out in item No. 6 as Special Resolution.

The appointment is subject to the approval of shareholders in General Meeting and Central Government.

**The information required pursuant to proviso (iv) of para (B) of section II of the Part II of schedule XIII of the Companies Act, 1956.**

**I. GENERAL INFORMATION**

1. **Nature of Industry:** The Company is engaged in manufacturing of cotton yarn.

2. **Date or expected date of commencement of commercial production:**

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

3. **Financial performance based on given indicators:**

(` In Lacs)

<b>Financial Year Ended</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
Total Revenue	8973.97	10296.14
<b>Profit before finance cost, depreciation &amp; amortization ,prior period expenditure and tax</b>	887.67	770.27
<b>Less: finance cost</b>	276.33	167.72
<b>Less: depreciation &amp; amortization expenses</b>	259.43	257.23
<b>Less: prior period expenditure</b>	0.12	2.47
<b>Profit before Tax</b>	351.79	342.85
Less : Tax Expenses	101.81	108.48
<b>Profit for the year</b>	249.98	234.37

**4. Export Performance and net foreign exchange collaborations:**

Financial Year Ended	31.03.2013	31.03.2012
<b>FOB Value of Exports (in `)</b>	11,37,44,852	4,31,07,382

**5. Foreign Investments or Collaborators if any: N.A.****II. INFORMATION ABOUT THE APPOINTEE**

- 1. Background Details:** Shri Piyush Mutha is a B.E. and M.B.A. Shri Piyush Mutha is a Director of the company since 1<sup>st</sup> April, 1992. He is a Managing Director of the Company since 1<sup>st</sup> May 2001. He has over 20 years of experience in the industry and business. He is skillfully steering the Company business during his tenure.
- 2. Past Remuneration drawn:** The total remuneration paid to Shri Piyush Mutha during the period April 1<sup>st</sup>, 2012 to March 31, 2013 was ` 31,62,884/- including perquisites.
- 3. Recognition or awards:** Nil.
- 4. Job Profile and his suitability:** Shri Piyush Mutha exercises substantial power of management subject to the superintendence, control and direction of the Board of Directors of the Company. He is responsible for the operations and affairs of the Company. He has rich experience in conceptualizing, planning, directing and implementing business decision and translates them in terms of business growth. Under his dynamic leadership, initiatives and directions, the Company has benefited in its overall operations. He is the key factor behind the overall growth and success of the Company. His devotion, vision and experience are essential for continuing growth of the Company. Taking into consideration his qualifications and experience, Shri Piyush Mutha is best suited for the responsibilities assigned to him by the Board of Directors.
- 5. Remuneration Proposed:** As referred in Item No.6 of the notice of the Annual General Meeting.
- 6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** The remuneration proposed is commensurate with the remuneration packages paid to similar level appointees in similar cotton yarn companies operating in India taking into consideration the experience of Shri Piyush Mutha.
- 7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel:** Shri Piyush Mutha is one of the promoter of the company and he is holding 8.89% shares of the company. Apart from this, he doesn't have any other pecuniary transactions with Company except by way of drawing remuneration during employment with the company. He is related with Shri Praneet Mutha, Director of the Company.

**III. OTHER INFORMATION**

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



**IV. DISCLOSURES**

- 1. The Shareholders of the Company shall be informed of the remuneration package of the managerial person:** The Shareholders of the company have been informed of the remuneration package of Shri Piyush Mutha .
- 2. The following disclosures shall be mentioned in the Board of Directors' Report under the heading 'Corporate Governance' if any, attached to the Annual Report:**
  - i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors:**

This has been mentioned under the 'Corporate Governance Report'.
  - ii) Details of fixed component and performance linked incentives along with performance criteria.**

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

By Order of the Board of Directors

Piyush Mutha  
Managing Director

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

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

Shri M.L. Jain

Independent &amp; Non-Executive Director

Name of Director	Shri M.L. Jain
Date of Birth	28.04.1939
Date of Appointment	01.04.1992
Qualification	M.Com
Experience in specific functional area	He has 49 years experience in finance, production and marketing in textile sector.
Directorship held in other Indian public companies	Nil
Chairmanship/Membership of Committees of other public companies(includes only Audit Committee and Shareholders/investors Grievance Committee)	Nil
Number of Shares held in the Company	Nil

Shri Shailendra K. Jain

Independent &amp; Non-Executive Director

Name of Director	Shri Shailendra K. Jain
Date of Birth	04.12.1943
Date of Appointment	01.09.1992
Qualification	B.Sc. & B.E. and has also done MS from Massachusetta Institute of Technology, USA
Experience in specific functional area	He posses vast experience in the field of Finance and production and Marketing
Directorship held in other Indian public companies	4
Chairmanship/Membership of Committees of other public companies(includes only Audit Committee and Shareholders/investors Grievance Committee)	1
Number of Shares held in the Company	5000





Shri M.Maruthi Rao  
Whole Time Director

Name of Director	Shri M.Maruthi Rao
Date of Birth	30.01.1938
Date of Appointment	28.10.2002
Qualification	B.Sc
Experience in specific functional area	He has over 49 years practical experience in various leading textiles mills .
Directorship held in other Indian public companies	Nil
Chairmanship/Membership of Committees of other public companies(includes only Audit Committee and Shareholders/investors Grievance Committee)	Nil
Number of Shares held in the Company	Nil

Shri Piyush Mutha  
Managing Director

Name of Director	Shri Piyush Mutha
Date of Birth	23.04.1969
Date of Appointment	01.04.1992
Qualification	B.E. and M.B.A.
Experience in specific functional area	He has over 20 years of experience in the industry and business.
Directorship held in other Indian public companies	Nil
Chairmanship/Membership of Committees of other public companies(includes only Audit Committee and Shareholders/investors Grievance Committee)	Nil
Number of Shares held in the Company	521750

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 21<sup>st</sup> Annual Report together with the Audited Financial Statements for the year ended March 31, 2013.

**FINANCIAL RESULTS**

( ` In Lacs)

<b>Particulars</b>	<b>March 31 , 2013</b>	<b>March 31 , 2012</b>
Income		
Revenue from Operations	8,905.82	10,223.45
Other Income	68.15	72.69
Total Revenue	8,973.97	10,296.14
<b>Profit before finance cost, depreciation &amp; amortization ,prior period expenditure and tax</b>	887.67	770.27
Finance Costs	276.33	167.72
Depreciation and amortization expenses	259.43	257.23
<b>Profit before prior period expenditure and tax</b>	351.91	345.32
<b>Less: prior period Expenditure</b>	0.12	2.47
<b>Profit before Tax</b>	351.79	342.85
<b>Less: Tax Expenses</b>		
Current Tax	100.80	131.25
Deferred Tax(Assets)/Liabilities	1.01	(22.77)
<b>Profit for the year</b>	249.98	234.37
Earning per equity share		
Basic	4.26	3.99
Diluted	4.26	3.99

**OPERATIONAL PERFORMANCE**

During the year under review, the Company's revenue was ` 8,973.97 lacs compared to ` 10,296.14 lacs for the previous year . The Profit before Tax was ` 351.79 lacs compared to ` 342.85 lacs for the previous year registered growth by 2.61%. The Profit After Tax was ` 249.98 lacs compared to ` 234.37 lacs for the previous year and registered growth by 6.66%.

**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 2012-13.

**DIRECTORS**

In accordance with the provisions of the Companies Act,1956 and the Article of Association of the Company, Shri M.L. Jain and Shri Shailendra Kumar Jain are being liable to retire by rotation and being eligible, offer themselves for the re-appointment.

**PUBLIC DEPOSITS**

The Company has not invited/accepted any deposit from public within the meaning of Section 58A of the Companies Act, 1956 and rules made there under during the year under review.

**INSURANCE**

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

**PARTICULARS OF EMPLOYEES**

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

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

Particulars 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 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the statement annexed as Annexure –A hereto forming a part of this Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, the Directors hereby state and 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**

The Company has complied with the requirements of clause 49 of the Listing agreement with Bombay Stock Exchange Ltd. regarding Corporate Governance as were applicable during the year under review to the Company.

