

**26<sup>th</sup>**  
**Annual Report & Accounts**  
**2017-18**



**VIPPY SPINPRO LTD.**

**Vippy Spinpro Ltd.**

<b>Board of Directors</b>	:	Shri Mohan Lal Jain (Chairman of the Board/Independent Director ) Shri Piyush Mutha (Managing Director) Shri Praneet Mutha(Director) Shri Mangalore Maruthi Rao(Whole Time Director) Shri Subhash Kocheta(Independent Director) Shri Raghuram Krihnamurthy(Independent Director) Mrs. Deepa Sudhir Mekal(Independent Director/Woman Director)
<b>Chief Financial Officer</b>	:	Shri Prabuddha Kumar Majumdar
<b>Company Secretary</b>	:	Shri Satyanarayan Patidar
<b>Auditors</b>	:	M/s R.S. Bansal & Co. Chartered Accountants
<b>Bankers</b>	:	Punjab National Bank HDFC Bank Limited
<b>Registered Office</b>	:	414, City Centre, 570, M.G. Road, Indore.-452001 (M.P.) Phone: 0731-2546710
<b>Works Office</b>	:	14-A, Industrial Area A.B Road, Dewas -455001(M.P.) 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-452010 (M.P.) Email: ankit_4321@yahoo.com Ph. 0731-2551745-46 Fax.0731- 4065798

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**NOTICE**

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Saturday, 29<sup>th</sup> day of September, 2018 at 9.30 a.m. at Hotel Amar Vilas, 1 Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010 (M.P.) to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31<sup>st</sup> March, 2018 and Reports of the Board of Directors and Auditors thereon, and in this regard, to consider, and if thought fit, to pass, with or without modification(s), if any, the following resolutions as an Ordinary Resolution:

**“RESOLVED THAT** the Audited Financial Statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint a Director in place of Shri Mangalore Maruthi Rao (DIN-00775060) who retires by rotation and being eligible, offers himself for re-appointment, and in this regard, to consider, and if thought fit, to pass, with or without modification(s), if any, the following resolutions as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of section 152 of the Companies Act, 2013, Shri Mangalore Maruthi Rao (DIN-00775060), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

**SPECIAL BUSINESS**

3. To approve the remuneration of Cost Auditors for the financial year ending March 31, 2019, and in this regard, to consider, and if thought fit, to pass with or without modification(s), if any, the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s M. Goyal & Co., Cost Accountants, Jaipur (Registration No.000051) the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending 31<sup>st</sup> March, 2019, be paid the remuneration as set out in the statements annexed to the notice convening this meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

Place: Dewas

Date: 26<sup>th</sup> May, 2018

CIN: L01710MP1992PLC007043

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

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

Email: admin@vippyspinpro.com, website: www.vippyspinpro.com

Satyanarayan Patidar  
Company Secretary

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. The instrument appointing proxy should be deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.
3. The register of members and share transfer books will remain closed from Monday 24<sup>th</sup> day of September, 2018 to Saturday, 29<sup>th</sup> day of September, 2018 (both days inclusive) for the purpose of Annual General Meeting.
4. Members/proxies who wish to attend the meeting are requested to bring the attendance slip duly filled and deliver the same at the entrance of the Meeting Hall.
5. Members who hold the shares in dematerialized form are requested to bring details of their DP and client ID number for easier identification and attendance at the meeting.
6. Corporate Members intending to send their authorized representative are requested to send a duly certified copy of Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
7. The route map showing directions to reach the venue of the 26<sup>th</sup> AGM is annexed.
8. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2017-18 will also be available on the Company's website viz. [www.vippyspinpro.com](http://www.vippyspinpro.com)
10. Resolution(s) passed by Members through remote e-voting is/are deemed to have been passed as if they have been passed at the AGM.
11. Mr. Shilpesh Dalal, Practicing Company Secretary appointed as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
12. The Company is providing facility for voting by electronic means and the business set out in the Notice will be transacted through such voting.
13. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
14. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again. The Members who have cast their vote(s) by using remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
15. Members are requested to notify immediately any change of address to their depository Participant(DPs) in respect of their electronic share accounts and to the Company's Registrar and Share Transfer Agent (RTA), M/s. Ankit Consultancy Pvt. Ltd., 60, Electronic Complex, Pardeshipura, Indore-452010(M.P.), in respect of their physical share folio, if any.
16. Members are requested to bring their copies of Annual Report at the time of attending the Meeting.
17. The Scrutinizer shall, after the conclusion of voting at the Annual General Meeting, not later than two days of



conclusion of the meeting, submit a consolidated scrutinizer’s report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the result of voting forthwith.

18. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.vippyspinpro.com](http://www.vippyspinpro.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) within two days of the passing of the Resolutions at the Annual General Meeting of the Company and also be communicated to BSE Limited, where the shares of the Company are listed.
19. The relevant details of the Director seeking re-appointment (Pursuant to regulation 36 of SEBI (Listing Obligations and Disclosure requirements) Regulation 2015, are forms part of this Notice.
20. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice.

The Company has entered into an arrangement with Central Depository Services (India) Limited for facilitating e-voting for AGM.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Wednesday, 26<sup>th</sup> day of September, 2018 at 9.00 a.m. and ends on Friday, 28<sup>th</sup> day of September, 2018 at 5.00 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the Saturday, 22<sup>nd</sup> day of September, 2018 as cut-off date/ (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast vote again
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) .
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.



- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the Vippy Spinpro Ltd. on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions



("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

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

Satyanarayan Patidar  
Company Secretary

Place: Dewas

Date: 26<sup>th</sup> May, 2018

CIN: L01710MP1992PLC007043

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

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

Email: [admin@vippyspinpro.com](mailto:admin@vippyspinpro.com), website: [www.vippyspinpro.com](http://www.vippyspinpro.com)

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

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the M/s M. Goyal & Co., Cost Accountants, Jaipur (Registration No.000051) as Cost Auditors of the company to conduct the audit of cost records of the Company for the financial year 2018-2019 at a remuneration of ₹ 25000/- (Rupees Twenty Five Thousands Only) in addition to out of pocket and/or travelling expenses as may incur in carrying out their duties as such Cost Auditors. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

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

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

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

Place: Dewas

Date: 26<sup>th</sup> May, 2018

CIN: L01710MP1992PLC007043

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

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

Email: admin@vippyspinpro.com, website: www.vippyspinpro.com

Satyanarayan Patidar  
Company Secretary

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

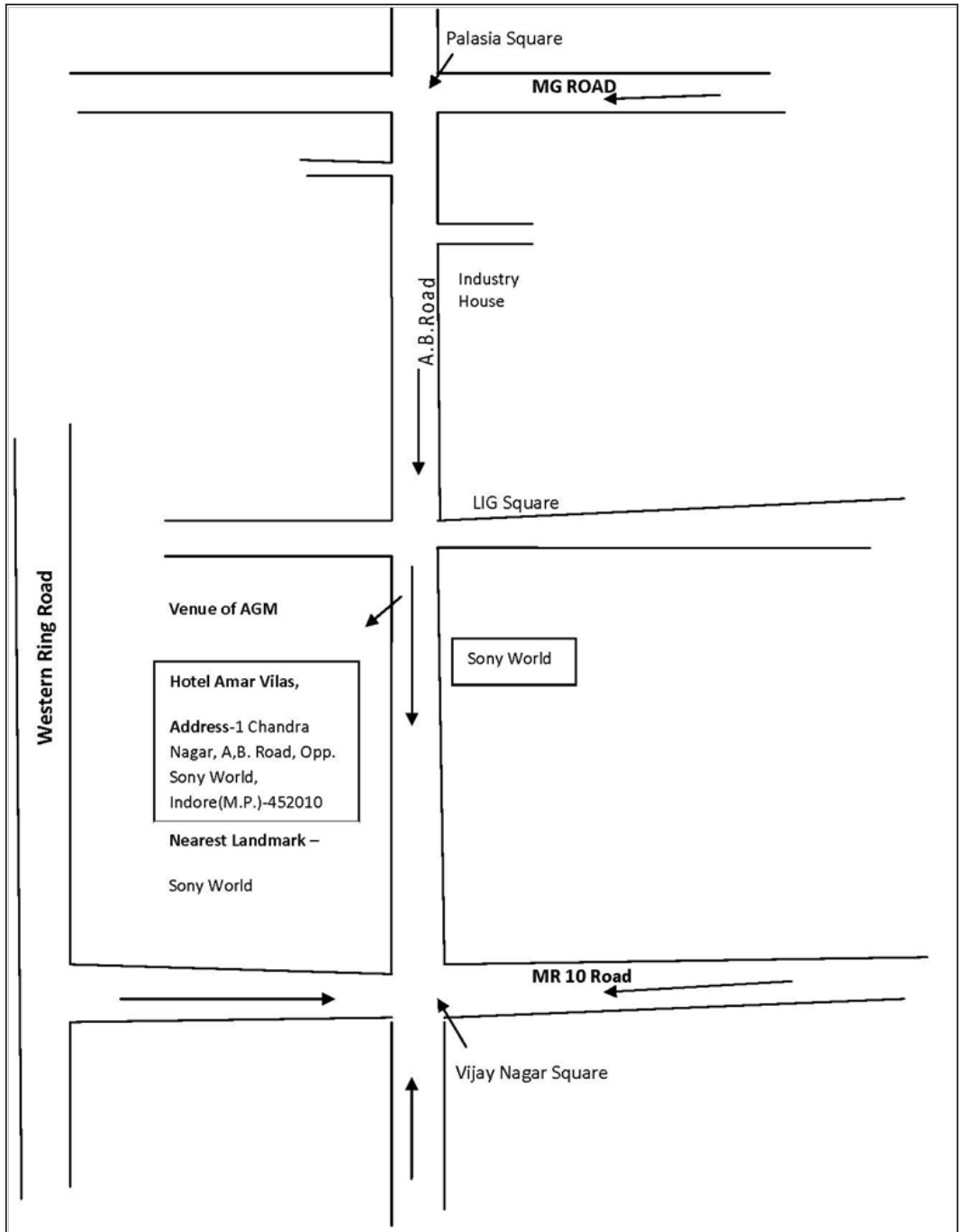
**1.) Shri Mangalore Maruthi Rao**

Name of Director	Shri Mangalore Maruthi Rao
Director Identification Number	00775060
Date of Birth	30.01.1938
Nationality	Indian
Date of Appointment	28.10.2002
Qualification	B.Sc. in Textile
Expertise in specific functional area	He has over 54 years practical experience in the area of textiles.
Disclosure of relationship between directors inter-se	Nil
Name of other listed companies in which he holds directorship	Nil
Chairmanship/Memberships of Committees of the other listed companies in which he is Director	Nil
Number of Shares held in the Company	Nil





Route Map-Venue of 26<sup>th</sup> Annual General Meeting of the Company



**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 26<sup>th</sup> Annual Report together with the Audited Financial Statement of the Company for the financial year ended March 31, 2018.

**FINANCIAL HIGHLIGHTS**

(₹ in Lakhs)

Particulars	2017-18	2016-17
<b>Income</b>		
Revenue from Operations	10515.47	9806.89
Other Income	167.68	140.53
Total Revenue	10683.15	9947.42
<b>Profit before finance cost, depreciation &amp; amortization, and tax</b>	784.11	690.10
Less: Finance Costs	97.16	36.40
Less: Depreciation and amortization expenses	194.60	186.57
<b>Profit before Tax</b>	492.35	467.13
<b>Less: Tax Expenses</b>		
Current Tax	104.49	147.87
Deferred Tax	45.12	(13.00)
<b>Profit after tax for the year</b>	342.74	332.26
Other Comprehensive Income/(Loss) for the year	(7.65)	15.55
<b>Total Comprehensive Income for the year</b>	335.09	347.81
Earning per equity share		
Basic (₹)	5.84	5.66
Diluted (₹)	5.84	5.66

**PERFORMANCE REVIEW & COMPANY AFFAIRS**

During the year under review, the total revenue of the Company increased by 7.40% in comparison to previous year. The Company's total revenue for the year under review amounted to ₹10683.15 Lakhs as compared to ₹9947.42 Lakhs of the previous year. The Profit before Tax for the year under review amounted to ₹492.35 Lakhs as compared to ₹467.13 Lakhs of the previous year and registered growth by 5.40%. The Profit after Tax for the year under review amounted to ₹342.74 Lakhs as compared to ₹332.26 Lakhs of the previous year and registered growth by 3.15%. The Company is engaged in the manufacturing of cotton yarn for different applications by Rotor Spinning. The Company is also engaged in generation of power through Wind Mill & Solar Panels for captive consumption.

There were fire accidents in the plant of the Company situated at 14-A, Industrial Area, A.B Road, Dewas 455001 (M.P.) on 6<sup>th</sup> September 2017 and 13<sup>th</sup> October 2017. Due to the same, certain fixed assets, finished goods, work in progress, stores & spare parts and packing materials etc. were impacted/destroyed. Fortunately, there has been no loss or injury to human life. The same are adequately insured, the Insurance Policy has reinstatement clause, and accordingly Company has filed insurance claim for loss of the same.

**RESERVES**

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

**DIVIDEND**

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

**LISTING OF THE SHARES**

The Equity Shares of the Company are presently listed at BSE Ltd. Further the Company has paid listing fees to BSE Ltd. for the year 2018-2019.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- in the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards read with requirements set out under shedule III to the act have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on that date ;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**DIRECTORS & KEY MANAGERIAL PERSONNEL**

During the year under review, the members at Annual General meeting have approved the Re-appointments of Shri Mangalore Maruthi Rao (DIN- 00775060) as a Whole Time Director for a period of two (2) years w.e.f 28.10.2016.

During the year under review, the members at Annual General meeting have approved the Re-appointments of Shri Piyush Mutha (DIN-00424206) as a Managing Director for a period of two (2) years w.e.f. 01.04.2017.

During the year under review, the members at Annual General meeting have approved the appointments of Smt. Deepa Sudhir Mekal (DIN-05222280) as Independent Directors to hold office for five consecutive years for a term up to 30th March 2022.

During the year under review, Shri Sandeep Nema, Company Secretary has resigned from the post of Company Secretary of the company w.e.f. 28.09.2017.

During the year under review, Shri Satyanarayan Patidar appointed as a Company Secretary w.e.f. 13.11.2017.

During the year under review, Shri Hassan Ali, Chief Financial Officer has resigned from the post of Chief Financial Officer of the company w.e.f. 23.12.2017.

Shri Prabuddha Kumar Majumdar appointed as a Chief Financial Officer of the company w.e.f. 15.05.2018.

In accordance with the provisions of section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Shri Mangalore Maruthi Rao (DIN: 00775060), retires by rotation at the ensuing Annual General



Meeting and being eligible, offers himself for his re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

Pursuant to the provisions of section 203 of the Act, the Key Managerial Personnel of the Company as on date are— Shri Piyush Mutha (Managing Director), Shri Mangalore Maruthi Rao (Whole Time Director), Shri Satyanarayan Patidar (Company Secretary), and Shri Prabuddha Kumar Majumdar (Chief Financial Officer).