A Report on Corporate Governance along with a Certificate thereon, from Company Secretary in Practice, is appended to and forms part of this Annual Report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In terms of Clause 49 of the Listing Agreement with Bombay Stock Exchange Ltd., Management Discussion and Analysis Report is appended to and forms part of this Annual Report.

**AUDITORS**

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

**COST AUDITORS**

On the recommendation of the Audit Committee, the Board of Directors has appointed M/s. M.Goyal & Co., Cost Accountants, Jaipur, (Firm Registration No. 000051) as Cost Auditors of the Company to conduct the Cost Audit of Textiles for the year 2013-14 subject to approval of the Central Government.

**LISTING OF THE SHARES**

The Equity Shares of the Company are presently listed with Bombay Stock Exchange Ltd.(BSE). Further the Company has paid listing fees to Bombay Stock Exchange Ltd. for the year 2013-2014.

**ENVIRONMENT & SOCIAL CONCERN**

Your Company is committed to the sustainable use of all natural resources and minimizes waste at source and recycle where possible.

Considering the scarcity of natural resources, the Company continue to maintain "Rain Water Harvesting System" at the factory premises at Dewas. The 8040 sq meters of roof area has been covered under the rain water harvesting and approx. 9969 cubic meters of water has been collected at factory premises at Dewas, resulting in saving water and recharging the five bore wells consequently, and also the cost thereof. The Company is also continuing to generate electricity through Company's Wind Mill situated at Dewas District, Madhya Pradesh.



Your Company continues to give top priority importance to pollution control and environment protection. The Company complies with various emission standards and other environmental requirements as per pollution control norms.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

We are committed to adhere to socially responsible business practices that ensure the well-being of the communities in which our business operates. Being a committed corporate citizen, we have taken significant efforts in the area of Corporate Social Responsibility.

In memory of our founder Late Shri Prakash Mutha, During the year, Company has involved in inspirable activities in the area around the plant situated at Dewas such as giving awards to meritorious students and distribute bicycle, School Dress, School Bags, School Books & Education Material. Total 81 Students got such benefit during the year.

The Company has given employment to women and provided training to them to develop their skills & quality. The Company has also organized the various health awareness programmes during the year.

The Company established water hut at various places in Dewas City for providing the drinking water during summer season.

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

The employment in the company is 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**

Your Directors wish to place on record their appreciation for the valuable support and co-operation extended by Punjab National Bank, Government and Government agencies, stock exchange as well as shareholders, customers, suppliers and dealers.

Yours Directors also wish to place on record of the devoted and dedicated service rendered by all the employees of the company for ensuring that the Company performs well.

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

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

Piyush Mutha  
Managing Director

M.L. Jain  
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 31<sup>st</sup> March 2013.

**I. CONSERVATION OF ENERGY**

(a) Energy conservation measures taken:

- i. 200KVAR capacitor added & 18 Nos. of old Capacitor replaced by new one to maintain average power factor.
- ii. 2000KVA stabilizer installed.
- iii. 197 CFM Compressor 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 200KVAR capacitor and new Capacitor replaced in place of old capacitor saved ` 264607/- per month.
- ii. By installation of stabilizer, stabilized voltage & saved energy.
- iii. Stopped one compressor & saved approx. 100 units per day.

**FORM-A**

Particulars with respect to conservation of energy

Particulars	Current year 2012-13	Previous Year 2011-12
<b>A. Power &amp; Fuel Consumption</b>		
<b>1. Electricity</b>		
a. Purchased		
Units	1,02,42,280	98,12,365
Total Amt. ` (excluding cess)	5,73,67,881	4,70,37,568
Rate/ unit `	5.60	4.79
b. Own Generation		
(i) Through Diesel Generator		
Units	31,160	42,840
Units / liter of HSD/LDO ( ` )	3.05	2.83
Cost / Unit ( ` )	17.78	13.94
(ii) Through Steam Turbine /Generator	-	-
<b>2. Coal</b>		
Quality Consumed (in MT)	-	-
Total Cost ( ` )	-	-
Average Rate ( ` /MT)	-	-
<b>3. Furnace Oil</b>	-	-
<b>4. Others /internal generation</b>	-	-
<b>B. Consumption per unit of production</b>		
Electricity (Unit /MT)	1,390	1,261
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**

		<b>Current Year</b>	<b>Previous Year</b>
1.	Earning ( ` ) (FOB basis)	11,37,44,852	4,31,07,832
2.	Outgo ( ` )	1,41,18,789	6,28,882

**For and on behalf of the Board of Directors**Dewas  
May 30th 2013Piyush Mutha  
Managing DirectorM.L. Jain  
Director

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

The Global Economy has yet to shake off the fallout from the crisis of 2008-09. Emerging market and developing economies are still going strong, but in advanced economies are still appear to a growing bifurcation between the United States on one hand and the euro are on the other.

Being a part of the Global Economy, the Indian economy was also affected by the global crises. Indian economy estimated to grow at 5.00% in Financial Year 2012-13. which is worst slowdown in a decade & the year 2012-13 was also challenging year for the Indian Economy. The Indian Economy has large potential to grow and as per Economic Survey of Govt. of India, the Indian Economy likely to grow at 6.1% to 6.7% in the year 2013-14 from 5% in the previous year 2012-13. The fundamentals of the Indian Economy are strong and the long-term prospects of the Indian Economy continue to be optimistic with increasing consumer spending.

**INDUSTRY STRUCTURE AND DEVELOPMENT**

The Indian Textiles Industry has an overwhelming presence in the economic life of the Country. Apart from providing one of the basic necessities of life, the textiles industry also plays a vital role through its contribution to industrial output, employment generation, and the export earnings of the Country. The sector contributes about 14% to industrial production, 4% to the gross domestic product (GDP). The Indian Textiles & Clothing Industry is one of the largest contributors to country's exports. It provides employment to over 35 million people. The textiles sector is the second largest provider of employment after agriculture.

India has the potential to increase its textile and apparel share in the world trade from the current level of 4.5% to 8 % and reach US\$80 billion by 2020.

The Indian Government's Policy supports the textiles & clothing industry through various incentives as envisaged in the Foreign Trade Policy 2009-14 to increase the Indian shares in the global trade of textiles and clothing. Govt. of India allowed 100% Foreign Direct Investment (FDI) in textiles under the automatic route.

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.

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

A growing economy, rising disposable incomes and the growing aspirations of Indian consumers are expected to continue driving growth in the Indian Textile & Clothing Industry.

In the liberalized post-quota period, India has emerged as a major sourcing destination for buyers from all over the globe. As a measure of growing interest in the Indian textiles and clothing sector, a number of reputed houses opened their sourcing/ liaison office in India. These include Marks and Spencer, Hagggar Clothing, Kellwood, Little Label, Boules Trading Company, Castle, Alster International, Quest Apparel Inc., etc.. Commercially the buoyant retailers across the world are looking for options of increasing their sourcing from the Indian markets. Indian manufacturers are also pro-actively working towards enhancing their capacities to fulfil this increased demand.

**Threats**

The price of cotton, cost of power & fuel and other input costs make it difficult to compete in the Indian as well as international market. The turbulent global conditions & falling value of rupee are also challenges for the Company. Our primary raw material is cotton, which we source from the domestic market. Cotton is an agricultural product and its supply and quality are subject to forces 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 we may not successfully be able to pass on to customers, which in turn would have an material adverse.

**SEGMENT WISE PERFORMANCE**

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

**FUTURE OUTLOOK**

India's textiles and clothing industry is one of the mainstays of the national economy. It is also one of the largest contributing sectors of India's exports worldwide. The report of Working Group constituted by the Planning



Commission on boosting India's manufacturing exports during 12th Five Year Plan (2012-17), envisages India's exports of Textiles and Clothing at USD 64.11 billion by the end of March 2017.

With consumerism and disposable income on the incline, the retail sector has witnessed rapid growth in the past decade. Several international retailers are also focusing on India due to its emergence as a potential sourcing destination.

The Company believes that the Government also has significant role to play in the growth of this industry. The Government recognizes the potential of this industry and is taking a number of steps to improve competitiveness of this industry in the global market.

**RISK AND CONCERN**

Increasing price of power, volatility of price of crude oil, availability/price of cotton, any 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.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has proper and adequate system of internal controls to provide reasonable assurance that assets are safeguard and transactions are properly authorized, recorded and correctly reported.

The Internal Audit is conducted by outside auditing firms, which evaluate the functioning and quality of internal controls and checks; and provides assurance of its adequacy and effectiveness. The Internal Audit Reports are reviewed by the top management, the Audit Committee and adequate remedial measures, if any, are taken and in time.

**FINANCIAL ANALYSIS**

During the year under review, the Company's revenue was ` 8,973.97 lacs compared to ` 10,296.14 lacs for the previous year. The Profit before Tax was ` 351.79 lacs compared to ` 342.85 lacs for the previous year registered growth by 2.61%. The Profit After Tax was ` 249.98 lacs compared to ` 234.37 lacs for the previous year and registered growth by 6.66%.

**DEVELOPMENT IN HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

The Company believes that human resources are valuable assets of the Company and provides them an environment, where each employee is motivated to contribute his best to achieve the Company's objective. The company lays great emphasis on proper management of human resources and believes that this is the most important ingredient for achieving excellence in performance and sustainable growth. The company has a progressive HR policy for helping employees to develop their organization skill, knowledge, and abilities to achieve greater efficiency. The company's effort has always been to retain the best professional and technical talent.

The Industrial Relations of the Company with its personnel has continued to be cordial and friendly 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, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include demand/supply conditions, finished goods prices, raw material costs, changes in government regulations, tax laws and other 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 and Attendance**

As on March 31, 2013, the Company's Board comprised of seven Directors out of which four are Independent & Non-Executive Directors. One Director is non independent & non executive; the remaining two directors are Non independent & Executive. The composition of the Board is in conformity with clause 49 of the Listing Agreement.

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

S. No.	Name	Category	No. of Board Meetings		Attendance at last AGM	Total no. of Directorship in other public 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	6	6	Yes	-	-	-
2	Shri Praneet Mutha	Promoter – Non-Executive	6	6	Yes	1	-	-
3	Shri M.L. Jain	Independent Non-Executive	6	6	Yes	-	-	-
4	Shri M.Maruthi Rao	Non-Independent Executive	6	5	No	-	-	-
5	Shri Shailendra K. Jain	Independent Non-Executive	6	-	No	4	-	1
6	Shri Subhash Kocheta	Independent Non-Executive	6	4	No	-	-	-
7	Shri K. Raghuram	Independent Non-Executive	6	-	No	-	-	-

# Only Audit Committee and Shareholders / Investors Grievance Committee have been considered.

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

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year ended March 31, 2013 apart from paying sitting fees.

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

**Information of Directors including those being appointed/re-appointed**

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

**Board Procedures**

The Board generally meets 4 times during the year. Additionally meetings are held whenever necessary. During the year under review, six (6) Board Meetings were held and the gap between any two meetings did not exceed for months.

The dates on which the Board meetings were held during the Financial Year 2012-13 were May 30,2012, August 11,2012, October 26,2012, November 10,2012, February 14,2013 & March 30,2013.

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 Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct is available on the website of the Company [www.vippyspinpro.com](http://www.vippyspinpro.com). 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 Company has an Audit Committee constituted terms of Clause 49 of the Listing Agreement and 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 and Attendance**

Audit committee consists of three Directors. All members are of the Committee are Independent & Non-Executive Directors. All members of this Audit Committee possess good knowledge of finance /accounts.

As on March 31,2013, the composition of the Audit Committee and details of meeting attended by the Directors are as under:

Name	Position	Category	No. of Meetings during the year	
			Held	Attended
Shri 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	4	-

During the year under review, Four (4) Audit Committee Meetings were held on May 30, 2012, August 11,2012, November10,2012, & February 14,2013. The Audit committee Meetings are usually held at the works Office of the Company and the Committees invites the CFO, Internal Auditor & Statutory Auditors, and Managing Director. Chairman of the Committee has attended previous Annual General Meeting of the Company held on 29<sup>th</sup> September, 2012.

**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 and Attendance**

Remuneration Committee consists of three Directors. All members are of the Committee are Independent & Non-Executive Directors.

As on March 31, 2013, the composition of the Remuneration Committee and details of meeting attended by the Directors are as under:



Name	Position	Category	No. of Meetings during the year	
			Held	Attended
Shri K. Raghuram	Chairman	Independent Non- Executive	1	-
Shri M.L. Jain	Member	Independent Non -Executive	1	1
Shri Subhash Kocheta	Member	Independent Non -Executive	1	1

One meeting of the Remuneration Committee was held during the year under review on March 30, 2013.

### Director Remuneration

#### Remuneration policy

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

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

#### Remuneration to Executive Directors

The details of remuneration paid to Executive Directors for the year ended March 31, 2013 are as under.

Name of Director	Designation	Salary ( ` )	Perquisites and other benefits ( ` )	PF & other Fund ( ` )	Total ( ` )
Shri Piyush Mutha	Managing Director	24,00,000	1,14,884	6,48,000	31,62,884
Shri M. Maruthi Rao	Whole Time Director	3,25,000	-	-	3,25,000

#### Remuneration to Non Executive Directors

All the Non- Executive Directors are entitled to receive remuneration only by way of sitting fees for attending the meetings of the board in accordance with limit prescribed under the Companies Act, 1956.

#### 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 2012-13 sitting fees were paid to Non –Executive Directors as amounted to ` 5000/-

#### Number of shares held by Non-Executive Directors as on March 31,2013

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

### 5. Shareholders / Investors Grievance Committee

The Shareholders/Investor Grievance Committee looks into redressal of Shareholders / Investors complaints, if any, on transfer of shares, non receipt of annual report, non receipt of dividends and demat of shares etc. and all other matters which can facilitate better investor services and relations.

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

#### Composition and Attendance

Shareholders / Investors Grievance Committee consist of two Directors. All members are of the Committee are Independent & Non- Executive Director.

As on March 31,2013, the composition of the Shareholders / Investors Grievance Committee and details of meeting attended by the Directors are as under:



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 under review, Four (4) Shareholders / Investors Grievance Committee Meetings were held on May 30, 2012, August 11, 2012, November 10, 2012 & February 14, 2013. Shri Anil Agrawal is the Compliance Officer.

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

**Status of Redressal of Investors Grievances /complaints from April 1<sup>st</sup>, 2012 to March 31<sup>st</sup> 2013.**

Opening Balance	Received	Redressed	Closing Balance
0	23	23	0

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

**6. Insider Trading**

The Company has adopted 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.

**7. General Body Meeting**

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

Year	Annual General Meeting (AGM)	Day, Date & Time	Venue
2011-2012	20 <sup>th</sup>	Saturday, Sept.29 <sup>th</sup> , 2012 ,10.00 a.m.	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010(M.P.)
2010-2011	19 <sup>th</sup>	Friday, Sept.30 <sup>th</sup> , 2011 ,10.00 a.m.	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010(M.P.)
2009-2010	18 <sup>th</sup>	Thursday, Sept.30 <sup>th</sup> , 2010 ,10.00 a.m.	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010(M.P.)

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

AGM held on	Special Resolutions passed	Summary
29.09.2012	No	N.A.
30.09.2011	Yes	a) Re-appointment of Whole Time Director b) Re-appointment of Managing Director
30.09.2010	No	N.A.

**Passing of resolution by postal ballot**

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

**8. Disclosures**

- I. The Company has not entered into any transaction of material nature with related parties that may have potential conflict with the interest of the Company. The transactions with related parties are disclosed in the Notes to the Balance Sheet of the Company forming part of the Annual Report.
- II. The Company has Risk Assessment and Minimization Procedures, which are periodically reviewed by the Board.
- III. The Company has complied with requirement of Stock Exchange, SEBI and other statutory authorities on matters related to capital markets during last three years. No penalties have been imposed on the Company or strictures passed by any Stock Exchange or SEBI or any authorities relating to capital markets.
- IV. 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.
- V. The Company does not have any Whistle Blower Policy in place, however no personnel has been denied to access to the audit committee.
- VI. The Company complies with all the mandatory requirement and one non-mandatory requirement of Clause 49 viz. constitution of Remuneration Committee of Directors.