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company had received declaration from all the Independent Directors of the Company confirming that they meet criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **BOARD EVALUATION**

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out performance evaluation of its own, the Board Committees and of the Independent Directors. Independent Directors at a separate meeting evaluated performance of the Non Independent Directors, Board as whole. The manner in which the evaluation has been carried out has been detailed in Report on Corporate Governance.

#### **INSURANCE**

Assets of the Company are adequately insured.

#### **SUBSIDIARIES, ASSOCIATE & JOINT VENTURE COMPANIES**

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

#### **RELATED PARTY TRANSACTIONS**

All contracts / arrangements / transactions entered by the company during the financial year with related parties were in its Ordinary Course of Business and on arms length basis. During the year under review the Company has not entered into any contracts / arrangements with the related parties which could be considered material. The particulars of contracts / arrangements / transactions with related parties have been disclosed in the Note No 40 of the financial statements for the year under review.

#### **INTERNAL FINANCIAL CONTROLS**

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

#### **DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT PLAN**

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



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

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

### **CORPORATE GOVERNANCE**

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

### **DISCLOSURES**

#### **Particulars of Loan given, Investments made, Guarantee given under section 186 of Companies Act, 2013**

There are no loans given, investments made, guarantee given or security provided by the Company under section 186 of the Companies Act 2013.

#### **Conservation of Energy, Technical Absorption and Foreign Exchange Earning & Outgo**

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

#### **Extract of Annual Return**

Pursuant to section 92(3) of the Companies Act 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return is annexed herewith and forming part of the Report as annexure - II.

#### **Meeting of Directors**

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

#### **Committees of the Board**

The Board of Directors has the following committees:

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

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

**Remuneration Policy**

The Company has a Remuneration policy of the Company for Directors, Key Managerial Personnel & other employee's. The Remuneration Policy is annexed herewith as Annexure-III to this Report.

**Vigil Mechanism/Whistle Blower Policy**

The Company has a Vigil Mechanism / Whistle Blower Policy to report genuine concerns or grievances. The vigil mechanism provides for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. This policy may be accessed on the Company's website, web link: <http://www.vippyspinpro.com/Whistle-Blower-Policy.pdf>

**Particulars of employees and related disclosures**

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

**CORPORATE SOCIAL RESPONSIBILITY**

The Company does not fall under requirement of the section 135 of the Companies Act, 2013 and therefore during the year under review, Company did not carry out any CSR activities as specified under section 135 of the Companies Act, 2013, read with schedule VII of the Act.

**AUDITORS & AUDITORS' REPORT****Statutory Auditors**

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

In accordance with the Companies Amendment Act, 2017, enforced on 7<sup>th</sup> May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The report given by the auditors on the financial statements of the company is part of this report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report, and no explanation on part of the Board of Directors is called for.

**Cost Auditor**

The Board of Directors have appointed M/s M. Goyal & Co., Cost Accountants, Jaipur, (Registration No.000051) as Cost auditors of the Company to conduct audit of the cost accounting records of the Company for the year 2018-19. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the Board seeks ratification at the ensuing Annual General Meeting of the remuneration payable to the cost Auditors for the Financial Year 2018-19.

**Secretarial Auditor**

The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2018 issued by M/s Shilpesh Dalal & Co., Practicing Company Secretary is annexed herewith as Annexure-V to this report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer, and no explanation on part of the Board of Directors is called for.

The Board appointed M/s Shilpesh Dalal & Co. Practicing Company Secretary, to conduct Secretarial Audit for the year 2018-19.

**Disclosure of frauds against the Company**

In terms of the provisions of section 134(3)(ca) of the Companies Act, 2013, there were no fraud committed against the Company by any person under section 143(12) during the year 2017-18. Further that there were no frauds which needs to be reported by the Auditors of the Company to the Central Government.

**Internal Auditor**

Pursuant to the provisions of section 138 of the Companies Act, 2013 read with rule 13 of the Companies (Accounts) Rules, 2014, M/s R.K. Saklecha & Associates, Chartered Accountants was appointed as an Internal Auditor of the Company for the financial year 2018-19.

**PREVENTION OF SEXUAL HARASSMENT POLICY**

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

**HUMAN RESOURCES**

The Company believes that employee plays a pivotal role in achieving a competitive advantage. The Company provides them an environment, where each employee is motivated to contribute his best to achieve the Companies objective. The focus of all aspects of Human Resource Development is on developing a superior workforce so that the organization and individual employee can achieve their work goals. The Company has a progressive HR policy for helping employees to develop their organization skills, knowledge and abilities to achieve greater efficiency. The Industrial Relations of the Company with its personnel has continued to be cordial and friendly during the year. The Company has 96 permanent employees on the rolls of the Company as on 31.03.2018.

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

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

**ENVIRONMENT & SOCIAL CONCERN**

Your Company is committed to build business with save energy and save environment. In line of this, the Company had set up the wind mill and solar panels that generates electricity and contributed to displace emissions from the nation's coal-fired power plants and eliminates the nation's major source of acid rain, reduce total emissions of CO<sub>2</sub>.

Your Company is committed to the sustainable use of all natural resources and minimizes waste at source and recycles where possible. Considering the scarcity of natural resources, the Company continue to maintain "Rain Water Harvesting System" at the factory premises at Dewas. The 8040 sq meters of roof area has been covered under the rain water harvesting and approx 5194 cubic meters of water has been collected at factory premises at Dewas, resulting in saving water and recharging the five bore wells consequently.

In memory of founder Late Shri Prakash Mutha, during the year, Company has involved in inspirable activities in the area around the plant situated at Dewas such as giving awards to meritorious students and distribute bicycle, School Dress, School Bags, School Books & Education Material. Total 44 Students got such benefit during the year.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments, affecting the financial position of the Company between the end of the financial year of the Company i.e. 31<sup>st</sup> March, 2018 and the date this report. There has been no change in the nature of the business of the Company.

**GENERAL**

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

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

**ACKNOWLEDGEMENTS**

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

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

**Place: Dewas  
26<sup>th</sup> May 2018**

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

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





**Annexure-I**

**Details of conservation of energy, technology absorption, foreign exchange earnings and outgo**

**a) Conservation of energy**

(i)	the steps taken or impact on conservation of energy	(a) Installed a 75KW Inverter drive in new blowroom filter. Power saving 300 units/month. (b) Lap feed line converted to Chute Feed line & two Scutcher machines are removed. Power saving 1500 units/months.
(ii)	the steps taken by the company for utilizing alternate sources of energy	Installed a solar power Panels of capacity 1 MW.
(iii)	the capital investment on energy conservation equipments	₹ 265118 (Inverter drive in blowroom filter).

**b) Technology absorption**

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

**d) Foreign exchange earnings and Outgo**

<b>Particulars</b>	<b>Year ended 31.03.2018 (₹ in Lakhs)</b>
Foreign exchange earned in terms of Actual inflows (FOB) basis	614.33
Foreign exchange outgo in terms of Actual outflows basis	87.82

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

**Place: Dewas  
26<sup>th</sup> May 2018**

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

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



## Annexure-II

## FORM MGT-9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management &amp; Administration) Rules, 2014)

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



**Attachment A**

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

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

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

**Attachment B**

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)**

**i Category- wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	3106922	5300	3112222	53.02	3196497	0	3196497	54.45	1.43
(b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	102062	0	102062	1.74	259541	0	259541	4.42	2.68
(e) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total (A) (1):-</b>	<b>3208984</b>	<b>5300</b>	<b>3214284</b>	<b>54.76</b>	<b>3456038</b>	<b>0</b>	<b>3456038</b>	<b>58.88</b>	<b>4.12</b>
<b>(2) Foreign</b>									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>3208984</b>	<b>5300</b>	<b>3214284</b>	<b>54.76</b>	<b>3456038</b>	<b>0</b>	<b>3456038</b>	<b>58.88</b>	<b>4.12</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	0	3800	3800	0.06	0	3800	3800	0.06	0.00
(b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total (B)(1):-</b>	<b>0</b>	<b>3800</b>	<b>3800</b>	<b>0.06</b>	<b>0</b>	<b>3800</b>	<b>3800</b>	<b>0.06</b>	<b>0.00</b>



Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non Institutions</b>									
(a) Bodies corp.									
(i) Indian	63838	13100	76938	1.31	30240	13100	43340	0.74	-0.57
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakhs	923113	904670	1827783	31.14	831627	875370	1706997	29.08	-2.06
(ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	431972	87800	519772	8.86	356014	87800	443814	7.56	-1.3
(c) Others									
(i) NRI	39265	185700	224965	3.83	35861	180000	215861	3.68	-0.15
(ii) Clearing Member	2458	0	2458	0.04	150	0	150	0.00	-0.04
<b>Sub Total (B)(2):-</b>	<b>1460646</b>	<b>1191270</b>	<b>2651916</b>	<b>45.18</b>	<b>1253892</b>	<b>1156270</b>	<b>2410162</b>	<b>41.06</b>	<b>-4.12</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1460646</b>	<b>1195070</b>	<b>2655716</b>	<b>45.24</b>	<b>1253892</b>	<b>1160070</b>	<b>2413962</b>	<b>41.12</b>	<b>-4.12</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>4669630</b>	<b>1200370</b>	<b>5870000</b>	<b>100.00</b>	<b>4709930</b>	<b>1160070</b>	<b>5870000</b>	<b>100.00</b>	<b>0.00</b>

Attachment C

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

ii Shareholding of Promoters

Sl No.	Shareholders Name	Shareholding at the beginning of the year(As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% change in Share holding during the year
		No of Shares	% of total Shares of the Company	% of Shares pledged encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of shares pledged/ encumbered to total Shares	
1	Usha Mutha	681768	11.61	0.00	681768	11.61	0.00	0.00
2	Piyush Mutha	521750	8.89	0.00	521750	8.89	0.00	0.00
3	Praneet Mutha	521050	8.88	0.00	521050	8.88	0.00	0.00
4	Sunita Mutha	468400	7.98	0.00	468400	7.98	0.00	0.00
5	Rahul Mutha HUF	331242	5.64	0.00	338442	5.77	0.00	0.13
6	Chandrakala Mutha	259550	4.42	0.00	259550	4.42	0.00	0.00
7	Vimal Chand Manmal Mutha HUF	117175	2.00	0.00	194250	3.31	0.00	1.31
8	Priti Mutha	106796	1.82	0.00	106796	1.82	0.00	0.00
9	Piyush Mutha HUF	104491	1.78	0.00	104491	1.78	0.00	0.00
10	Sungem Impex Pvt. Ltd	102062	1.74	0.00	102062	1.74	0.00	0.00
11	Vippy Industries Ltd.	0	0.00	0.00	157479	2.68	0.00	2.68
	<b>Total</b>	<b>3214284</b>	<b>54.76</b>	<b>0.00</b>	<b>3456038</b>	<b>58.88</b>	<b>0.00</b>	<b>4.12</b>



**Attachment D**

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)**

**iii Change in Promoters' Shareholding**

SI No.	Name	Shareholding at the Beginning (As on 01.04.2017/ end of the year (31/03/2018))		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No of shares	% of total Shares of the company				No of shares	% of total Shares of the company
1.	Vimalchand Manmal Mutha HUF	117175	2.00	01.04.2017				
				18.04.2017	1500	Purchase	118675	2.02
				19.04.2017	425	Purchase	119100	2.03
				23.06.2017	422	Purchase	119522	2.04
				29.06.2017	-2000	Sale	117522	2.00
				30.06.2017	2000	Purchase	119522	2.04
				07.07.2017	918	Purchase	120440	2.05
				12.07.2017	313	Purchase	120753	2.06
				17.07.2017	2000	Purchase	122753	2.09
				18.07.2017	3000	Purchase	125753	2.14
				19.07.2017	1000	Purchase	126753	2.16
				20.07.2017	3500	Purchase	130253	2.22
				27.07.2017	1000	Purchase	131253	2.24
				11.08.2017	945	Purchase	132198	2.25
				14.08.2017	10000	Purchase	142198	2.42
				18.08.2017	9290	Purchase	151488	2.58
				23.08.2017	5170	Purchase	156658	2.67
				24.08.2017	8000	Purchase	164658	2.81
				28.08.2017	8000	Purchase	172658	2.94
				25.09.2017	10450	Purchase	183108	3.12
				06.10.2017	1986	Purchase	185094	3.15
				09.10.2017	100	Purchase	185194	3.15
				10.10.2017	201	Purchase	185395	3.16
				12.10.2017	5355	Purchase	190750	3.25
				16.11.2017	3500	Purchase	194250	3.31
		194250	3.31	31.03.2018				
2.	Rahul Mutha HUF	331242	5.64	01.04.2017				
				29.04.2017	3000	Purchase	334242	5.69
				23.05.2017	3200		337442	5.75
				08.02.2018	600		338042	5.76
				23.02.2018	400		338442	5.77
		338442	5.77	31.03.2018				



SI No.	Name	Shareholding at the Beginning (As on 01.04.2017)/ end of the year (31/03/2018)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No of shares	% of total Shares of the company				No of shares	% of total Shares of the company
3.	Vippy Industries Ltd	0	0.00	01.04.2017				
				01.12.2017	5000	Purchase	5000	0.09
				18.12.2017	1018		6018	0.10
				19.12.2017	2546		8564	0.15
				20.12.2017	5595		14159	0.24
				21.12.2017	1404		15563	0.27
				22.12.2017	1010		16573	0.28
				26.12.2017	524		17097	0.29
				28.12.2017	150		17247	0.29
				29.12.2017	3000		20247	0.34
				18.01.2018	27000		47247	0.80
				24.01.2018	17000		64247	1.09
				02.02.2018	20000		84247	1.44
				28.02.2018	16800		101047	1.72
				12.03.2018	22500		123547	2.10
				16.03.2018	4784		128331	2.19
				19.03.2018	8593		136924	2.33
				20.03.2018	734		137658	2.35
				21.03.2018	460		138118	2.35
				22.03.2018	5000		143118	2.44
				26.03.2018	14361		157479	2.68
		157479	2.68	31.03.2018				

**Attachment E**

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)**

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

SI No.	Name	Shareholding at the beginning(As on 01.04.2017)/ end of the year(31/03/2018)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No of shares	% of total Shares of the company				No. of shares	% of total Shares of the company
1.	Mahendra Girdharilal	170211	2.90	01.04.2017		Nil movement during the year		
		170211	2.90	31.03.2018			170211	2.90
2.	Subramanian P	95290	1.62	01.04.2017				
				07.04.2017	2800	Purchase	98090	1.67
				21.04.2017	2700	Purchase	100790	1.72