**9. CEO/CFO Certification**

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

**10. Means of Communication**

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

The Quarterly Results / Half Yearly / Audited Annual Financial Results, Shareholding Pattern, Quarterly Report on Corporate Governance etc. & other news are also made available at the Company's website [www.vippyspinpro.com](http://www.vippyspinpro.com).

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

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

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

Discussion and Analysis Report forms part of Annual Report.

**SEBI Complaints Redress System (Scores):**

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

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

**11. Reconciliation of Share Capital Audit**

A qualified Practicing Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued /paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

**12. General Shareholders Information**

<b>Annual General Meeting</b>	
Day ,Date & Time	Monday ,30 <sup>th</sup> day of September,2013,10.00 a.m.
Venue	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010(M.P.)
Financial Calendar for F.Y.2013-14	
1st Quarter Results	1st /2nd Week of August
2nd Quarter Results	1st /2nd Week of November
3rd Quarter Results	1st /2nd Week of February
4th and Audited Annual Accounts for the year ended March 31,2014	3rd /4th Week of May
<b>Date of Book Closure</b>	Monday,23 <sup>rd</sup> day of September,2013 to Monday,30 <sup>th</sup> day of September,2013 (both days inclusive)
<b>Dividend Payment Date</b>	No Dividend has been proposed by Board of Director of the company for the year 2012-13
<b>Listing of Securities on the Stock Exchanges</b>	Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai -400051
<b>Stock Code</b>	Scrip Code: 514302 Scrip ID : VIPPYSP
<b>ISIN Number</b>	INE660D01017

**Market Price Data:**

The monthly high and low quotation of shares at the Bombay Stock Exchange Ltd., Mumbai during the year ended March 31, 2013 are as under:

<b>Month</b>	<b>High ( ` )</b>	<b>Low ( ` )</b>
April,2012	10.65	8.91
May,2012	11.50	8.30
June,2012	10.50	8.47
July,2012	10.40	8.74
August,2012	10.20	8.60
September,2012	9.68	8.21
October, 2012	10.05	8.15
November,2012	10.17	8.50
December,2012	11.52	9.30
January,2013	11.62	9.16
February,2013	10.00	8.31
March,2013	9.97	9.00

**Distribution of Shareholding as on March 31, 2013**

	No. of Shareholders	% of Shareholders	No. of Share held	% of Shareholding
Upto 500	8689	93.39	1208485	20.59
501-1000	372	4.00	306491	5.22
1001-2000	132	1.42	195998	3.34
2001-3000	28	0.30	71810	1.22
3001-4000	5	0.05	18837	0.32
4001-5000	33	0.35	162663	2.77
5001-10000	24	0.26	176772	3.01
10001 & Above	21	0.23	3728944	63.53
<b>TOTAL</b>	<b>9304</b>	<b>100</b>	<b>5870000</b>	<b>100</b>

**Shareholding Pattern of the Company as on March 31, 2013**

	Category of Holders	No. of Shares	% (Percentage)
a)	Promoters	3156356	53.77
b)	Mutual Funds/UTI	3800	0.06
c)	Financial Institutions/Banks/Insurance Companies	-	-
d)	Foreign Institutional Investors	-	-
e)	Corporate Bodies	334223	5.70
f)	Residential Individuals	2117528	36.07
g)	NRIs & OCBs	258093	4.40
h)	Any others(Clearing Members)		
<b>Total</b>		<b>5870000</b>	<b>100</b>

**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.

**Share Transfer System**

Physical Shares are lodged with the Registrar & Share Transfer Agents are processed and returned to the Shareholders within 15 days, if the documents are complete in all respect. Delegation of the power approving the share transfer and its related process/procedures/activities etc., given to officers of the Company. The details of transfer of shares of the company are placed at every shareholders/ Investors Grievance Committee.

**Dematerialization of Shares and Liquidity**

The details of shares under dematerialized and physical mode as on March 31, 2013 are as under:

Particulars	No. of Equity Shares	% (percentage)
National Securities Depository Ltd.(NSDL)	3838088	65.39
Central Depository Services (India) Ltd. (CDSL)	751642	12.80
Total Dematerialized	4589730	78.19
Physical	1280270	21.81
Total	5870000	100

**Outstanding Securities**

There are no securities outstanding at the end March 31,2013.

**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:

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

**Plant Location**

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

**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 31<sup>st</sup> March 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd. .

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

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

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

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

For **Shilpesh Dalal & Co.,**  
Company Secretary  
**SHILPESH DALAL**  
(Proprietor)

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

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

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

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

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 LIMITED**, ("the Company") which comprises the Balance Sheet as at March 31, 2013 the Statement of Profit and Loss and the Cash Flow Statement for the year ended and a summary of the significant accounting policies and other explanatory information.

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

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

**Auditor's Responsibility**

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

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

**Opinion**

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

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

**Report on Other Legal and Regulatory Requirements**

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



- IV. In our opinion, the Balance Sheet, Statement of Profit and Loss Account and the Cash Flow Statements dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- V. On the basis of written representations received from the Directors as on March 31, 2013 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

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

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

**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in our report of even date)

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



- (ix) a) According to the information and explanations given to us and the records examined by us, the company have been generally regularly in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31<sup>st</sup> March, 2013 for a period of more than six month from the date they became payable.
- b) According to the records of the company, outstanding dues of sales tax, income tax, custom duty, excise duty and cess on the account of any dispute are as follows :-

<b>Forum where disputes is pending</b>	<b>Name of the Statue</b>	<b>Nature of the dues</b>	<b>Amount Outstanding as on 31.03.13</b>	<b>Period to which the amount relates</b>
M.P. Tax Tribunal Board Bhopal	Entry Tax Act	Entry Tax	₹ 6,31,496/-	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, 2013 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)

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

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

**BALANCE SHEET AS AT 31ST MARCH, 2013**

	Notes	March 31, 2013 ( <sup>₹</sup> )	March 31, 2012 ( <sup>₹</sup> )
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' fund</b>			
(a) Share capital	3	<b>5,87,00,000</b>	5,87,00,000
(b) Reserves and surplus	4	<b>13,51,90,494</b>	11,01,92,305
		<u><b>19,38,90,494</b></u>	<u>16,88,92,305</u>
<b>Non-current liabilities</b>			
(a) Long term borrowings	5	<b>6,89,63,430</b>	7,40,35,481
(b) Deferred tax liability (Net)	6	<b>1,85,96,220</b>	1,84,95,561
(c) Other long term liabilities		-	-
(d) Long term provisions	7	<b>28,07,073</b>	28,07,073
		<u><b>9,03,66,723</b></u>	<u>9,53,38,115</u>
<b>Current liabilities</b>			
(a) Short term borrowings	8	<b>15,39,48,068</b>	17,08,98,843
(b) Trade payables	9	<b>83,16,546</b>	93,22,667
(c) Other current liabilities	10	<b>3,61,46,082</b>	3,57,39,435
(d) Short term provisions	11	<b>1,72,61,897</b>	1,74,87,700
		<u><b>21,56,72,593</b></u>	<u>23,34,48,645</u>
	<b>TOTAL</b>	<u><b>49,99,29,810</b></u>	<u>49,76,79,065</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
Tangible assets	12	<b>16,89,83,060</b>	16,22,50,637
Capital work in progress	12	<b>37,16,085</b>	87,57,547
(b) Non-current investments	13	<b>12,48,783</b>	13,02,094
(c) Deferred tax asset (Net)		-	-
(d) Long-term loans and advances	14	<b>61,32,362</b>	97,49,592
(e) Other non current asset		-	-
		<u><b>18,00,80,290</b></u>	<u>18,20,59,870</u>
<b>Current assets</b>			
(a) Current investments		-	-
(b) Inventories	15	<b>21,99,03,187</b>	19,59,98,677
(c) Trade receivables	16	<b>8,17,69,405</b>	9,74,78,335
(d) Cash and bank balances	17	<b>16,87,310</b>	22,27,182
(e) Short term loan and advances	18	<b>1,55,88,391</b>	1,86,95,936
(f) Other current assets	19	<b>9,01,227</b>	12,19,065
		<u><b>31,98,49,520</b></u>	<u>31,56,19,195</u>
	<b>TOTAL</b>	<u><b>49,99,29,810</b></u>	<u>49,76,79,065</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. 077005  
Dewas  
May 30<sup>th</sup>, 2013

Piyush Mutha  
Managing Director

M.L. Jain  
Director

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

	Notes	March 31, 2013 ( <sup>₹</sup> )	March 31, 2012 ( <sup>₹</sup> )
<b>INCOME</b>			
Revenue from operations	20	<b>89,05,81,795</b>	1,02,23,44,863
Other income	21	<b>68,15,610</b>	72,69,034
<b>Total revenue</b>		<b><u>89,73,97,405</u></b>	<u>1,02,96,13,897</u>
<b>EXPENSES</b>			
Cost of material consumed	22	<b>64,55,69,733</b>	79,54,95,719
Purchase of Traded Goods		-	52,87,980
Change in inventories of finished goods and work in progress	23	<b>(85,54,094)</b>	1,02,46,516
Employees benefits expense	24	<b>2,23,75,824</b>	1,85,29,768
Financial costs	25	<b>2,76,32,736</b>	1,67,71,949
Depreciation and amortization expenses	12	<b>2,59,43,039</b>	2,57,22,542
Other expenses	26	<b>14,92,38,675</b>	12,30,27,219
<b>Total expenses</b>		<b><u>86,22,05,913</u></b>	<u>99,50,81,693</u>
<b>Profit before prior period expenditure and tax</b>		<b>3,51,91,492</b>	3,45,32,204
Prior period expenditure		<b>12,644</b>	2,47,229
<b>Profit before tax</b>		<b>3,51,78,848</b>	3,42,84,975
Tax expense :			
Current tax		<b>1,00,80,000</b>	1,31,25,000
Deferred tax (Assets)/Liabilities		<b>1,00,659</b>	(22,77,109)
<b>Profit for the year</b>		<b><u>2,49,98,189</u></b>	<u>2,34,37,084</u>
Earnings per equity share of nominal value of ` 10/- ( <sup>₹</sup> 10/-)			
Basic		<b>4.26</b>	3.99
Diluted		<b>4.26</b>	3.99

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. 077005  
Dewas  
May 30<sup>th</sup>, 2013

Piyush Mutha  
Managing Director

M.L. Jain  
Director



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

(₹)

	For the Year ended on 31.03.2013	For the Year ended on 31.03.2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and extraordinary items:	3,51,91,493	3,45,32,204
Adjustment For		
Depreciation & Write offs	2,59,43,039	2,57,22,542
Loss/ (Profit) on sale of Fixed assets	(3,19,507)	(1,07,730)
Financial Charges	2,76,32,736	1,67,71,949
Dividend Income	(1,72,184)	(1,62,184)
Interest Income	(7,86,914)	(12,26,513)
Gain on sales of Investment	-	(9,54,921)
Gain on variation on Foreign exchange rates	(28,661)	(6,04,589)
Premium on foreign Exchange contract	(1,28,988)	(1,88,108)
Prior period Adjustment	(12,644)	(2,47,229)
<b>Operating Profit before Working Capital Changes</b>	<b>8,73,18,370</b>	<b>7,35,35,421</b>
Adjustment For :		
Increase / (Decrease) in trade payable	(10,06,121)	(43,05,670)
Increase / (Decrease) in other current liabilities	4,06,647	(75,57,974)
Increase / (Decrease) in short term provisions	(2,25,803)	(39,41,901)
Increase / (Decrease) in long term provisions	-	16,74,878
Decrease / (Increase) in trade receivable	1,57,08,930	(1,63,51,380)
Decrease / (Increase) in short term loan & advances	76,28,004	(92,88,609)
Decrease / (Increase) in inventories	(2,39,04,510)	(2,02,38,338)
Decrease / (Increase) in other current assets	3,17,838	(6,89,133)
Decrease / (Increase) in long term loan & advances	(9,03,229)	(44,58,121)
Cash Generated from operation	<b>8,53,40,126</b>	<b>83,79,173</b>
Financial Charges	(2,76,32,736)	(1,67,71,949)
Direct Taxes paid	(1,00,80,000)	(1,31,25,000)
<b>NET CASH FROM OPERATING ACTIVITIES:</b>	<b>4,76,27,390</b>	<b>(2,15,17,776)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,88,76,182)	(1,58,70,276)
Sale of Fixed Assets	16,15,000	2,65,000
Proceeds from sales of current investments	-	7,09,54,921
Purchase of current investments	-	(7,00,00,000)
Dividend Income	1,72,184	1,62,184
Interest Income	7,86,914	12,26,513
Gain on variation on Foreign exchange rates	28,661	6,04,589
Premium on foreign Exchange contract	1,28,988	1,88,108
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(2,61,44,435)</b>	<b>(1,24,68,961)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Allotment Money	1,08,500	-
Proceeds from long term borrowings	2,05,37,970	1,16,62,030
Repayment of long term borrowings	(2,56,10,021)	(2,28,10,581)
Proceeds from Short term borrowings	(1,69,50,776)	4,49,60,764
<b>NET CASH FLOW FROM FINANCING ACTIVITIES:</b>	<b>(2,20,22,827)</b>	<b>3,39,20,713</b>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(5,39,872)</b>	<b>(66,024)</b>
Cash and Cash Equivalents as at 1/4/2012 (Opening Balance)	22,27,182	22,93,206
Cash and Cash Equivalents as at 31/3/2013 (Closing Balance)	16,87,310	22,27,182

As per our report of even date.

**For SODANI & COMPANY**

Firm registration No. 000880C

Chartered Accountants

**Rajesh Sodani**

Partner

M. No. 077005

Dewas

May 30<sup>th</sup>, 2013Piyush Mutha  
Managing DirectorM.L. Jain  
Director

**Notes to the financial statements as at March 31<sup>st</sup>, 2013****(annexed to and forming part of the financial statement for the year ended 31st March, 2013)****Note 1 - CORPORATE INFORMATION**

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

**Note 2 - SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES****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 statement of 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 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. Capital 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 statement of Profit and Loss Account during the period in which the employee renders the related service. The Company does not have any further obligation in this respect, beyond such contribution.

**k) FOREIGN CURRENCY TRANSACTIONS**

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 a period from one day to one year. Such forward booking contracts are accounted for in accordance with the announcement issued by the Institute of Chartered Accountants of India, New Delhi regarding the "Accounting for Derivatives" and not as per Accounting Standard 30 "Financial Instruments Recognition and Management" Issued by the Institute of Chartered Accountants of India, as the same has not been notified in Companies Accounting Standard Rule, 2006. In accordance with the said announcement, keeping in view of the principle of prudence as enunciated in Accounting Standard (AS) 1, Disclosures of the Accounting Policies Issued by the Institute of Chartered Accountants of India and notified under the Companies Accounting Standard Rules, 2006, the company is providing for the losses in respect of all outstanding derivative contracts at the balance sheet date by marking them to market. The net gains on such contracts at the balance sheet date are not accounted for in the books.