SI No.	Name	Shareholding at the beginning(As on 01.04.2017)/ end of the year(31/03/2018)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No of shares	% of total Shares of the company				No. of shares	% of total Shares of the company
				28.04.2017	1800	Purchase	102590	1.75
				07.07.2017	1700	Purchase	104290	1.78
				21.07.2017	1800	Purchase	106090	1.81
				28.07.2017	1342	Purchase	107432	1.83
				04.08.2017	9818	Purchase	117250	2.00
				11.08.2017	3157	Purchase	120407	2.05
				25.08.2017	1883	Purchase	122290	2.08
				01.09.2017	450	Purchase	122740	2.09
				08.09.2017	3150	Purchase	125890	2.14
				20.09.2017	900	Purchase	126790	2.16
				29.09.2017	900	Purchase	127690	2.18
				06.10.2017	900	Purchase	128590	2.19
				13.10.2017	1648	Purchase	130238	2.22
				20.10.2017	1800	Purchase	132038	2.25
				27.10.2017	450	Purchase	132488	2.26
				10.11.2017	900	Purchase	133388	2.27
				17.11.2017	62	Purchase	133450	2.27
				08.12.2017	990	Purchase	134440	2.29
		134440	2.29	31.03.2018			134440	2.29
3.	Sachin Suresh Dhoot*	83433	1.42	01.04.2017				
				05.05.2017	-45433	Sale	38000	0.65
				19.05.2017	-9500	Sale	28500	0.49
				26.05.2017	-26500	Sale	2000	0.03
				30.06.2017	-1900	Sale	100	0.00
				13.10.2017	-100	Sale	0	0.00
4.	Usha Jain	52800	0.90	01.04.2017		Nil movement		
		52800	0.90	31.03.2018		during the year	52800	0.90
5.	Ashok Kumar Jain	35000	0.60	01.04.2017		Nil movement		
		35000	0.60	31.03.2018		during the year	35000	0.60
6.	Kusum Agrawal	20260	0.35	01.04.2017		Nil movement		
		20260	0.35	31.03.2018		during the year	20260	0.35
7.	Nitya Shrishrimal*	30998	0.53	01.04.2017				
				07.04.2017	-5	Sale	30993	0.53
				21.04.2017	-5	Sale	30988	0.53
				05.05.2017	-11741	Sale	19247	0.33
				19.05.2017	10	Purchase	19257	0.33
				26.05.2017	500	Purchase	19757	0.34
				23.06.2017	907	Purchase	20664	0.35



SI No.	Name	Shareholding at the beginning(As on 01.04.2017)/ end of the year(31/03/2018)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No of shares	% of total Shares of the company				No. of shares	% of total Shares of the company
				14.07.2017	288	Purchase	20952	0.36
				21.07.2017	113	Purchase	21065	0.36
				28.07.2017	500	Purchase	21565	0.37
				01.09.2017	-6585	Sale	14980	0.26
				08.09.2017	-1505	Sale	13475	0.23
				24.11.2017	1045	Purchase	14520	0.25
				08.12.2017	1125	Purchase	15645	0.27
				22.12.2017	1620	Purchase	17265	0.29
				12.01.2018	4616	Purchase	21881	0.37
				19.01.2018	-17888	Sale	3993	0.07
				26.01.2018	-1258	Sale	2735	0.05
				16.03.2018	-1806	Sale	929	0.02
				23.03.2018	-929	Sale	0	0.00
8.	Kewal Pravinchand Gudhaka	20000	0.34	01.04.2017		Nil movement during the year		
		20000	0.34	31.03.2018			20000	0.34
9.	Bharat Kumar Nahata*	11880	0.20	01.04.2017				
				05.05.2017	-8000	Sale	3880	0.07
				12.05.2017	3500	Purchase	7380	0.13
				19.05.2017	-2400	Sale	4980	0.08
				26.05.2017	499	Purchase	5479	0.09
				16.06.2017	-861	Sale	4618	0.08
				08.12.2017	-1935	Sale	2683	0.05
		2683	0.05	31.03.2018			2683	0.05
10.	Shanal Securities Pvt. Ltd.*	10000	0.17	01.04.2017				
				08.09.2017	-5000	Sale	5000	0.09
		2325	0.04	31.03.2018	-2675	Sale	2325	0.04
11.	Madhuben U Patel #	0	0.00	01.04.2017				
				26.05.2017	11203	Purchase	11203	0.19
		11203	0.19	31.03.2018			11203	0.19
12.	Ladharam Nagjibhai Ramani #	0	0.00	01.04.2017				
				30.06.2017	1848	Purchase	1848	0.03
				07.07.2017	8088	Purchase	9936	0.17
				14.07.2017	64	Purchase	10000	0.17
		10000	0.17	31.03.2018			10000	0.17





SI No.	Name	Shareholding at the beginning(As on 01.04.2017)/ end of the year(31/03/2018)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No of shares	% of total Shares of the company				No. of shares	% of total Shares of the company
13.	Pankaj B Shah #	2335	0.04	01.04.2017				
				23.06.2017	10	Purchase	2345	0.04
				01.09.2017	-235	Sale	2110	0.04
				08.09.2017	-400	Sale	1710	0.03
				29.09.2017	3284	Purchase	4994	0.09
				03.11.2017	103	Purchase	5097	0.09
				17.11.2017	175	Purchase	5272	0.09
				24.11.2017	905	Purchase	6177	0.11
				01.12.2017	422	Purchase	6599	0.11
				22.12.2017	725	Purchase	7324	0.12
				09.03.2018	1000	Purchase	8324	0.14
		8324	0.14	31.03.2018			8324	0.14
14.	Anam Sreenivas Reddy #	0	0.00	01.04.2017				
				09.06.2017	3000	Purchase	3000	0.05
				23.06.2017	4999	Purchase	7999	0.14
		7999	0.14	31.03.2018			7999	0.14

Note: \*Ceased to be in the list of Top 10 shareholders as on 31-03-2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2017.

# Not in the list of Top 10 shareholders as on 01-04-2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2018.

**Attachment F**

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity**

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

SI No.	Name	Shareholding at the beginning(As on 01.04.2017)/ end of the year(31/03/2018)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total Shares of the company				No of shares	% of total Shares of the company
1.	Shri Piyush Mutha (Promoter/Managing Director)	521750	8.89	01.04.2017		Nil movement during the year		
		521750	8.89	31.03.2018			521750	8.89



SI No.	Name	Shareholding at the beginning(As on 01.04.2017)/ end of the year(31/03/2018)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total Shares of the company				No of shares	% of total Shares of the company
2.	Shri Mangalore Maruthi Rao (Whole Time Director)	0	0.00	01.04.2017		Nil holding/ movement during the year		
		0	0.00	31.03.2018			0	0.00
3.	Shri Praneet Mutha (Promoter /Non Executive Director)	521050	8.88	01.04.2017		Nil movement during the year		
		521050	8.88	31.03.2018			521050	8.88
4.	Shri Mohan Lal Jain (Independent Director)	0	0.00	01.04.2017		Nil holding/ movement during the year		
		0	0.00	31.03.2018			0	0.00
5.	Shri Subhash Kocheta (Independent Director)	0	0.00	01.04.2017		Nil holding/ movement during the year		
		0	0.00	31.03.2018			0	0.00
6.	Shri Raghuram Krishnamurthy (Independent Director)	0	0.00	01.04.2017		Nil holding/ movement during the year		
		0	0.00	31.03.2018			0	0.00
7.	Smt. Deepa Sudhir Mekal (Independent Director/ Woman Director)	0	0.00	01.04.2017		Nil holding/ movement during the year		
		0	0.00	31.03.2018			0	0.00
8.	Shri Sandeep Nema, Company Secretary*	0	0.00	01.04.2017		Nil holding/ movement during respective period		
		0	0.00	28.09.2017			0	0.00
9.	Shri Satyanarayan Patidar Company Secretary**	0	0.00	13.11.2017		Nil holding/ movement during respective period		
		0	0.00	31.03.2018			0	0.00



SI No.	Name	Shareholding at the beginning(As on 01.04.2017)/ end of the year(31/03/2018)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total Shares of the company				No of shares	% of total Shares of the company
10.	Shri Hassan Ali Chief Financial Officer***	0	0.00	01.04.2017		Nil holding/ movement during respective period		
		0	0.00	23.12.2017			0	0.00

\* Resigned from the post of Company Secretary w.e.f. 28.09.2017.

\*\* Appointed as Company Secretary w.e.f. 13.11.2017.

\*\*\*Resigned from the post of Chief Financial Officer w.e.f. 23.12.2017.

#### Attachment G

#### V. INDEBTEDNESS

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

Amount (₹ In lakhs)

Particulars		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i)	Principal Amount	1515.37	-	-	1515.37
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	1.19	-	-	1.19
	Total (i+ii+iii)	1516.56	-	-	1516.56
<b>Change in Indebtedness during the financial year</b>					
	Addition	424.97	-	-	424.97
	Reduction	162.55	-	-	162.55
	Net Change	262.42	-	-	262.42
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount	1777.79	-	-	1777.79
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	2.44	-	-	2.44
	Total (i+ii+iii)	1780.23	-	-	1780.23



**Attachment H**

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**i Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/WTD		Total Amount (₹ In lakhs)
		Piyush Mutha (MD)	Mangalore Maruthi Rao (WTD)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	66.00	4.20	70.20
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1.13	-	1.13
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	-Others( specify)	-	-	-
5	Others, please specify (PF & other funds)	15.84	-	15.84
	Total i (1+2+3+4+5)	82.97	4.20	87.17
	Ceiling as per the Act	Ceiling limit is ₹ 49.10 Lakhs (being 10% of the Profit calculated as per section 198 of the Companies Act, 2013). Remuneration was paid ₹ 87.17 Lakhs exceed the above limit which was approved by the members in accordance with the section 197 read with schedule V of the Companies Act, 2013.		

**Attachment I**

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**ii Remuneration to other directors**

Sl. No.	Particulars of Remuneration	Name of Director					Total amounts (In Rs.)
		Mohan Lal Jain	Subhash Kocheta	Raghuram Krishnamurthy	Deepa Sudhir Mekal	Praneet Mutha	
1.	Independent Director						
	• Fee for attending board/committee meeting	5500	2000	500	2500	-	10500
	• Commission	-	-	-	-	-	-
	• Other, please specify	-	-	-	-	-	-
	Total ii (1)	5500	2000	500	2500	-	10500
2.	Other Non-Executive Directors						
	• Fee for attending board/committee meeting	-	-	-	-	5000	5000
	• Commission	-	-	-	-	-	-
	• Other, please specify	-	-	-	-	-	-
	Total ii (2)	-	-	-	-	5000	5000
	Total ii (1 + 2)	5500	2000	500	2500	5000	15500
	Ceiling as per act	Ceiling limits is ₹4.91 Lakhs (1% of the Profit calculated as per section 198 of the Companies Act ,2013)					
	Total Managerial Remuneration (being total of i and ii)						₹ 87.33 Lakhs
	Overall Ceiling as per the Act	Ceiling limits is ₹54.01 Lakhs (11% of the Profit calculated as per section 198 of the Companies Act, 2013)					



## Attachment J

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## iii Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amounts (₹ In lakhs)
		Sandeep Nema, Company Secretary (Resigned w.e.f. 28.09.2017)	Satyanarayan Patidar (Appointed as Company Secretary w.e.f. 13.11.2017)	Hassan Ali, Chief Financial Officer (Resigned w.e.f. 23.12.2017)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	1.29	1.22	1.72	4.23
	(b) Value of perquisites u/s 17(2) of the Income-tax act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - Others( specify)	-	-	-	-
5.	Others, please specify (PF)	0.07	0.08	0.09	0.24
	Total iii (₹ In lakhs)	1.36	1.3	1.81	4.47

## Attachment K

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

For and on behalf of the Board of Directors

Place: Dewas  
26<sup>th</sup> May 2018Piyush Mutha  
Managing Director  
(DIN-00424206)Mohan Lal Jain  
Director  
(DIN: 00395584)



## **Annexure-III**

### **REMUNERATION POLICY**

#### **TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE**

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

#### **CRITERIA FOR DETERMINING THE FOLLOWING**

##### **Qualifications for appointment of Directors (including Independent Directors)**

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

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

##### **Positive attributes of Directors (including Independent Directors)**

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



- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

**Criteria for appointment of KMP/Senior Management**

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

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

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.

No director/KMP/ other employee is involved in deciding his or her own remuneration and the trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration & It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.

- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Following criteria are also to be considered:-
  - Responsibilities and duties;
  - Time & efforts devoted; Value addition;
  - Profitability of the Company & growth of its business;
  - Analyzing each and every position and skills for fixing the remuneration yardstick;
  - Standards for certain functions where there is a scarcity of qualified resources;
  - Ensuring tax efficient remuneration structures;
  - Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low;
  - Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.



- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

**REVIEW**

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

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

**Place: Dewas  
26<sup>th</sup> May 2018**

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

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

**Annexure-IV**

**Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary of the Company in the financial year 2017-18.

<b>Name &amp; Designation</b>	<b>Remuneration # of each Director &amp; KMP for Financial Year 2017-18 (in ₹)</b>	<b>% increase/decrease in remuneration in the Financial Year 2017-18</b>	<b>Ratio of remuneration of each Directors to median remuneration of employees</b>
<b>A. Directors</b>			
Shri Piyush Mutha (Promoter/Managing Director )	8297026	19.08	63.97
Shri Mangalore Maruthi Rao (Whole Time Director)	420000	8.90	3.24
Shri Praneet Mutha## (Promoter/Non-Executive Director)	5000	-	-
Shri Mohan Lal Jain## (Independent Director )	5500	-	-
Shri Raghuram Krishnamurthy## (Independent Director )	500	-	-
Shri Subhash Kocheta## (Independent Director )	2000	-	-
Smt. Deepa Sudhir Mekal## (Independent Director/ Woman Director)	2500	-	-
<b>B. Key Managerial Personnel</b>			
Mr. Sandeep Nema (Company Secretary)*	136091.51	-	-
Mr. Satyanarayan Patidar (Company Secretary**)	129930.32	-	-





Name & Designation	Remuneration # of each Director & KMP for Financial Year 2017-18 (in ₹)	% increase/ decrease in remuneration in the Financial Year 2017-18	Ratio of remuneration of each Directors to median remuneration of employees
Mr. Hassan Ali(Chief Financial Officer***)	180771.84	-	-

# Remuneration excludes provision for gratuity.

## Only sitting fee paid, have not been considered as remuneration.

\*Resigned w.e.f. 28.09.2017, therefore the remuneration figures is not comparable.

\*\* Appointed w.e.f. 13.11.2017, thus the remuneration figure is not comparable.

\*\*\*Resigned w.e.f. 23.12.2017, therefore the remuneration figures is not comparable.

2. The percentage increase/ decrease in the median remuneration of employees in the financial year 2017-18 is 5.44%.

3. The number of permanent employees on the rolls of Company:

There were 96 permanent employees on the rolls of Company as on 31st March, 2018.