**l) FINANCIAL DERIVATES AND COMMODITY HEDGING TRANSACTION**

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

**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.

	<b>March 31, 2013</b>	March 31, 2012
	(₹)	(₹)
<b>Note 3 - SHARE CAPITAL</b>		
<b>Authorised</b>		
70,00,000 (70,00,000) equity shares of ₹ 10 (₹ 10) each	<u><b>7,00,00,000</b></u>	<u>7,00,00,000</u>
<b>Issued, subscribed, and paid up</b>		
58,70,000 (58,70,000) equity shares of ₹ 10 (₹ 10) each fully paid up	<b>5,87,00,000</b>	5,87,00,000
Less: Allotment money unpaid (Other than directors)	-	-
	<u><b>5,87,00,000</b></u>	<u>5,87,00,000</u>

**a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting quarter**

Particulars	<b>March 31, 2013</b>		March 31, 2012	
	Nos.	(₹)	Nos.	(₹)
<b>Equity</b>				
Outstanding at the beginning of the year	<b>58,70,000</b>	<b>5,87,00,000</b>	58,70,000	5,87,00,000
Issued during the year	<b>0</b>	<b>0</b>	0	0
Outstanding at the end of the year	<b>58,70,000</b>	<b>5,87,00,000</b>	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, 2013		March 31, 2012	
		Nos.	%age	Nos.	%age
<b>Equity shares of ₹ 10/- each fully paid up</b>					
(i)	Smt. Usha Mutha	<b>6,81,768</b>	<b>11.61%</b>	6,81,768	11.61%
(ii)	Smt. Sunita Mutha	<b>4,68,400</b>	<b>7.98%</b>	4,61,400	7.86%
(iii)	Shri Piyush Mutha	<b>5,21,750</b>	<b>8.89%</b>	5,21,750	8.89%
(iv)	Shri Praneet Mutha	<b>5,21,050</b>	<b>8.88%</b>	5,21,050	8.88%
(v)	Shri Rahul Mutha (HUF)	<b>3,02,504</b>	<b>5.15%</b>	-	-

**Note 4 - RESERVES AND SURPLUS**

March 31, 2013    March 31, 2012

		(₹)	(₹)
<b>Capital reserve</b>			
Balance at the beginning of the year		<b>5,80,000</b>	5,80,000
Balance at the end of the year	(a)	<b><u>5,80,000</u></b>	<u>5,80,000</u>
<b>General reserve</b>			
Balance at the beginning of the year		<b>25,00,000</b>	25,00,000
Add: Amount transferred from surplus		-	-
Balance at the end of the year	(b)	<b><u>25,00,000</u></b>	<u>25,00,000</u>
<b>Surplus</b>			
Balance at the beginning of the year		<b>10,71,12,305</b>	8,36,75,221
Add: Profit for the year		<b>2,49,98,189</b>	2,34,37,084
Balance at the end of the year	(c)	<b><u>13,21,10,494</u></b>	<u>10,71,12,305</u>
<b>TOTAL</b>	(a+b+c)	<b><u>13,51,90,494</u></b>	<u>11,01,92,305</u>

**Note 5 - LONG TERMBORROWINGS**

(a) Term loans from Banks (secured)			
Punjab National Bank-Term loan- II		<b>46,64,900</b>	1,48,42,900
Punjab National Bank-Term loan- III		<b>64,97,112</b>	1,04,48,876
Punjab National Bank-Term loan- IV		<b>2,83,33,675</b>	3,70,81,675
Punjab National Bank-Term loan- V		<b>2,89,80,000</b>	1,16,62,030
(b) Vehicle Loan		<b>4,87,743</b>	-
		<b><u>6,89,63,430</u></b>	<u>7,40,35,481</u>

**a) Term loans**

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

ii) The Term loan is repayable as under :

S. No.	Term Loan	No. of Instl	Periodicity	Installment (₹)
1	Term Loan II	32	Quarterly	25,44,500
2	Term Loan III	32	Quarterly	9,28,149
3	Term Loan IV	32	Quarterly	21,87,000
4	Term Loan V	20	Quarterly	16,10,000



- iii) The Company has not made any default as at the reporting date in repayment of term loan installment and interest.
- iv) The Term loan carries interest @ 8.50% (net of interest subvention under TUF Scheme @ 5% except 4% on T/L No. V)

**b) Vehicle Loan HDFC Bank**

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

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

	As at April 1, 2012 (`)	Charged/(credited) to Profit and Loss Account (`)	As at March 31, 2013 (`)
i) Deferred tax Liability			
Fixed assets (Depreciation)	1,84,95,561	1,00,659	1,85,96,220
Net deferred tax liability	<u>1,84,95,561</u>	<u>1,00,659</u>	<u>1,85,96,220</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 ` 1,85,96,220/- (` 1,84,95,561) as at March 31, 2013.
- ii) The net deferred tax Liabilities amounting to ` 1,00,659/- (` 22,77,109/- deferred tax assets) for the year has been recognised in the Statement of Profit and Loss.

**March 31, 2013**      March 31, 2012

**Note 7 - LONG TERM PROVISIONS**

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

**Note 8 - SHORT TERM BORROWINGS**

<b>Secured</b>		
Loans repayable on demand		
From Banks		
Working capital facilities from Punjab National Bank	<u>15,39,48,068</u>	<u>17,08,98,843</u>
	<u>15,39,48,068</u>	<u>17,08,98,843</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 qtr ` 18,00,00,000/- and ` 1,00,00,000/-) is secured by (i) 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 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 @ 13.00% while on Packing Credit interest rate is 11.00%.



	<b>March 31, 2013</b>	March 31, 2012
	( )	( )
<b>Note 9 - TRADE PAYABLES</b>		
For goods, services and expenses	<b>74,61,249</b>	93,19,704
For capital goods	<b>8,55,297</b>	2,963
	<b><u>83,16,546</u></b>	<u>93,22,667</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, 2013. A Small Scale Industrial undertaking has the same meaning as assigned to it under clause (j) of section 3 of the Industries (Development and Regulation) Act, 1951.

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

**Note 10 - OTHER CURRENT LIABILITIES**

Current maturities of long term borrowing	<b>2,72,98,725</b>	2,39,33,680
Unpaid dividends	<b>6,96,009</b>	6,97,709
<b>Other payables</b>		
Duties and taxes	<b>7,20,306</b>	12,84,207
Employees salary and other payable	<b>7,46,269</b>	7,03,653
Advances from customers	<b>10,94,332</b>	15,34,809
Other Payable (Exps)	<b>55,90,441</b>	75,85,377
	<b><u>3,61,46,082</u></b>	<u>3,57,39,435</u>

**a) Term loans**

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

ii) The Term loan is repayable as under

S. No.	Term Loan	No. of Instl.	Periodicity	Installment ( )
1	Term Loan II	32	Quarterly	25,44,500
2	Term Loan III	32	Quarterly	9,28,149
3	Term Loan IV	32	Quarterly	21,87,000
4	Term Loan V	20	Quarterly	16,10,000

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

	<b>March 31, 2013</b>	March 31, 2012
	( )	( )
<b>Note 11 - SHORT TERM PROVISIONS</b>		
Provision for employee benefits	-	-
<b>Others</b>		
Proposed equity dividend	-	-
Corporate dividend tax	-	-
Income tax	<b>1,00,80,000</b>	1,31,25,000
Wealth tax	-	-
Other Provisions	<b>71,81,897</b>	43,62,700
	<b><u>1,72,61,897</u></b>	<u>1,74,87,700</u>



(in `)

**Note - 12**  
**TANGIBLE ASSETS**

S. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at April 1, 2012	Additions	Disposal	As at March 31, 2013	Upto March 31, 2012	For the year	Written back	Up to March 31, 2013	As at March 31, 2013	As at March 31, 2012
1.	Leasehold Land	8,67,683	-	-	8,67,683	-	-	-	-	8,67,683	8,67,683
2.	Plant & Machinery	27,00,55,116	3,16,94,608	40,09,911	29,77,39,813	16,29,71,466	2,05,84,432	34,41,358	18,01,14,540	11,76,25,273	10,70,83,650
3.	Office equipments	4,45,486	-	-	4,45,486	3,59,523	15,559	-	3,75,082	70,404	85,963
4.	Furniture fixtures	19,92,931	12,500	-	20,05,431	15,22,388	87,052	-	16,09,440	3,95,991	4,70,543
5.	Vehicles	51,28,907	14,86,659	27,32,660	38,82,906	33,75,278	5,83,217	20,05,720	19,52,775	19,30,131	17,53,629
6.	Building & Site Development	5,61,38,567	5,60,183	-	5,66,98,750	2,47,78,311	29,36,909	-	2,77,15,220	2,89,83,530	3,13,60,256
7.	Computers	23,44,903	1,63,694	-	25,08,597	20,41,334	1,43,360	-	21,84,694	3,23,903	3,03,569
8.	Wind Mill	2,91,51,490	-	-	2,91,51,490	88,26,146	15,39,199	-	1,03,65,345	1,87,86,145	2,03,25,344
	Total	36,61,25,083	3,39,17,644	67,42,571	39,33,00,156	20,38,74,446	2,58,89,728	54,47,078	22,43,17,096	16,89,83,060	16,22,50,637
	Previous Year (2011-12)	36,01,64,648	71,12,729	11,52,294	36,61,25,083	17,92,00,239	2,56,69,231	9,95,024	20,38,74,446	16,22,50,637	
	Capital Work in Progress									37,16,085	87,57,547





	<b>March 31, 2013</b>	March 31, 2012
	(₹)	(₹)
<b>Note 13 - NON CURRENT INVESTMENTS</b>		
<b>Investment property</b>		
<b>(At cost less accumulated depreciation)</b>		
Cost of Building given on operating lease	<b>15,96,127</b>	15,96,127
Less: accumulated depreciation	<b>7,77,524</b>	7,24,213
<b>Net Block</b>	<b><u>8,18,603</u></b>	<u>8,71,914</u>
<b>Other companies</b>		
i) 20,000 Shares of Asit C. Mehta Financial Services Ltd. (Previous year 20,000, shares)	<b>32,200</b>	32,200
ii) 7,372 Shares of Punjab National Bank (Previous year 7,372, shares)	<b>3,97,980</b>	3,97,980
<b>Aggregate amount of quoted investments</b>	<b><u>4,30,180</u></b>	<u>4,30,180</u>
<b>Aggregate amount of investment property &amp; non trade investment</b>	<b><u>12,48,783</u></b>	<u>13,02,094</u>
<b>Aggregate market value of quoted investments</b>	<b><u>60,31,410</u></b>	<u>72,51,100</u>
<b>Note 14 - LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Capital advance	-	45,20,459
Security deposits MPEB	<b>60,86,579</b>	51,83,850
Security deposits Sales Tax	<b>10,000</b>	10,000
Security deposits Others	<b>35,783</b>	35,283
	<b><u>61,32,362</u></b>	<u>97,49,592</u>
<b>Note 15 - INVENTORIES</b>		
<b>(Valued at lower of cost and net realizable value)</b>		
(a) Raw materials	<b>18,24,40,067</b>	16,82,92,892
(b) Goods in Process	<b>39,82,389</b>	25,22,570
(c) Finished goods:		
Yarn	<b>2,37,01,709</b>	1,87,22,606
Saleable Waste	<b>25,01,952</b>	3,86,780
(d) Stores and spares	<b>69,24,130</b>	57,20,123
(e) Fuel	<b>3,52,940</b>	3,53,706
	<b><u>21,99,03,187</u></b>	<u>19,59,98,677</u>
<b>Note 16 - TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
	(a) <u>-</u>	<u>-</u>
Other trade receivables		
Secured, considered good	-	-
Unsecured, considered good	<b>8,17,69,405</b>	9,74,78,335
Doubtful	-	-
	(b) <u>8,17,69,405</u>	<u>9,74,78,335</u>
	(a+b) <u>8,17,69,405</u>	<u>9,74,78,335</u>



	March 31, 2013 (₹)	March 31, 2012 (₹)
<b>Note 17 - CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
<b>Balances with Banks</b>		
On current accounts	47,189	77,515
<b>Cash on hand</b>	<b>3,07,782</b>	5,58,078
<b>Other bank balances</b>		
Deposits with original maturity for more than 12 months	6,36,330	8,93,880
Deposits with original maturity for more than 3 months but less than 12 months	-	-
Embarked balances with Banks		
Unpaid dividend accounts	6,96,009	6,97,709
	<u>16,87,310</u>	<u>22,27,182</u>
Deposits with Banks ₹ 6,36,330/- given to bank as margin money against bank guarantee issued by bank.		
<b>Note 18 - SHORT TERM LOAN AND ADVANCES</b>		
Unsecured, considered good		
Loans and advances for goods and Exps	17,88,453	33,75,713
<b>Others</b>		
Advance tax	92,50,000	1,00,00,000
VAT Receivable	24,20,140	18,54,167
Advance to employee	2,30,718	1,97,911
TED Receivable	4,31,253	11,09,296
Tax deducted at Sources	1,42,479	2,10,739
Others	13,25,348	19,48,110
	<u>1,55,88,391</u>	<u>1,86,95,936</u>
<b>Note 19 - OTHER CURRENT ASSETS</b>		
Unbilled revenue	-	-
Prepaid expenses	9,01,227	4,58,823
Forward Contract Receivable (Net)	-	7,60,242
	<u>9,01,227</u>	<u>12,19,065</u>
<b>Note 20 - REVENUE FROM OPERATIONS</b>		
<b>Sales</b>		
Sale of Finished Goods	88,06,84,295	1,00,29,83,205
Sale of Traded Goods (Soya DOC)	-	70,86,285
Sale of Waste	55,10,972	1,07,61,695
Sales of Others	32,29,153	1,45,021
<b>Other operating revenue</b>		
Sales of Scrap	11,57,375	13,68,657
	<u>89,05,81,795</u>	<u>1,02,23,44,863</u>
Less: Excise duty	-	-
	<u>89,05,81,795</u>	<u>1,02,23,44,863</u>



	<b>March 31, 2013</b>	March 31, 2012
	( ` )	( ` )
<b>Note 21 - OTHER INCOME</b>		
Interest income from:		
Banks deposits	77,563	6,08,988
Customers	7,09,351	6,17,525
Dividend income on:		
Long- term investments	1,72,184	1,62,184
Sale/Net gain on sale of investments (ShortTerm)	-	9,54,921
Net gain on sale of fixed assets	3,19,507	1,07,730
Income from Wind Mill	45,83,932	33,55,111
Lease Rent	7,78,539	6,40,651
Gain from Forex Fluctuation	38,596	6,04,589
Premium on Forex Booking	1,28,988	1,88,108
Other	6,950	29,227
	<u>68,15,610</u>	<u>72,69,034</u>
<b>Note 22 - COST OF RAW MATERIAL CONSUMED</b>		
Material consumed		
Opening stock	16,82,92,892	13,64,93,431
Add: Purchases	65,97,16,908	82,72,95,180
	<u>82,80,09,800</u>	96,37,88,611
Less: Closing stock	18,24,40,067	16,82,92,892
	<u>64,55,69,733</u>	<u>79,54,95,719</u>
<b>Note 23 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>		
Inventories at the beginning of the year		
Finished goods	1,87,22,606	2,76,74,467
Saleable Waste	3,86,780	13,37,128
Work in progress	25,22,570	28,66,877
	(A) <u>2,16,31,956</u>	<u>3,18,78,472</u>
Inventories at the end of the year		
Finished goods	2,37,01,709	1,87,22,606
Saleable Waste	25,01,952	3,86,780
Work in progress	39,82,389	25,22,570
	(B) <u>3,01,86,050</u>	<u>2,16,31,956</u>
	C=(A-B) <u>(85,54,094)</u>	<u>1,02,46,516</u>
<b>Note 24 - EMPLOYEE BENEFITS COST</b>		
Salary, wages, bonus and allowances	1,94,00,075	1,57,39,521
Contribution to provident and other funds	19,20,648	16,87,691
Gratuity	5,34,549	7,61,829
Staff welfare	5,20,552	3,40,727
	<u>2,23,75,824</u>	<u>1,85,29,768</u>
<b>Note 25 - FINANCE COST</b>		
Interest expense on:		
Borrowings from banks	2,62,87,768	1,59,57,793
Others	95,955	44,765
Other borrowing costs:		
Bank charges	12,49,013	7,69,391
	<u>2,76,32,736</u>	<u>1,67,71,949</u>