4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase in the salaries of employee other than the Managerial personnel in the Financial Year 2017-18 was 5.47% and the increase in the salary of the Managerial personnel was 18.55%. There is no direct relationship between the average increase in remuneration and Company performance. The Company takes various things like inflation, market trend and other related issue at the time of increase in remuneration of the employee. The Individual Performance is also one of the major criteria in increase of remuneration.

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

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

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

a) Name of the top 10 employees in terms of remuneration drawn during the financial year 2017-18

S. No	Name of Employee	Designation of the Employee	Remuneration received (in ₹)	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Shri Piyush Mutha	Managing Director	8297026	Permanent Employee	B.E & MBA, 25 years Experience	Re-appointment for 2 years w.e.f. 01.04.2017	49	-	He is brother of Shri Praneet Mutha, Director of the Company



S. No	Name of Employee	Designation of the Employee	Remuneration received (in ₹)	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
2	Shri Ashwani Kamra	General Manager (Works)	1288668	Permanent Employee	B.Tech (Textile), 26 years	02.12.2012	48	Ginni Filaments Ltd.	-
3	Shri Chandra Shekhar Sharma	Manager Commercial	752100	Permanent Employee	B.Com, 26 years	15.10.2011	50	Pratibha Syntex Ltd	-
4	Shri Arvind Deshmukh	Sr. Manager (Production)	731964	Permanent Employee	Diploma in Electronics & Textile, 21 years	30.07.2006	48	Sanjay Gandhi Cooperative Spinning Mills	-
5	Shri Sanjeev Kumar Gupta	Joint Manager (Production)	512496	Permanent Employee	B.E. (Mech.), 23 Years	01.06.1999	48	Sulony Fibre Glass Pvt. Ltd.	-
6	Shri Raju Gupta	Deputy Manager (P&A)	506352	Permanent Employee	Master in Personnel Management, 13 years	25.12.2013	39	SEL Manufacturing Company Ltd.	-
7	Shri Rajendra Pal Singh	Joint Manager (Maintenance)	502356	Permanent Employee	Diploma in Mech, 24 years	01.09.1998	44	Swastik Spintex Ltd.	-
8	Shri Sanjay Kumar Dubey	Deputy Manager (Production)	497849	Permanent Employee	Diploma in Textile Technology, 25 years	20.06.2005	49	Skumars Nationwide Ltd	-
9	Shri Harishankar Parashar	Shift Manager	448738	Permanent Employee	Diploma in Mech, 27 years	07.04.2015	52	Moenus Textile Pvt. Ltd.	-
10	Shri Anil Tiwari	Joint Manager (Material)	441192	Permanent Employee	Diploma in Material Management	23.04.2007	52	KM Crown Welding Consumable	-

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

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

**Place: Dewas  
26<sup>th</sup> May 2018**

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

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



**Annexure-V**

**SECRETARIAL AUDIT REPORT**

For the Financial Year ended on 31<sup>st</sup> March, 2018

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Vippy Spinpro Ltd. for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Period, as there was no such transaction)
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
  - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period, as there was no such transaction);
  - (iv) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October, 2014; (Not applicable to the Company during the Audit Period, as there was no such transaction)
  - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period, as there was no such transaction)
  - (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



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

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

- (i) Secretarial Standards on Board and General Meetings, as issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements as entered into by the Company with Bombay Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

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

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

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

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

For Shilpesh Dalal & Co.,  
Company Secretary

Shilpesh Dalal  
(Proprietor)  
M.No. FCS-5316  
C.P. No. 4235

Indore  
26<sup>th</sup> May, 2018

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



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

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

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

For, Shilpesh Dalal & Co.,  
Company Secretary

SHILPESH DALAL  
(Proprietor)  
M.No. FCS-5316  
C.P. No. 4235  
Indore  
26<sup>th</sup> May, 2018



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **ECONOMY-OVERVIEW**

According to World Economic Outlook (“WEO”) of International Monetary Fund (“IMF”), Global growth is projected to pick up to 3.9% this year and next year, supported by strong momentum, favourable market sentiment, accommodative financial conditions, and the domestic and internal repercussions of expansionary fiscal policy in the US. The IMF in its latest World Economic Outlook, growth in India is projected to increase from 6.7% in 2017 to 7.4% in 2018 and 7.8 percent in 2019 (unchanged from the October WEO), lifted by strong private consumption as well as fading transitory effects of the currency exchange initiative and implementation of the national goods and services tax. Over the medium term, growth is expected to gradually rise with continued implementation of structural reforms that raise productivity and incentivize private investment.

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

The Indian textile industry is one of the largest in the world with a large raw material base and manufacturing strength across the value chain. The uniqueness of the industry lies in its strength both in the hand-woven sector as well as in the capital intensive mill sector. The mill sector, with 3400 textile mills having installed capacity of more than 50 million spindles and 842000 rotors is the second largest in the world.

The Indian textile Industry has inherent linkage with agriculture, culture and traditions of the country making for its versatile spread of products appropriate for both domestic and export markets. The textile industry contributes to 7% of industry output in value terms, 2% of India’s GDP and to 15% of the Country’s export earnings. With over 45 million people employed directly, the textile industry is one of the largest sources of employment generation in the country.

In keeping with goal of making India’s development inclusive and participative, the Government’s central focus has been on increasing textile manufacturing by building the best-in-class manufacturing infrastructure, up-gradation of technology fostering innovation, enhancing skills and traditional strengths in the textile sector.

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

### **OPPORTUNITY AND THREATS**

#### **Opportunity**

With consumption and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with several international players like Marks and Spencer, Guess and Next having entered in Indian Market. Increased penetration of organized retail, favourable demographics and rising income levels to drive textile demand. The India’s growing population has been a key driver of textile consumption growth in the country. Moreover, according to World Bank, urban population accounts for 32.7% of the total population of India. This also works as demand driver due to changing taste and preferences in the urban part of India. It has been complemented by a young population which growing and at the same time is exposed to changing tastes and fashion. India enjoys a comparative advantage in terms of skilled manpower and in cost of production.

The Government is also taking various initiatives to attract foreign investments in the textile sector.

#### **Threats**

Cotton is raw material of the Company which is source from domestic market. Cotton is an agriculture product and its supply and quality are subject to force of nature. Any material shortage or interruption in the domestic supply or deterioration in the quality of cotton due to natural causes or other factors could result in increased production costs.



The volatility in price of oil prices in international market and shortage of manpower are the major threaten to the company.

**SEGMENTWISE PERFORMANCE**

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

**OUTLOOK**

The future of the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. The Company believes that the Government also has significant role to play in the growth of this industry.

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

**RISK AND CONCERNS**

The Company had adopted Risk Management Policy to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business.

The volatility in price of cotton which is raw material for the Company, volatility in oil prices in international market and non -availability of skilled manpower are the major threats to the company.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

**OPERATIONAL & FINANCIAL PERFORMANCE**

**OPERATIONAL PERFORMANCE**

**(Qty. in MT.)**

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Production	8302.924	8681.416
Sales	8184.178	8706.559

**FINANCIAL PERFORMANCE**

**(₹ In Lakhs)**

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Total Revenue	10683.15	9947.42
Profit before finance cost, depreciation & amortization, and tax	784.11	690.10
Less: Financial Costs	97.16	36.40
Less: Depreciation and Amortization	194.60	186.57
Profit before Tax	492.35	467.13
Less: Tax Expenses	149.61	134.87
Profit after Tax for the year	342.74	332.26



The Company's revenue for the year under review amounted to ₹ 10683.15 Lakhs as compared to ₹ 9947.42 Lakhs for the previous year. The Profit before Tax for the year under review amounted to ₹ 492.35 Lakhs as compared to ₹ 467.13 Lakhs for the previous year. The Profit after Tax for the year under review amounted to ₹ 342.74 Lakhs as compared to ₹ 332.26 Lakhs for the previous year.

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

The Company believes that employee plays a pivotal role in achieving a competitive advantage. The Company provides them an environment, where each employee is motivated to contribute his best to achieve the Companies objective. The focus of all aspects of Human Resource Development is on developing a superior workforce so that the organization and individual employee can achieve their work goals. The Company has a progressive HR policy for helping employees to develop their organization skills, knowledge and abilities to achieve greater efficiency. The Industrial Relations of the Company with its personnel has continued to be cordial and friendly during the year. The Company has 96 permanent employees as on the rolls of the Company as on 31.03.2018.

**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.

The Company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.



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

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

Report on Corporate Governance for the year ended 31.03.2018, in terms of regulation 34(3) read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out below:

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

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

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

Name	Category	Attendance		Total No of Directorship in other Public companies incorporated in India	No of committees positions #held in other Public companies incorporated in India	
		Board Meeting	Last AGM		Chairman	Member
Shri Piyush Mutha	Promoter/Managing Director	11	Yes	-	-	-
Shri Mangalore Maruthi Rao	Whole Time Director	3	Yes	-	-	-
Shri Praneet Mutha	Promoter/ Non-Executive Director	10	Yes	1	-	-
Shri Mohan Lal Jain	Independent Director	11	Yes	-	-	-
Shri Subhash Kocheta	Independent Director	4	No	-	-	-
Shri Raghuram Krishnamurthy	Independent Director	1	No	-	-	-
Smt. Deepa Sudhir Mekal	Independent Director/ Woman Director	5	No	1	-	-

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

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



During the Financial year ended 31<sup>st</sup> March, 2018, total eleven (11) meetings of Board Of Directors were held on 27.05.2017, 01.07.2017, 08.08.2017, 09.09.2017, 11.11.2017, 23.11.2017, 02.12.2017, 13.12.2017, 20.01.2018,14.02.2018, and 14.03.2018. Maximum gap between two meetings was less than four months.

There has been no pecuniary transaction or relationship between the Company and its Non-Executive Directors during the year ended 31<sup>st</sup> March, 2018 apart from paying sitting fees.

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

Number of shares held by Non-Executive Directors as on 31st March, 2018

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

#### **Familiarization Programme**

The Company has put in place a system to familiarize its Independent Directors with the Company, covering the area as:-nature of the industry in which Company operates, business model of Company, roles, rights & responsibilities of the Independent Directors etc. The details of programme for familiarization is placed on the website of the Company, Weblink: <http://www.vippyspinpro.com/Familiarisation-Programme-for-the-fy-2017-18.pdf>

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

#### **Board Procedures**

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

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

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

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

The meeting of Independent Directors held on 14.02.2018, without the attendance of Non-Independent Directors and members of Management. The following issues were discussed in detail:

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



**Code of Conduct**

The Company had laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct is available on the website of the Company [www.vippyspinpro.com](http://www.vippyspinpro.com). All the Board Members and Senior Management Personnel have affirmed compliances with the Code of Conduct, as on 31.03.2018.

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

**3. Audit Committee**

**Composition and Attendance**

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

During the year under review, Four (4) meeting of Audit Committee were held on 27.05.2017, 09.09.2017, 13.12.2017 and 14.02.2018.

As on 31<sup>st</sup> March 2018, the composition of the Audit Committee and details of meeting attended by the members are as under:

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

Company Secretary acts as Secretary to the Audit Committee.

**Terms of reference the Audit Committee**

Role of the Audit Committee shall include the following:

- Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment/re-appointment, remuneration and terms of appointment of Statutory Auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the Annual Financial Statements and Auditor’s Report thereon before submission to the Board for approval, with particular reference to:
  - (a) matters required to be included in the Director’s Responsibility Statement to be included in the Board’s Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustment made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;



- (f) disclosure of any related party transactions;
- (g) qualification/modified opinion(s) in the draft audit report;
- Reviewing with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Approving or subsequently modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertaking or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control system;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders(in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the Vigil Mechanism/Whistle Blower Policy;
- Approving the appointment of chief financial officer after assessing the qualifications, experience and background etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- Reviewing the financial statements, in particular, the investments made by the unlisted subsidiaries, if any

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

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions(as defined by the audit committee), submitted by management;



- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal Audit Reports relating to internal control weakness; and
- The appointment, removal and terms of remuneration of the chief internal auditor.
- Statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulations 32(1) of SEBI Listing Regulations.
  - (b) annual statement of funds utilized for purpose other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

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

The Audit Committee Meetings are usually held at the works Office of the Company and the Audit Committees invites the CFO, Internal Auditor & Statutory Auditors, and Managing Director. Chairman of the Committee has attended previous Annual General Meeting of the Company held on 27<sup>th</sup> day of September ,2017.

**4. Nomination & Remuneration Committee**

**Composition and Attendance**

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

During the year under review, two (2) meeting of Nomination & Remuneration Committee were held on 11.11.2017 and 14.02.2018.

As on 31st March, 2018, the composition of the Nomination & Remuneration Committee and details of meeting attended by the members are as under:

Name	Position	Category	No. of Meetings during the year	
			Held	Attended
Shri Raghuram Krishnamurthy	Chairman	Independent Director	2	-
Shri Mohan Lal Jain	Member	Independent Director	2	2
Shri Subhash Kocheta	Member	Independent Director	2	2

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

**Terms of reference**

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice.
- Formulation of criteria for evaluation of Independent Directors and the Board.



- Devising a policy on the Board diversity.
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
- Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and any other benefits such as Commission, if any, payable to the Non- Executive Directors.
- Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of the independent directors.

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

### **Performance Evaluation**

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

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

### **Performance Evaluation of Board, Committees & Directors**

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

The Independent Directors in the meeting shall:

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

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

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

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

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

The criteria for evaluation of performance of the Board, Executive Directors, Non Executive Directors including Independent Directors, Chairperson of the Company and Board's Committees are as follows:

#### **(I) Board**

Evaluation criteria for evaluation of Board inter- alia shall covers: Composition in light of business complexities and statutory requirements; establishment of vision, mission, objectives and values for the Company; laying down strategic road map for the Company, growth attained by the Company; providing leadership and directions to the Company and employees; effectiveness in ensuring statutory



compliances and discharging its duties/ responsibilities towards all stakeholders; identification, monitoring & mitigation of significant corporate risks; composition of various committees, lying down terms of reference and reviewing committee's working etc.

**(II) Chairperson of the Company**

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

**(III) Committees of the Board**

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

**IV) Executive Directors**

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

**(V) Non Executive Directors including Independent Directors**

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

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

**5. Director Remuneration**

a) The Company did not have any pecuniary relationship or transactions with non executive directors during the year ended 31<sup>st</sup> March, 2018 except for payment of sitting fees.

**b) Criteria of making payment to non-executive director**

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

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

**c) Remuneration to Directors**

(i) the details of remuneration paid to Directors for the year ended 31<sup>st</sup> March, 2018 are as under

Name of Director	Designation	Salary (₹)	Perquisites and other benefits(₹)	PF & other Fund (₹)	Bonus (₹)	Pension (₹)	Stock Option (₹)	Sitting Fees (₹)	Total (₹)
Shri Piyush Mutha	Promoter/ Managing Director	6600000	113026	1584000	-	-	-	-	8297026
Shri Mangalore Maruthi Rao	Whole Time Director	420000	-	-	-	-	-	-	420000
Shri Praneet Mutha	Promoter/Non- Executive Director	-	-	-	-	-	-	5000	5000
Shri Mohan Lal Jain	Independent Director	-	-	-	-	-	-	5500	5500
Shri Subhash Kocheta	Independent Director	-	-	-	-	-	-	2000	2000
Shri Raghuram Krishnamurthy	Independent Director	-	-	-	-	-	-	500	500
Smt. Deepa Sudhir Mekal	Independent Director/ Woman Director	-	-	-	-	-	-	2500	2500

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

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

**6. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprises of two members who are independent non-executive directors. The committee composition and terms of reference meet the requirements of section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

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

During the year under review, four (4) meetings of Stakeholders Relationship Committee were held on 27.05.2017, 09.09.2017, 13.12.2017 and 14.02.2018.





**Composition and Attendance**

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

Name	Position	Category	No. of Meetings during the year	
			Held	Attended
Shri Subhash Kocheta	Chairman	Independent Director	4	4
Shri Mohan Lal Jain	Member	Independent Director	4	4

Company Secretary acts as Secretary to the Stakeholders Relationship Committee.

[a] Name and Designation of Compliance Officer : Mr. Satyanarayan Patidar  
Company Secretary (w.e.f. 13.11.2017)  
Email-id- cs@vippyspinpro.com

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

No. of Investor complaints pending at the beginning of year	No. of Investor complaints received during the year	No. of Investor complaints disposed of during the year	No. of Investor complaints unresolved at the end of year
2	17	19	0

The number of pending share transfer request as on 31<sup>st</sup> March 2018 is Nil.

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

**7. General Body Meeting**

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

Year	Annual General Meeting (AGM)	Day, Date & Time	Venue
2016-17	25 <sup>th</sup>	Wednesday, 27 <sup>th</sup> day of September, 2017, 09.30 a.m	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road,Opp. Sony World, Indore-452010 (M.P.)
2015-16	24 <sup>th</sup>	Wednesday, 31 <sup>st</sup> day of August, 2016, 09.00 a.m	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road,Opp. Sony World, Indore-452010(M.P.)
2014-15	23 <sup>rd</sup>	Monday, 21 <sup>st</sup> day of September, 2015, 09.00 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
27.09.2017	Yes	1. Re-appointment of Shri Managalore Maruthi Rao as a Whole Time Director for a period of 2 years w.e.f. 28.10.2016 2. Approval to deliver document through a particular mode as may be sought by the Member 3. Re-appointment of Shri Piyush Mutha as a Managing Director for a period of 2 years w.e.f. 01.04.2017
31.08.2016	Nil	Nil
21.09.2015	Yes	1. Re-appointment of Shri Managalore Maruthi Rao as a Whole Time Director for a period of 2 years w.e.f. 28.10.2014 2. Re-appointment of Shri Piyush Mutha(DIN:00424206) as a Managing Director for a period of 2 years w.e.f. 01.04.2015



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

**Passing of resolution by postal ballot:**

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

**8. Means of Communication**

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

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

**9. General Shareholders Information**

**(a) Annual General Meeting**

Day ,Date & Time	Saturday, 29 <sup>th</sup> day of September,2018 at 9.30 a.m.
Venue	Hotel Amar Vilas,1, Chandra Nagar, A.B. Road, Opp. Sony World, Indore - 452010 (M.P.)
Financial Calendar for F.Y. 2018-19	
1st Quarter Results	1st /2nd Week of August
2nd Quarter Results	1st /2nd Week of November
3rd Quarter Results	1st /2nd Week of February
4 <sup>th</sup> Quarter Audited Results and Audited Annual Financial Statements for the FY 2018-19	3rd /4th Week of May
Date of Book Closure	Monday, 24 <sup>th</sup> day of September, 2018 to Saturday, 29 <sup>th</sup> day of September, 2018 (both days inclusive)
Dividend Payment Date	No Dividend has been proposed by Board of Director of the Company for the year 2017-18
Listing of Securities on the Stock Exchanges& payment of listing fees.	Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai -400051 The Company has paid Annual listing fee for the year 2018-19
Stock Code/Symbol	Scrip Code: 514302 Scrip ID : VIPPYSP
ISIN Number	INE660D01017

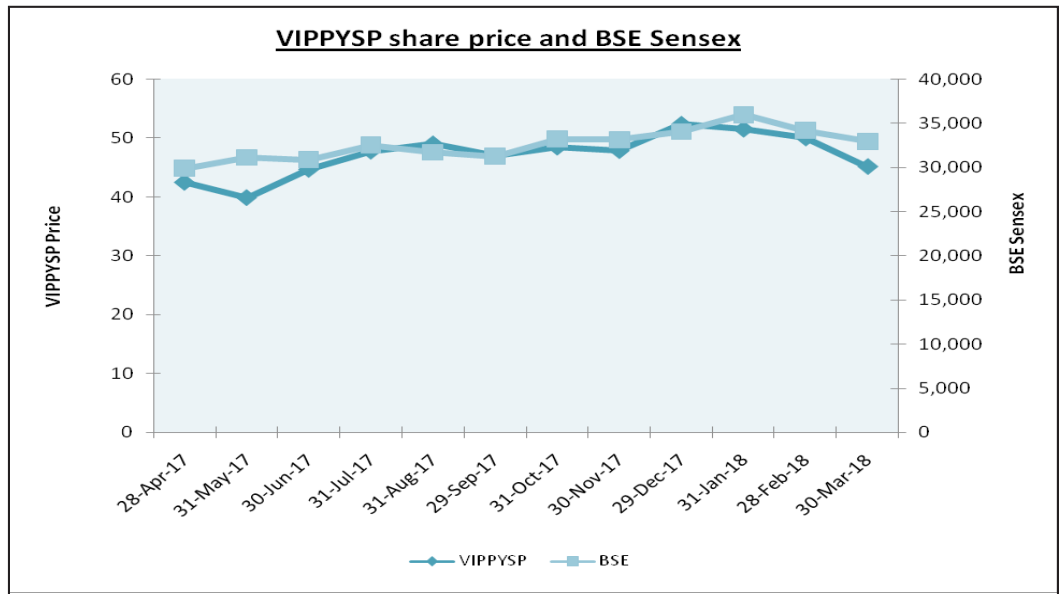


**(b) Market Price Data**

The monthly high and low quotation of shares at the Bombay Stock Exchange Ltd., Mumbai during the year ended 31st March, 2018 are as under:

Month	High(in ₹)	Low(in ₹)
April,2017	42.65	35.50
May,2017	59.50	37.85
June,2017	49.80	38.85
July,2017	50.00	40.20
August,2017	49.00	41.00
September,2017	61.60	45.00
October, 2017	54.00	41.00
November,2017	50.75	44.00
December,2017	54.65	45.10
January,2018	61.00	50.20
February,2018	54.80	40.30
March,2018	52.95	43.00

**(C) Performance of Company’s Equity Share’s price in comparison to BSE Sensex:**



**d) Distribution of Shareholdings as on 31<sup>st</sup> March, 2018**

Distribution	No. of share holders	%	No. of Shares	%
Upto 100	6917	77.11	663400	11.30
101-200	596	6.64	115474	1.97
201-300	231	2.58	66930	1.14



Distribution	No. of share holders	%	No. of Shares	%
301-400	121	1.35	46937	0.80
401-500	517	5.77	257963	4.39
501-1000	352	3.92	289681	4.94
1001-2000	143	1.59	209227	3.56
2001-3000	27	0.30	67401	1.15
3001-4000	10	0.11	35857	0.61
4001-5000	26	0.29	128501	2.19
5001-10000	13	0.14	88677	1.51
10001 and above	18	0.20	3899952	66.44
<b>TOTAL</b>	<b>8971</b>	<b>100</b>	<b>5870000</b>	<b>100</b>

(e) Shareholding Pattern of the Company as on 31st March , 2018

Sr. No	Particulars	No. of Shares	% of holding
<b>(A)</b>	<b>Promoter and Promoter Group</b>		
	<b>1. Indians</b>		
(a)	Individuals/Hindu undivided Family	3196497	54.45
(b)	Central Government/State Government(s)	0	0.00
(c)	Financial Institutions/Banks	0	0.00
(d)	Any other (Specify) Bodies Corporate	259541	4.42
	<b>Sub Total(A)(1)</b>	<b>3456038</b>	<b>58.88</b>
	<b>2. Foreign</b>		
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0.00
(b)	Government	0	0.00
(c)	Institutions	0	0.00
(d)	Foreign Portfolio Investor	0	0.00
(e)	Any other (Specify)	0	0.00
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)1+(A)2</b>	<b>3456038</b>	<b>58.88</b>
<b>(B)</b>	<b>Public shareholding</b>		
	<b>1. Institutions</b>		
(a)	Mutual Funds	3800	0.06
(b)	Venture Capital funds	0	0.00
(c)	Alternate Investment Funds	0	0.00
(d)	Foreign venture Capital Investors	0	0.00
(e)	Foreign Portfolio Investors	0	0.00
(f)	Financial Institutions/Banks	0	0.00
(g)	Insurance Companies	0	0.00
(h)	Provident Funds/Pension Funds	0	0.00
(i)	Any other (Specify)	0	0.00
	<b>Sub-Total (B)(1)</b>	<b>3800</b>	<b>0.06</b>
	<b>2. Central Government/State Government(s)/President of India</b>	<b>0</b>	<b>0.00</b>
	<b>Sub-Total (B)(2)</b>	<b>0</b>	<b>0.00</b>



Sr. No	Particulars	No. of Shares	% of holding
	<b>3. Non-institutions</b>		
	<b>Individuals</b>		
(a)	i. Individual Shareholders holding nominal share capital up to ₹2 Lakhs	1738200	29.61
(b)	ii. Individual Shareholders holding nominal share capital in excess of ₹ 2 Lakhs	412611	7.03
(c)	NBFCs registered with RBI	0	0.00
(d)	Employee Trusts	0	0.00
(e)	Overseas Depositories(Holding DRs)	0	0.00
(f)	Any other (Specify)		
	Bodies Corporate	43340	0.74
	NRI/OCB	215861	3.68
	Clearing Member	150	0.00
	<b>Sub-Total (B)(3)</b>	<b>2410162</b>	<b>41.06</b>
	<b>Total Public Shareholding(B)=(B)(1)+ (B)(2)+ (B)(3)</b>	<b>2413962</b>	<b>41.12</b>
(C)	(1)Custodians/DR Holder	0	0.00
	(2)Employee Benefit Trust(under SEBI(Share based Employee benefit Regulation,2014)	0	0.00
	<b>Total Non-Promoter-Non Public Shareholding (C)=(C)(1)+(C)(2)</b>	<b>0</b>	<b>0.00</b>
	<b>Total(A)+(B)+(C)</b>	<b>5870000</b>	<b>100</b>

**(f) Registrar and Share Transfer Agents of the Company**

Ankit Consultancy Pvt. Ltd.  
60, Electronic Complex, Pardeshipura,  
Indore-452010 (M.P.)  
Ph. 0731- 2551745-46,  
Fax.0731- 4065798  
e-mail: ankit\_4321@yahoo.com  
Time : 10.00 a.m. to 6.00 p.m.

**(g) Share Transfer System**

The transfer of shares in physical form are completed & returned within 15 days from the date of receipt thereof provided all the documents are in order and in respect of shares held in dematerialized mode, the transfer take place instantly between the transferor and transferee at the depository participant(s) through which electronics debit/credit of the accounts are involved. In compliance with the Listing Regulation, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

**(h) Dematerialization of Shares and Liquidity:** The details of shares under dematerialized and physical mode as on 31st March,2018 are as under:

Particulars	As on 31st March, 2018	
	No. of Equity Shares	% percentage
National Securities Depository Ltd.(NSDL)	3984976	67.89
Central Depository Services (India) Ltd.( CDSL)	724954	12.35
Total Dematerialized	4709930	80.24
Physical	1160070	19.76
<b>TOTAL</b>	<b>5870000</b>	<b>100</b>



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

- (i) **Outstanding Securities:** There are no securities outstanding at the end 31<sup>st</sup> March ,2018.
- (j) **Disclosures with respect to demat suspense account/unclaimed suspense account :** N.A.
- (k) **Commodity price risk or foreign exchange risk and hedging activities-** The Company has robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company. The price of the products of the Company are market driven and is fixed based on the prevailing market price. In respect of foreign exchange commitments hedging has been made.
- (l) **Plant Location**  
14-A, Industrial Area  
A.B Road, Dewas 455001(M.P.)
- (m) **Address for correspondence**

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

- The Company has not entered into any transaction of material nature with related parties that may have potential conflict with the interest of the Company at large. The particulars of contracts/arrangement/ transactions with related parties have been disclosed in the Notes to the Financial Statements of the Company forming part of the Annual Report. The Company had adopted a policy on Related Party Transactions and the same is displayed on the website of the Company, Weblink: <http://www.vippyspinpro.com/Related-Party-Transaction-Policy.pdf>
- The Company has complied with all requirement specified under SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchange or any statutory authority for non compliance of any matter related to the capital markets during the last three years..

The Company had adopted a Whistle Blower Policy to provide a vigil mechanism to Directors, employees for reporting illegal & unethical behaviour. It also provides adequate safeguards against the victimization of employees who avail of this mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases. The details of the said mechanism has been disclosed on the website of the Company,weblink: <http://www.vippyspinpro.com/Whistle-Blower-Policy.pdf>. During the year under review, no employee was denied access to the Audit Committee.

- In preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind As).



- There are no subsidiaries of the company. The policy for determination of materiality, which has been put up on the website of the company at weblink: [http://www.vippyspinpro.com/Policy for Determination of Materiality.pdf](http://www.vippyspinpro.com/Policy%20for%20Determination%20of%20Materiality.pdf)
  - Commodity price risk and commodity hedging risk.- The Company has robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact. The price of the products of the Company are market driven and is fixed based on the prevailing market price. In respect of foreign exchange commitments hedging has been made.
  - There has been no instance of non compliance of any requirement of corporate governance report as specified in paras (2) to (10) of schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - The Company complies with all the mandatory requirement and also complied following non-mandatory requirements as specified in part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as follows:
  - **Modified opinion(s) in Audit Report:** During the year under review, there were no audit qualifications in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.
  - **Reporting of Internal Auditor:** Reporting by Internal Auditor directly to the Audit Committee.
  - The Company has complied with all the requirement of Corporate governance, as specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- 11.** The certificate from Company Secretary in Practice confirming compliance of the conditions of corporate governance requirements as specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is attached to this report.
- 12. Management discussion and Analysis:** The Management Discussion and Analysis Report forms part of Directors Report.
- 13. CEO/CFO Certification**
- The Managing Director and CFO have certified to the Board with regard to the compliance made by them in terms of Regulation 17(8) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 for financial year 2017-18 is attached with this report. The Managing Director and CFO of the company also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.
- 14. Insider Trading**
- The Company had adopted a Code of Practice & Procedure for fair disclosure of Unpublished Price Sensitive Information and Code of Conduct for Prevention of Insider Trading of the Company pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all Directors/Promoters/Key Managerial Personnel /Designated Employees and other connected persons etc.. The Code ensures the prevention of dealing in Company's Shares by person having access to unpublished price sensitive information in relation to the Company. The same is displayed on the website of the Company.