	March 31, 2013 ( ` )	March 31, 2012 ( ` )
<b>Note 26 - OTHER EXPENSES</b>		
<b>Manufacturing Exps :</b>		
Stores and spares consumed	2,06,21,759	90,80,762
Power and fuel consumed	6,07,51,924	4,76,35,135
Repairs to Plant & Machinery	29,08,126	22,80,296
Testing Charges	30,000	17,789
Water Charges	2,86,314	6,06,422
Hank Yarn Exps	32,70,651	20,96,533
Other manufacturing Exps	<u>88,88,482</u>	<u>93,99,421</u>
	<b>9,67,57,256</b>	<b>7,11,16,358</b>
<b>Administrative Exps:</b>		
Lease Rent	7,562	7,562
Vehicle running & Maintenance	5,49,387	7,51,532
Travelling and conveyance	3,34,578	3,81,321
Printing and stationery	2,21,739	2,84,903
Telephone Exps	1,97,579	2,01,855
Directors Travelling	5,91,148	4,75,126
Repair and maintenance Bldg	20,29,281	5,33,960
Legal and professional Fees	9,16,607	7,25,193
Rates and taxes	94,178	7,42,111
Insurance	11,39,444	11,84,251
Advertisement	99,427	58,283
Directors sitting Fees	5,000	5,000
Rent	96,000	96,000
Membership fee and subscription	1,55,366	85,072
Payments to Auditors	1,47,052	1,40,071
Other Administrative Exps	<u>6,58,200</u>	<u>5,52,797</u>
	<b>72,42,548</b>	<b>62,25,037</b>
<b>Selling &amp; distribution Exps:</b>		
Packing Materials & Exps	1,63,87,934	1,68,38,545
Sales commission	1,26,33,883	1,30,04,060
Freight on Sales	1,16,14,284	1,28,52,205
Export Exps	45,43,742	28,93,712
TCS Paid	<u>59,028</u>	<u>97,302</u>
	<b>4,52,38,871</b>	<b>4,56,85,824</b>
	<b>14,92,38,675</b>	<b>12,30,27,219</b>
<b>Payment to Auditors:</b>		
Statutory Audit fees	1,03,241	86,034
Tax Audit Fees	25,811	21,509
Cost Audit Fees	18,000	15,000
Certification Work	-	17,528
	<u>1,47,052</u>	<u>1,40,071</u>

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

a) Counter Guarantee:

For ` 40,24,300/- ( ` 68,78,800/-) given to Punjab National Bank for Guarantee given by them to Custom/DGFT department. against which Company has given to bank FDR for ` 6,36,330/- as margin money.

b) Demand of Entry Tax by commercial tax department ` 6,31,496/- for assessment year 2007-08. Case pending with M.P. Tax Tribunal Board Bhopal. Company has provided liabilities for ` 3,20,856/- in the financial year 2007-08.



c) 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** - Balances of creditors, debtors, and advances are almost confirmed.

**Note 32 - RELATED PARTY DISCLOSURE**

a) Managerial Remuneration

1	Shri Piyush Mutha	Managing Director	Remuneration	` 24,00,000
			Provident Fund	` 2,88,000
			Super Annuation	` 3,60,000
			Perquisite	` 1,14,884

**Note 33 - EARNING PER SHARES**

	<b>2012-13</b>	2011-12
a) Net Profit after tax ( ` )	<b>2,50,10,833</b>	2,34,37,084
b) Number of weighted average equity shares	<b>58,70,000</b>	58,70,000
c) Nominal value of shares ( ` )	<b>10</b>	10
d) Earning per shares ( ` )	<b>4.26</b>	3.99

**Note 34 - FORWARD BOOKING CONTRACTS**

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

The Company has outstanding forward booking contracts at the year end

Foreign Currency	<b>March 31,2013</b>	March 31,2012
US Dollar /INR	<b>1,93,500</b>	5,41,960

The net gain on forward booking contract on mark to market basis as on 31.03.2013 is ` 0.38 lakh an has not been recognised in the statement of profit & loss. During the previous year the company have a net profit of ` 7.92 Lakh which was provided for.

**Note 35 - MANAGERIAL REMUNERATION TO DIRECTORS**

	<b>2012-13</b>	2011-12
<b>1. To the Managing Director</b>	( ` )	( ` )
a) Remuneration	<b>24,00,000</b>	18,00,000
b) Contribution to PF	<b>2,88,000</b>	2,16,000
c) Perquisites	<b>1,14,884</b>	1,10,443
d) Meeting Fees	<b>Nil</b>	Nil
e) Commission	<b>Nil</b>	Nil

**2. To the Director other than Managing Director**

a) Remuneration	<b>3,25,000</b>	2,65,000
b) Contribution to PF	<b>Nil</b>	Nil
c) Perquisites	<b>Nil</b>	Nil
d) Meeting Fees	<b>Nil</b>	Nil
e) Commission	<b>Nil</b>	Nil

**3. To Non executive Director**

a) Sitting Fees	<b>5,000</b>	5,000
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**Note 36 - PARTICULARS OF LICENCED & INSTALLED CAPACITIES**

	<b>2012-13</b>	2011-12
	<b>Rotors</b>	Rotors
a) Licensed Capacity	<b>N.A.</b>	N.A.
b) Installed Capacity	<b>3168</b>	3168

**Note 37 - PRODUCTION & SALES**

	Production		Sales			
	2012-13 M.T.	2011-12 M.T.	2012-13 M.T.	( <sup>^</sup> )	2011-12 M.T.	( <sup>^</sup> )
Cotton Yarn	<b>7388.168</b>	7816.030	<b>7347.157</b>	<b>88,37,80,833</b>	7872.066	1,00,29,83,205
Waste	<b>734.692</b>	712.605	<b>480.525</b>	<b>55,10,972</b>	829.072	1,07,61,695
Scrap/Others	-	-	-	<b>12,89,990</b>	-	15,13,678
Soya Grits	-	-	-	-	284.430	70,86,285

**Note 38 - RAW MATERIALS CONSUMED**

		<b>2012-13</b>	2011-12
		<b>M.T.</b>	<b>(<sup>^</sup>)</b>
a) Cotton	<b>8203.562</b>	<b>64,55,69,733</b>	8612.135
			79,54,95,719

**Note 39 - CLOSING STOCK OF FINISHED PRODUCTS**

	<b>M.T.</b>	<b>M.T.</b>
	<b>2012-13</b>	2011-12
a) Cotton yarn	<b>239.676</b>	198.665
b) Waste	<b>287.538</b>	33.371

**Note 40 - VALUE OF IMPORTS ( On CIF Basis)**

	<b>March 31,2013</b>	March 31,2012
1. Capital Goods	<b>1,39,78,817</b>	5,17,981

**Note 41 - EXPENDITURE IN FOREIGN EXCHANGE**

1. Foreign travel etc	<b>1,39,972</b>	1,10,901
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**Note 42 - EARNING IN FOREIGN EXCHANGE**

1. Export of Goods (FOB Basis)	<b>11,37,44,852</b>	4,31,07,832
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**Note 43 - IMPORTED AND INDIGENOUS RAW MATERIALS  
COMPONENTS AND SPARE PARTS CONSUMED**

	Value in `		Percentage	
	2012-13	2011-12	2012-13	2011-12
<b>a) Raw Materials</b>				
1 Imported	-	-	-	-
2 Indigenous	<b>64,55,69,733</b>	79,54,95,719	<b>100%</b>	100%
<b>b) Stors &amp; Spares</b>				
1 Imported	<b>1,32,85,085</b>	22,07,172	<b>64.43%</b>	24.31%
2 Indigenous	<b>73,36,674</b>	68,73,590	<b>35.57%</b>	75.69%

As per our report of even date.

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

**Rajesh Sodani**  
Partner  
M. No. 077005  
Dewas  
May 30th, 2013

Piyush Mutha  
Managing Director

M.L. Jain  
Director

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**VIPPY SPINPRO LTD.**

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

**ATTENDANCE SLIP**

**21<sup>st</sup> Annual General Meeting 30<sup>th</sup> September, 2013**

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

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

Full Name of the Shareholder/Proxy attending the meeting  
.....

(First Name) (Middle Name) (Surname)

I hereby record my presence at the Annual General Meeting on Monday, the 30<sup>th</sup> day of September 2013 at 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**

**21<sup>st</sup> Annual General Meeting 30<sup>th</sup> September, 2013**

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

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

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

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

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

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

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

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

Company to be held on Monday, the 30<sup>th</sup> day of September , 2013 at 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 of .....2013

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