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

**Place: Dewas  
26<sup>th</sup> May 2018**

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

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



**CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members of Vippy Spinpro Ltd.

We have examined the compliance of conditions of Corporate Governance by Vippy Spinpro Ltd. (“the Company”) for the year ended 31<sup>st</sup> March, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

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

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

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

For Shilpesh Dalal & Co.,  
Company Secretary

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

Indore  
26<sup>th</sup> May, 2018





**CEO/ CFO CERTIFICATION**

To,  
The Board of Directors  
Vippy Spinpro Ltd.

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

- (a) We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2018 and to best of our knowledge and belief , we state that:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true & fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and Audit Committee:
  - (i) significant changes, if any, in the internal control over financial reporting during the year;
  - (ii) significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

Place: Dewas  
Date: 26<sup>th</sup> May, 2018

Piyush Mutha  
Managing Director

Prabuddha Kumar Majumdar  
Chief Financial Officer

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**DECLARATION**

As per the requirements of Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that member of the Board of Directors and Senior Management Personnel, affirmed that they have complied with the Code of Conduct of Board of Directors and Senior Management for the year ended 31<sup>st</sup> March, 2018.

Place: Dewas  
Date: 26<sup>th</sup> May, 2018

Piyush Mutha  
Managing Director

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

We have audited the accompanying Ind AS financial statements of **VIPPY SPINPRO LTD.** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit (including other comprehensive income) its cash flows and changes in equity for the year ended on that date.

**Other Matter**

The Comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these Ind AS financial statement are based on the previously issued statutory financial statements for the year ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated May 27, 2017 and May 23, 2016 respectively. The



adjustment to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we enclose in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143 (3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements [Refer Note 32(b)];
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **R. S. Bansal & Company**  
Chartered Accountants  
FRN 000939C

Place : Dewas  
Dated: May 26, 2018

**Vijay Bansal**  
Partner  
Membership No. 075344

**Annexure A to the Independent Auditor's Report of even date on the Ind AS financial statements of VIPPY SPINPRO LIMITED for the year ended March 31, 2018****(Referred in paragraph 1 under the heading "Report on other Legal and Regulatory Requirement" of our report of even date to the members of VIPPY SPINPRO LIMITED for the year ended 31<sup>st</sup> March 2018)**

- I.
  - a) The Company has maintained proper record showing full particulars, including quantitative details and situation of fixed assets.
  - b) As informed to us, the management of the Company has physically verified the fixed assets at reasonable intervals, which in our opinion is reasonable, having regards to the size of the Company and nature of its assets and no material discrepancies were noticed on such verification.
  - c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- II.
  - a) The inventory of the Company has been physically verified during the year by the management at regular intervals.
  - b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business
  - c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories. No material discrepancies have been noticed on physical verification of inventories.
- III. As per the information and explanation given to us, the Company has not granted any secured/ unsecured loans to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- IV. As per information and explanation given to us, the Company has not granted any loan or given any guarantee on such loans covered under section 185 and neither it has made any investment covered under section 186 of the Companies Act, 2013.
- V. The Company has not accepted any deposits from the public within the meaning of section 73 to 76 of the Act and the rules framed there under to the extent notified.
- VI. We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the rule made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- VII.
  - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been generally regular in depositing undisputed dues relating to Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duties of Customs, Duties of Excise, Value Added Tax, Goods and Service tax (w.e.f. July 01, 2017), Cess and other material statutory dues applicable to it with appropriate authorities. There are no undisputed statutory dues payable which are outstanding as at March 31, 2018 for a period of more than 6 months from the date they became payable.



- b) According to the information and explanations given to us, there are no dues of VAT, Income-tax, Customs Duty, Excise Duty, Goods and Service Tax and Cess which have not been deposited on account of any dispute, except the following:

<b>S. No.</b>	<b>Name of the Statute (Nature of the Dues)</b>	<b>Forum where Matter is pending</b>	<b>Period to which the amounts relates</b>	<b>Amount (in ₹)</b>
1.	Entry Tax Act	M.P. Tax Tribunal Board, Bhopal	2007-08	6,31,496

- VIII. Based on our audit and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of any loan to Banks. No debentures have been issued by the Company till date and hence there are no debenture holders.
- IX. According to the information and explanations given to us, and based on documents provided to us, term loans availed by the Company were, prima-facie, applied by the Company for the purposes for which the loans were obtained. Further, during the year the Company has not raised any money by way of further public offers.
- X. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year nor have we been informed of such case by the management.
- XI. According to the information and explanation given to us, and based on documents provided to us, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- XII. As explained and informed to us, the Company is not a Nidhi Company and hence paragraph 3(xii) of the Order is not applicable on it.
- XIII. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under section 133 of the Act.
- XIV. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment, private placement of shares and fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- XV. According to the information and explanation given to us and based on audit procedures performed, the Company has not entered into any non-cash transactions with Directors or Persons connected with them.
- XVI. The Company is a manufacturing concern and therefore, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

**For R. S. Bansal & Company**  
Chartered Accountants  
FRN 000939C

Place : Dewas  
Dated: May 26, 2018

**Vijay Bansal**  
Partner  
Membership No. 075344

**Annexure B to the Independent Auditor's Report of even date on the Ind AS financial statements of VIPPY SPINPRO LIMITED for the year ended March 31, 2018****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to Ind AS financial statements of **Vippy Spinpro Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls with reference to Ind AS financial statements**

A company's internal financial control with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors



of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2018, based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the ICAI.

For **R. S. Bansal & Company**  
Chartered Accountants  
FRN 000939C

Place : Dewas  
Dated: May 26, 2018

**Vijay Bansal**  
Partner  
Membership No. 075344

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018

	Note No.	As at March 31, 2018	As at March 31, 2017	(₹ in Lakhs) As at April 01, 2016
<b>ASSETS</b>				
<b>Non - Current Assets</b>				
(a) Property, Plant and Equipment	2	1,567.20	1,064.16	1,129.78
(b) Capital work - in - progress	3	31.34	2.68	-
(c) Financial assets				
(i) Investments	4	45.63	61.15	36.72
(ii) Loans	5	82.31	79.51	82.72
(iii) Other financial assets	6	21.98	20.96	1.57
(d) Other non - current assets	7	11.83	323.17	1.57
<b>Sub-total Non-current Assets</b>		<b>1,760.29</b>	<b>1,551.63</b>	<b>1,252.36</b>
<b>Current Assets</b>				
(a) Inventories	8	2,248.10	2,587.80	1,650.79
(b) Financial assets				
(i) Trade receivables	9	1,298.94	853.81	741.21
(ii) Cash and cash equivalents	10	5.62	1.33	3.84
(iii) Other financial assets	11	315.70	13.89	14.94
(c) Other current assets	12	206.16	184.21	166.31
<b>Sub-total Current Assets</b>		<b>4,074.52</b>	<b>3,641.04</b>	<b>2,577.09</b>
<b>TOTAL - ASSETS</b>		<b>5,834.81</b>	<b>5,192.67</b>	<b>3,829.45</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	13	587.00	587.00	587.00
(b) Other Equity	14	3,009.53	2,674.44	2,326.63
<b>Sub-total Equity</b>		<b>3,596.53</b>	<b>3,261.44</b>	<b>2,913.63</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	15	241.50	26.08	106.31
(b) Provisions	16	3.21	3.21	28.07
(c) Deferred tax liabilities (Net)	17	154.85	114.86	119.78
<b>Sub-total Non-current Liabilities</b>		<b>399.56</b>	<b>144.15</b>	<b>254.16</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	18	1,445.72	1,385.13	199.70
(ii) Trade payables	19	33.29	7.91	34.66
(iii) Other financial liabilities	20	272.76	257.70	307.02
(b) Other current liabilities	21	55.64	63.10	48.79
(c) Provisions	22	26.85	24.40	10.06
(d) Current tax liabilities (Net)	23	4.46	48.84	61.43
<b>Sub-total Current Liabilities</b>		<b>1,838.72</b>	<b>1,787.08</b>	<b>661.66</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>5,834.81</b>	<b>5,192.67</b>	<b>3,829.45</b>

Significant Accounting Policies 1  
The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For R.S. Bansal & Company

Chartered Accountants

Firm's Registration Number: 000939C

For and on behalf of the Board of Directors

Vijay Bansal

Partner

Membership No. 075344

Dewas  
May 26th, 2018

Piyush Mutha  
Managing Director

Mohan Lal Jain  
Director

Satyanarayan Patidar  
Company Secretary

Prabuddha Kumar Majumdar  
Chief Financial Officer



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

		(₹ in Lakhs)	
	Note No.	For the year ended 31-3-2018	For the year ended 31-3-2017
<b>INCOME:</b>			
Revenue from operations	24	10,515.47	9,806.89
Other income	25	167.68	140.53
<b>Total Income</b>		<u>10,683.15</u>	<u>9,947.42</u>
<b>EXPENSES</b>			
Cost of material consumed	26	7,960.61	7,407.66
Changes in inventories of Finished goods, work - in - progress and Stock - in - trade	27	(12.89)	7.60
Employee benefits expense	28	332.48	329.35
Finance Cost	29	97.16	36.40
Depreciation & amortization expenses	2	194.60	186.57
Other Expenses	30	1,618.84	1,512.71
<b>Total Expenses</b>		<u>10,190.80</u>	<u>9,480.29</u>
Profit before exceptional items & tax		492.35	467.13
Exceptional Items		-	-
<b>Profit before tax</b>		492.35	467.13
Tax expenses:			
(1) Current tax			
of Current year		102.51	147.75
of Earlier years		1.98	0.12
(2) Deferred tax		45.12	(13.00)
<b>Total Tax Expense</b>		<u>149.61</u>	<u>134.87</u>
<b>Profit after Tax for the year</b>		<u>342.74</u>	<u>332.26</u>
<b>Other Comprehensive Income</b>			
A. (i) Items that will be reclassified to profit or (loss)		-	-
(ii) Income tax relating to items that will be reclassified to profit or (loss)		-	-
B. (i) Items that will not be reclassified to profit or (loss)		(12.78)	23.63
(ii) Income tax relating to items that will not be reclassified to profit or (loss)		5.13	(8.08)
<b>Other Comprehensive Income/(Loss) for the Year</b>		<u>(7.65)</u>	<u>15.55</u>
Total Comprehensive Income for the year (Comprising Profit/(Loss) and Other Comprehensive Income for the year)		<u>335.09</u>	<u>347.81</u>
Earning per equity share of nominal value of ₹ 10/- each	31		
(1) Basic (₹)		5.84	5.66
(2) Diluted (₹)		5.84	5.66

**Significant Accounting Policies**

1

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For R.S. Bansal &amp; Company

Chartered Accountants

Firm's Registration Number: 000939C

For and on behalf of the Board of Directors

Vijay Bansal

Partner

Membership No. 075344

Dewas  
May 26th, 2018Piyush Mutha  
Managing DirectorMohana Lal Jain  
DirectorSatyanarayan Patidar  
Company SecretaryPrabuddha Kumar Majumdar  
Chief Financial Officer

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

(₹ in Lakhs)

Particulars		Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Profit before income tax	492.35	467.14
	Adjustments for		
	Depreciation and amortisation expense	194.60	186.57
	Loss/(Profit) on sale of Fixed Assets	(27.08)	(5.82)
	Financial Charges	97.15	36.40
	Dividend Income	(0.01)	(0.00)
	Interest Income	(12.40)	(11.25)
	Prior period Adjustment	(1.98)	(0.12)
	Profit on sale of shares	(2.63)	-
	Reclassification of remeasurement of employee benefits	2.74	(0.80)
	<b>Operating Profit before working capital changes</b>	<b>742.74</b>	<b>672.12</b>
	Adjustment for working capital changes:		
	(Decrease)/Increase in Trade payables and other Liabilities	54.32	(21.98)
	(Increase)/Decrease in Inventories	339.68	(937.00)
	(Increase) in Trade Receivable	(445.12)	(112.60)
	(Increase) in Financial and Other Assets	(16.25)	(354.64)
	<b>Cash generated from operations</b>	<b>675.37</b>	<b>(754.10)</b>
	Income taxes paid	146.88	160.34
	<b>Net cash inflow from operating activities</b>	<b>528.49</b>	<b>(914.44)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Payments for property, plant and equipment	(788.26)	(135.13)
	Proceeds from sale of investments	2.63	-
	Proceeds from sale of property, plant and equipment	89.05	17.31
	Dividends received	0.01	0.00
	Interest received	12.40	11.25
	<b>Net cash outflow from investing activities</b>	<b>(684.17)</b>	<b>(106.57)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	Proceeds from borrowings	420.57	1,185.44
	Repayment of borrowings	(163.45)	(130.54)
	Interest paid	(97.15)	(36.40)
	<b>Net cash inflow (outflow) from financing activities</b>	<b>159.97</b>	<b>1,018.50</b>
	<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4.29</b>	<b>(2.51)</b>
	<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>1.33</b>	<b>3.84</b>
	<b>Cash and Cash Equivalents at the end of the year</b>	<b>5.62</b>	<b>1.33</b>

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

As per our report of even date attached

For R.S. Bansal & Company

Chartered Accountants

Firm's Registration Number: 000939C

For and on behalf of the Board of Directors

Vijay Bansal

Partner

Membership No. 075344

Dewas

May 26th, 2018

Piyush Mutha

Managing Director

Mohan Lal Jain

Director

Satyanarayan Patidar

Company Secretary

Prabuddha Kumar Majumdar

Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018****A. Equity Share Capital****(₹ in Lakhs)**

	<b>Particulars</b>	<b>Equity Share Capital</b>
	As at April 01, 2016	587.00
	Changes in equity share capital during the year	-
	As at March 31, 2017	587.00
	Changes in equity share capital during the year	-
	<b>As at March 31, 2018</b>	<b>587.00</b>

**B. Other Equity**

<b>Particulars</b>	<b>Reservers and Surplus</b>			<b>Equity instruments through OCI</b>	<b>Total</b>
	<b>Capital Reserve</b>	<b>General Reserves</b>	<b>Retained Earnings</b>		
<b>April 1, 2016</b>	<b>5.80</b>	<b>25.00</b>	<b>2,274.12</b>	<b>21.70</b>	<b>2,326.63</b>
Profit for the year	-	-	332.26	-	332.26
Other Comprehensive Income	-	-	(0.80)	16.35	15.55
<b>Balance as at 31 March 2017</b>	<b>5.80</b>	<b>25.00</b>	<b>2,605.58</b>	<b>38.05</b>	<b>2,674.44</b>
Profit for the year	-	-	342.74	-	342.74
Other Comprehensive Income	-	-	2.74	(10.39)	(7.65)
<b>Balance as at 31 March 2018</b>	<b>5.80</b>	<b>25.00</b>	<b>2,951.06</b>	<b>27.67</b>	<b>3,009.53</b>

As per our report of even date attached

**For R.S. Bansal & Company****Chartered Accountants****Firm's Registration Number: 000939C****For and on behalf of the Board of Directors****Vijay Bansal****Partner****Membership No. 075344****Dewas****May 26th, 2018**

Piyush Mutha

Managing Director

Mohan Lal Jain

Director

Satyanarayan Patidar

Company Secretary

Prabuddha Kumar Majumdar

Chief Financial Officer

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

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

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

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

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

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

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. Refer Note no. 43 on 'First Time Adoption of Ind AS' for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows which is separately presented in the annual report.

These financial statements have been approved for issue by the Company's Board of Directors at their meeting held on May 26, 2018. These financial statements are presented in Indian Rupees (INR), which is also the functional and presentation currency.

**b) Historical cost convention**

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

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

**c) Current versus Non-current Classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

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

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active market for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**(ii) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discount and rebates but exclusive of CST/VAT/GST. The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

**(a) Sales**

- (1) **Domestic sales** are recognised when significant risks and rewards are transferred to the buyer as per the contractual terms or on dispatch where such dispatch coincides with transfer of significant risks and rewards to the buyer.
- (2) **Export sales** are recognised on the date of ship on board signifying transfer of rewards of ownership to the buyer as per terms of sale and initially recorded at the relevant exchange rates prevailing on the date of transaction.
- (3) The Company recognises income from power generated on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

**(b) Other Income**

**(1) Interest Income**

Interest income is recognised on time proportion basis using the effective interest rate method.

**(2) Export Benefits**

Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and the conditions precedent to the claims are fulfilled.

**(3) Dividends**

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

**(iii) Government Grants**

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

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

**(iv) Property, plant and equipment (PPE)**

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

For transition to Ind AS, the company has elected to adopt as deemed cost, the carrying value of PPE measured as per I-GAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2015. In respect of revalued assets, the value as determined by valuers as reduced by accumulated depreciation and cumulative impairment is taken as cost on transition date.

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

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

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



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

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

Assets acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the company for similar assets.

Freehold land is not depreciated.

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

<b>Asset Class</b>	<b>Estimated Useful Life (Years)</b>
Building	30
Plant & Machinery	15
Furniture and Fixtures	10
Computers	3
Office equipment	5
Vehicles	10
Wind Mill	22
Solar Plant	15

The Property, plant and equipment acquired under finance leases is depreciated over the asset’s useful life.

**(v) Inventories Valuation**

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

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

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

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

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

**(vi) Cash And Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and cash at bank.

**(vii) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction





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

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

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

**(viii) Borrowing Costs**

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

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

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

**(ix) Foreign Currency Translation**

**(1) Functional and presentation currency:**

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

**(2) Transactions and balances:**

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

**(x) Employee Benefits**

**a) Short term obligations:**

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

**b) Post-employment obligations:**

The Company operates the following post-employment schemes.

**1. Defined benefit plans (gratuity)**

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

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

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

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

**2. Defined contribution plans such as provident fund**

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

**(xi) Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Finance Lease**

Finance Lease that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

**Operating Lease**

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Initial direct costs incurred in negotiating and



arranging an operating lease are added to the carrying amount of the leased asset. Payments under operating lease are recorded in the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

**(xii) Earnings Per Share**

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

**(xiii) Income Tax**

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

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

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

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

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

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

**(xiv) Impairment of Assets**

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

**(xv) Provisions, Contingent liabilities and Contingent assets**

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

Contingent liability is disclosed in the case of:

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

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

**(xvi) Financial Instruments**

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

**Financial Assets****Initial Recognition and Measurement**

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

**(a) Financial Assets at Amortised Cost**

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

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

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

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

At the date of initial recognition, financial assets are held for trading, or which are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

**Trade Receivables**

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

**Investment in Equity Shares**

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

**Investments in Mutual Funds**

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

**Impairment of Financial Assets**

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

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

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



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

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

**De-recognition of Financial Asset**

Financial Asset is primarily derecognised when:

- (i) The right to receive cash flows from asset has expired, or
- (ii) The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “ pass-through” arrangement and either:
  - a) The Company has transferred substantially all the risks and rewards of the asset, or
  - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**Financial Liabilities****Initial Recognition and Measurement**

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

**Subsequent Measurement**

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

**(a) Financial Liabilities at FVTPL:**

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

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

**(b) Other Financial Liabilities:**

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that



exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Trade and Other Payables**

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**De-recognition of Financial Liability**

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

**Offsetting of Financial Instruments**

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Derivative Financial Instruments**

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

**(xvii) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**(xviii) Significant Accounting Judgments, Estimates and Assumptions**

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

**a. Income taxes**

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

**b. Contingencies**

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

**c. Allowance for uncollected accounts receivable and advances**

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

**d. Defined Benefit Plans**

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





**NOTE NO. 2  
PROPERTY, PLANT AND EQUIPMENT**

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/AMORTISATION				NET
	AS AT 01.04.2017	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2018	UP TO 01.04.2017	DEP. FOR THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2018	CARRYING AMOUNT AS AT 31.03.2018
	6.50	-	-	6.50	-	0.14	-	0.28	6.50
Freehold Land	5.51	-	-	5.51	0.14	0.14	-	0.28	5.23
Leasehold Land	225.39	-	28.85	196.54	20.08	16.38	2.63	33.83	162.71
Building	149.91	-	-	149.91	11.28	11.28	-	22.56	127.36
Windmill	812.38	257.38	38.86	1030.90	144.33	134.19	7.18	271.34	759.56
Plant & Machinery	3.16	1.33	-	4.49	1.21	0.50	-	1.70	2.79
Computers	1.81	-	0.01	1.80	0.40	0.15	0.01	0.54	1.25
Furniture & Fixtures	45.86	-	5.48	40.38	9.15	8.41	1.44	16.12	24.25
Vehicles	0.22	-	-	0.22	-	-	-	-	0.22
Office Equipments	-	500.89	-	500.89	-	-	-	-	500.89
Solar plant	-	-	-	-	-	-	-	-	-
<b>Total Property, Plant and Equipment</b>	<b>1,250.74</b>	<b>759.60</b>	<b>73.20</b>	<b>1937.14</b>	<b>186.58</b>	<b>194.60</b>	<b>11.26</b>	<b>369.92</b>	<b>1,567.20</b>

**PROPERTY, PLANT AND EQUIPMENT**

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/AMORTISATION				NET
	AS AT 01.04.2016 (Refer Note No 2.1)	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2017	UP TO 01.04.2016	DEP. FOR THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2017	CARRYING AMOUNT AS AT 31.03.2017
	6.50	6.50	-	6.50	-	0.14	-	0.14	6.50
Freehold Land	5.51	-	-	5.51	-	0.14	-	0.14	5.37
Leasehold Land	225.39	-	-	225.39	-	20.08	-	20.08	205.31
Building	149.91	-	-	149.91	-	11.28	-	11.28	138.64
Windmill	716.17	107.69	11.48	812.38	-	144.33	-	144.33	668.05
Plant & Machinery	3.16	-	-	3.16	-	1.21	-	1.21	1.96
Computers	1.81	-	-	1.81	-	0.40	-	0.40	1.41
Furniture & Fixtures	27.61	18.25	-	45.86	-	9.15	-	9.15	36.71
Vehicles	0.22	-	-	0.22	-	-	-	-	0.22
Office Equipments	-	-	-	-	-	-	-	-	-
<b>Total Property, Plant and Equipment</b>	<b>1,129.78</b>	<b>132.44</b>	<b>11.48</b>	<b>1,250.74</b>	<b>-</b>	<b>186.58</b>	<b>-</b>	<b>186.59</b>	<b>1,064.16</b>

2.1. Refer Note Nos. 15.1, 15.2 and 18.1 for the details in respect of certain property, plant and equipments hypothecated/ mortgaged as security for borrowing.

2.2. Additions during the year and capital work-in-progress (note no.3) include ₹ 1.33 lakh (previous year: ₹ 1.07 lakh) being borrowing cost capitalised in accordance with Indian Accounting Standard (Ind AS) 23 on "Borrowing Costs".



**Note No. 2.1:** Deemed cost as at April 1, 2016 which is the net carrying amount on April 1, 2016 has been tabulated as follows: **(₹ in Lakhs)**

	Gross carrying amount as at April 01, 2016	Accumulated Depreciation	Ind AS adjustments	Net carrying amount
Freehold Land	-	-	-	-
Leasehold Land	8.68	-	3.17	5.51
Building	582.95	357.56		225.39
Windmill	291.51	141.60		149.91
Plant & Machinery	3,100.12	2,383.95		716.17
Computers	28.64	25.48		3.16
Furniture & Fixtures	20.42	18.61		1.81
Vehicles	54.31	26.70		27.61
Office Equipments	4.45	4.23		0.22
				-
<b>Total</b>	<b>4,091.09</b>	<b>2,958.14</b>	<b>3.17</b>	<b>1,129.78</b>

**NOTE NO. 3****CAPITAL WORK-IN-PROGRESS**

<b>PARTICULARS</b>	<b>AS AT 01.04.2017</b>	<b>ADDITION DURING THE YEAR</b>	<b>DEDUCTION DURING THE YEAR</b>	<b>AS AT 31.03.2018</b>
Capital Work- in- Progress (Refer Note No 3.1)	<b>2.68</b>	<b>31.34</b>	2.68	<b>31.34</b>
Previous Year	-	<b>2.68</b>	-	<b>2.68</b>

**Note No. 3.1:** Capital work-in-progress comprises of fixed assets related to new Building (previous year capital-work-in progress comprises of Plant & Machinery)



**Note 4 INVESTMENTS**

(₹ in Lakhs)

Particulars	Face Value per share	As at		As at		As at	
		March 31, 2018		March 31, 2017		April 01, 2016	
		No. of Shares	Value	No. of Shares	Value	No. of Shares	Value
Non Trade Investments							
Quoted							
Equity Instruments (At FVOCI)							
Asit C. Metha Financial Services Ltd.	10	<b>20,000</b>	<b>10.45</b>	20,000	4.60	20,000	4.93
Punjab National Bank	2	<b>36,860</b>	<b>35.18</b>	36,860	55.83	36,860	31.22
Mastek Ltd	5	-	-	400	0.72	400	0.57
Total Value of Quoted Investments			<u><b>45.63</b></u>		<u>61.15</u>		<u>36.72</u>
Net Value of Investments			<u><b>45.63</b></u>		<u>61.15</u>		<u>36.72</u>
			<b>As at</b>	<b>As at</b>	<b>As at</b>		
			<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>		

**Note 5 LOANS**

Unsecured, Considered good:

Security Deposits	<b>82.31</b>	79.51	82.72
	<u><b>82.31</b></u>	<u>79.51</u>	<u>82.72</u>

**Note 6 OTHER FINANCIAL ASSETS - NON CURRENT**

**Other bank balances**

Deposits with original maturity for more than 12 months	<b>21.98</b>	20.96	1.57
	<u><b>21.98</b></u>	<u>20.96</u>	<u>1.57</u>

**Note 7 OTHER NON - CURRENT ASSETS**

Capital Advances	<b>11.65</b>	323.00	1.40
Security deposit with govt authorities	<b>0.18</b>	0.17	0.18
	<u><b>11.83</b></u>	<u>323.17</u>	<u>1.58</u>

**Note 8 INVENTORIES**

Raw Material	<b>1,932.19</b>	2,259.74	1,287.90
Work-in-progress	<b>78.81</b>	50.54	70.63
Finished Goods	<b>166.81</b>	182.19	169.70
Stores & Spares	<b>70.29</b>	95.33	122.56
	<u><b>2,248.10</b></u>	<u>2,587.80</u>	<u>1,650.79</u>

**Note 9 TRADE RECEIVABLES**

Secured, Considered Good	-	-	-
Unsecured, Considered Good	<b>1,298.94</b>	853.81	741.21
Less : Allowance for Bad Debts	-	-	-
	<u><b>1,298.94</b></u>	<u>853.81</u>	<u>741.21</u>



	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Note 10 CASH &amp; CASH EQUIVALENTS</b>			
Balance With Banks (Current Account)	3.81	0.92	0.69
Cash on Hand	1.81	0.41	3.15
	<u>5.62</u>	<u>1.33</u>	<u>3.84</u>
<b>Note 11 OTHER FINANCIAL ASSETS</b>			
Advances to Staff	1.78	3.55	1.48
Claim Receivable (Refer Note 36)	305.81	-	-
Interest Accrued on Deposits	7.94	10.05	13.30
Others	0.17	0.29	0.15
	<u>315.70</u>	<u>13.89</u>	<u>14.94</u>
<b>Note 12 OTHER CURRENT ASSETS</b>			
Advance to suppliers and service providers	0.99	65.19	5.35
Balance with Government Authorities	196.15	106.11	143.26
Other Receivable	3.67	6.94	11.49
Prepaid Expenses	5.35	5.97	6.21
	<u>206.16</u>	<u>184.21</u>	<u>166.31</u>
<b>Note 13 EQUITY SHARE CAPITAL</b>			
<b>Authorized Share Capital</b>			
70,00,000 Equity shares, ₹ 10/- each	700.00	700.00	700.00
(31 March 2017: 70,00,000 equity shares ₹ 10/- each)			
(1 April 2016: 70,00,000 equity shares ₹ 10/- each)			
	<u>700.00</u>	<u>700.00</u>	<u>700.00</u>
<b>Issued, Subscribed and Fully Paid Up Shares</b>			
58,70,000 Equity shares, ₹ 10/- each fully paid up	587.00	587.00	587.00
(31 March 2017: 58,70,000 equity shares ₹ 10/- each)			
(1 April 2016: 58,70,000 equity shares ₹ 10/- each)			
	<u>587.00</u>	<u>587.00</u>	<u>587.00</u>



Note No 13.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period March 31, 2018:

Particulars	(₹ in Lakhs)					
	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	58,70,000	587.00	58,70,000	587.00	58,70,000	587.00
Add: Shares issued during the year	-	-	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-	-	-
Number of shares at the end	58,70,000	587.00	58,70,000	587.00	58,70,000	587.00

Note No 13.2: Terms/rights attached to equity shares:

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

Note No 13.3: The details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of shares held	% held	No. of shares held	% held	No. of shares held	% held
Smt. Usha Mutha	681,768	11.61%	681,768	11.61%	681,768	11.61%
Smt. Sunita Mutha	468,400	7.98%	468,400	7.98%	468,400	7.98%
Shri Piyush Mutha	521,750	8.89%	521,750	8.89%	521,750	8.89%
Shri Praneet Mutha	521,050	8.88%	521,050	8.88%	521,050	8.88%
Rahul Mutha HUF	338,442	5.77%	331,242	5.64%	331,242	5.64%

#### Note 14 OTHER EQUITY

	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Reserves &amp; surplus*</b>	<b>31, 2018</b>	As at March 31, 2017	As at April 01, 2016
Capital Reserve #	5.80	5.80	5.80
General Reserves ##	25.00	25.00	25.00
Retained earnings###	2,951.06	2,605.58	2,274.12
<u>Other Comprehensive Income (OCI) :</u>			
-Fair Value of Equity Investments through OCI	27.67	38.05	21.70
	<b>3,009.53</b>	<b>2,674.44</b>	<b>2,326.63</b>

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

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

### Retained earnings include remeasurement of net defined benefits plan.

\* For movement, refer statement of changes in equity.

**Note 15 BORROWINGS - NON CURRENT****Secured****Term Loan**

From Banks:

	(₹ in Lakhs)		
As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	
Punjab National Bank (PNB)	-	16.10	101.53
HDFC Bank	<b>234.00</b>	-	-
HDFC Bank Vehicle Loan	<b>7.50</b>	9.98	4.78
	<b><u>241.50</u></b>	<u>26.08</u>	<u>106.31</u>

Note 15.1: Term Loan from Punjab National Bank and HDFC Bank:

i) Term loan from PNB 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) Term loan from HDFC Bank secured against Solar Generating Plant situated at Sitamau.

iii) The Term loan is repayable as under:

					(₹ in Lakhs)
S.No.	Term Loan	No. of Instalments	Periodicity	Installment	
1	Term Loan V, PNB	20	Quarterly	16.10	
2	HDFC Bank	20	Quarterly	18.00	

iv) The Company has not made any default as at the reporting date in repayment of term loan installment and interest.

v) The Term loan from PNB carries interest @ 6.25% (net of interest subvention under TUF Scheme @ 4%) and Term Loan for Solar taken from HDFC Bank carries interest @ 8.30%.

Note No 15.2: HDFC Bank Vehicle Loan:

i) Vehicle loan secured by hypothecation of vehicle.

ii) Vehicle loan is repayable in 36 monthly installment and installment amount is ₹ 0.69 lakh

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 16 PROVISIONS**

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Other Provisions	<b>3.21</b>	3.21	28.07
	<b><u>3.21</u></b>	<u>3.21</u>	<u>28.07</u>



	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Note 17 DEFERRED TAX LIABILITIES</b>			
<b>Opening Balance</b>	<b>114.86</b>	119.78	134.79
Add/Less: Difference between written down value of fixed assets as per the Companies Act, 2013 and Income tax Act, 1961	<b>45.12</b>	(13.00)	(25.73)
Add/Less: Equity Instruments designated at FVOCI	<b>(5.13)</b>	8.08	10.72
	<u><b>154.85</b></u>	<u>114.86</u>	<u>119.78</u>

**Note 18 BORROWINGS - CURRENT****Secured**

From Bank

Working Capital Facilities

<b>1,445.72</b>	1,385.13	199.70
<u><b>1,445.72</b></u>	<u>1,385.13</u>	<u>199.70</u>

**Note No. 18.1: Working capital facilities from Punjab National Bank:**

- i) Working capital facilities, fund based of ₹ 1800.00 lakhs and non fund based of ₹ 25.00 lakhs (Previous year ₹ 1800.00 lakhs and ₹ 100.00 lakhs) 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 @ 9.95% while on Packing Credit interest rate is 9.10%

**Note 19 TRADE PAYABLES****Current**

Dues of micro and small enterprises

Dues other than micro and small enterprises (Refer Note No 19.1)

-	-	-
<b>33.29</b>	7.91	34.66
<u><b>33.29</b></u>	<u>7.91</u>	<u>34.66</u>

**Note No. 19.1:**

- i) 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, 2018. 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.
- ii) The Company has not received the necessary information from the supplier/ service provider covered under Micro Small & Medium Enterprises Development Act 2006 with respect to their registration with the appropriate authority. Hence the information required to be disclosed u/s 22 of the said act is not given or nil.



	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Note 20 OTHER FINANCIAL LIABILITIES</b>			
Current Maturities of Long Term Debt*	90.86	109.74	160.04
Employee salary and other payable	2.97	2.34	4.58
Liabilities for expenses	177.50	145.60	139.70
Sundry Creditors For Capital Goods	1.43	0.02	2.70
	<u>272.76</u>	<u>257.70</u>	<u>307.02</u>
*For Terms of Repayment of Long Term Debts refer Note 15.1 and Note 15.2.			
<b>Note 21 OTHER CURRENT LIABILITIES</b>			
Advances From Customers	27.74	44.63	26.33
Statutory Dues Payable	27.90	18.47	22.46
	<u>55.64</u>	<u>63.10</u>	<u>48.79</u>
<b>Note 22 PROVISIONS</b>			
Provision for Employee Benefits	26.85	24.40	10.06
	<u>26.85</u>	<u>24.40</u>	<u>10.06</u>
<b>Note 23 CURRENT TAX LIABILITIES (NET)</b>			
Provision for taxation (net of tax payment)	4.46	48.84	61.43
	<u>4.46</u>	<u>48.84</u>	<u>61.43</u>
<b>Note 24 REVENUE FROM OPERATION</b>			
	(₹ in Lakhs)		
	<u>March 31, 2018</u>	March 31, 2017	
Sales of Product	10,503.07	9,792.80	
<u>Other Operating Revenue</u>			
Scrap Sales	12.40	14.09	
	<u>10,515.47</u>	<u>9,806.89</u>	
<b>Note 25 OTHER INCOME</b>			
Interest Income	12.40	11.25	
Wind Power income	42.75	54.84	
<b>Other Non Operating Income</b>			
Gain on sale of Investments	7.72	50.28	
Gain on sale of Fixed Assets (Net)	27.08	5.82	
Income from Investment (Dividend)	0.01	-	
Income from Solar Plant	77.08	-	
Other Income	0.64	1.59	
Provision no longer required, written back	-	16.75	
	<u>167.68</u>	<u>140.53</u>	
<b>Note 26 COST OF MATERIALS CONSUMED</b>			
Material Consumed			
Opening Stock	2,259.74	1,287.90	
Add: Purchases	7,633.06	8,379.49	
	<u>9,892.80</u>	<u>9,667.39</u>	
Less Closing Stock	1,932.19	2,259.74	
	<u>7,960.61</u>	<u>7,407.66</u>	





		(₹ in Lakhs)	
		March 31, 2018	March 31, 2017
<b>Note 27</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE</b>		
	<b><u>Finished Goods</u></b>		
	Opening Stock of FG	167.88	155.19
	Closing Stock of FG	161.18	167.88
	<b>Change in Stock of Finished Goods (A)</b>	<u>6.70</u>	<u>(12.69)</u>
	<b><u>Work In Progress</u></b>		
	Opening Stock of WIP	50.54	70.63
	Closing Stock of WIP	78.81	50.54
	<b>Change in Stock of Work in Progress (B)</b>	<u>(28.27)</u>	<u>20.09</u>
	<b><u>Saleable Waste</u></b>		
	Opening Stock	14.31	14.51
	Closing Stock	5.63	14.31
	<b>Change in Stock Saleable Waste (C)</b>	<u>8.68</u>	<u>0.20</u>
	<b>(A)+(B)+(C)</b>	<u>(12.89)</u>	<u>7.60</u>
<b>Note 28</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Salaries, Wages and Bonus	281.86	278.22
	Contribution to Provident and other funds	46.83	45.68
	Staff Welfare Expenses	3.79	5.45
		<u>332.48</u>	<u>329.35</u>
<b>Note 29</b>	<b>FINANCE COST</b>		
	Interest Expense on Borrowing	87.98	27.02
	Bank charges	9.18	9.38
		<u>97.16</u>	<u>36.40</u>
<b>Note 30</b>	<b>OTHER EXPENSES</b>		
	Advertisement	1.98	1.36
	Consumption of Stores and Spares	177.30	116.40
	Directors' Sitting Fees	0.16	0.15
	Directors' Travelling	8.01	8.58
	Export Expenses	39.75	56.62
	Freight on sales	185.23	183.39
	Insurance Charges	9.11	10.28
	Lease Rent	0.08	0.19
	Legal & Professional Fee	15.92	11.20
	Membership Fees and Subscription	1.80	1.65
	Miscellaneous expenses	123.63	85.18
	Packing Material and Expenses	214.26	214.38
	Payment to Auditor (Refer Note 30.1 below)	2.05	2.59
	Power & Fuel	671.35	651.01
	Rates & Taxes	2.08	1.96
	Repairs & Maintenance:		
	Building	4.52	4.77
	Plant & Machinery	23.71	25.21
	Sales Commission	137.73	137.37
	Sales Promotion Expenses	0.16	0.42
		<u>1,618.83</u>	<u>1,512.71</u>



		(₹ in Lakhs)	
		March 31, 2018	March 31, 2017
<b>Note 30.1</b>	<b>Payment to Auditors</b>		
	Statutory Audit Fees	1.80	2.07
	Tax Audit Fees	-	0.52
	Cost Audit fees	0.25	-
		<u>2.05</u>	<u>2.59</u>
<b>Note 31</b>	<b>EARNING PER SHARE</b>		
	(A) Profit attributable to Equity Shareholders	342.74	332.26
	(B) No. of Equity Share outstanding during the year	58,70,000	58,70,000
	(C) Face Value of each Equity Share (₹)	10.00	10.00
	(D) Basic & Diluted earning per Share (₹)	5.84	5.66
<b>Note 32</b>	<b>CONTINGENT LIABILITIES</b>		
a)	Company has given counter guarantee for ₹ 4.40 lakhs (March 31, 2017 ₹ 4.33 lakhs April 1, 2016 ₹ 12.03 lakhs) to Punjab National Bank for Guarantee given by them to Custom/DGFT department. against which Company has given to bank FDR for ₹ 0.90 lakhs (March 31, 2017 ₹ 0.82 lakhs, April 1, 2016 ₹ 1.56 lakhs) as margin money.		
b)	Demand of Entry Tax by commercial tax department ₹ 6.31 lakhs for assessment year 2007-08. Case pending with M.P. Tax Tribunal Board Bhopal. Company has provided liabilities for ₹ 3.20 lakhs in the financial year 2007-08.		
<b>Note 33</b>	<b>CAPITAL COMMITMENTS</b>		
	Estimated amount of contracts remaining to be executed on capital account, not provided for (Net of advance) ₹ 31.02 lakhs (Last year Nil)		
<b>Note 34</b>	In Union Budget 2004-05 textile goods have been exempted from excise duty provided no credit under CENVAT Rule 2002 is taken. The company decided to opt for exemption i.e zero excise duty w.e.f. 9th July, 2004 under notification No. 30 dated 09.07.2004. This exemption was applicable till 30th June, 2017		
<b>Note 35</b>	<b>INCOME TAX</b>		(₹ in Lakhs)
	<b>The major components of income tax expense for the year ended March 31, 2018</b>		
	<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	<b>Current tax</b>		
	Current tax on profit for the year	102.51	147.75
	Adjustments for the current tax of prior periods	1.98	0.12
	<b>Deferred Tax</b>		
	Deferred tax liabilities/ (assets)	45.12	(13.00)
		<u>149.61</u>	<u>134.87</u>

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

Particulars	For the year ended	For the year ended
	March 31, 2018	March 31, 2017
Profit before income tax expense	492.35	467.14
Tax Rate	33.063%	33.063%
Tax at the Indian tax rate 33.063%	162.79	154.46
<b>Tax Effect of :</b>		
Adjustments in respect of current income tax of prior period	1.98	0.12
Effect of Expenses which are allowed on payment basis	0.72	2.65
Effect of Income not considered for Tax Purposes	(21.04)	(23.07)
Ind AS Transition Effect	0.90	(0.22)
Others	4.26	0.93
<b>Income Tax Expenses</b>	<b>149.61</b>	<b>134.87</b>

**Note 36 INSURANCE CLAIM RECEIVABLE**

In the months of September and October, 2017, there were fire incidents in the Company. Due to the same, certain fixed assets, finished goods, work in progress, stores & spare parts and packing materials etc. were impacted/ destroyed. Subsequently, the Company filed for insurance claim for the loss of same. The Insurance Policy has reinstatement clause, and Company has claimed accordingly.

**Note 37 CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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

Particulars	₹ in Lakhs		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Debt (Total Borrowings)	1,778.08	1,520.95	466.06
Total Equity	3,596.53	3,261.44	2,913.63
Cash and cash equivalents, other bank balances and liquid investments	73.24	83.44	42.13
Net debt equity ratio	0.47	0.44	0.15

**Note 38 EMPLOYEE BENEFITS**

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

**(i) Defined Contribution Plan**

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



Particulars	(₹ in Lakhs)	
	2017-18	2016-17
Employer's Contribution to Provident Fund	25.93	23.10
Employer's Contribution to Superannuation Fund	7.92	8.10

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

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

The following tables set out the funded status of the gratuity and the amounts recognised in the Company’s financial statements as at 31 March 2018 and 31 March 2017.

Sr. No.	Particulars	(₹ in Lakhs)	
		2017-18	2016-17
<b>I</b>	<b>Changes in present value of obligations</b>		
	Present value of obligations as at the beginning of year	51.78	44.12
	Interest cost	4.14	3.53
	Current Service Cost	4.09	3.63
	Benefits Paid	(0.61)	(0.30)
	Actuarial gain on obligations	(2.74)	0.80
	Present value of obligations as at the end of year	56.67	51.78
<b>II</b>	<b>Changes in the fair value of plan assets</b>		
	Fair value of plan assets at the beginning of year	60.36	49.66
	Expected return on plan assets	4.64	4.49
	Contributions	0.43	6.51
	Benefits paid	(0.61)	(0.30)
	Actuarial gain on Plan assets	-	-
	Fair value of plan assets at the end of year	64.82	60.36
<b>III</b>	<b>Change in the present value of the defined benefit obligation and fair value of plan assets</b>		
	Present value of obligations as at the end of the year	56.67	51.78
	Fair value of plan assets as at the end of the year	64.82	60.36
	Net (liability) / asset recognized in balance sheet	(8.14)	(8.57)
<b>IV</b>	<b>Expenses Recognised in statement of Profit &amp; Loss</b>		
	Current Service cost	4.09	3.63
	Interest Cost	4.14	3.53
	Expected return on plan assets	(4.64)	(4.49)
	Expenses recognised in statement of Profit & Loss Account	3.59	2.68
	<b>In Other Comprehensive Income:</b>		



Sr. No.	Particulars	₹ in Lakhs)	
		2017-18	2016-17
	Actuarial (gain)/Loss for the year -Obligation	2.74	(0.80)
	Actuarial gain for the year - plan assets	-	-
	Total actuarial (gain)/ loss included in other comprehensive income	2.74	(0.80)
	<b>Assumption</b>		
	Discount Rate	8%	8%
	Salary Escalation	7%	7%

**Note 39 FINANCIAL RISK MANAGEMENT**

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

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact thereof in the financial statements.

S. No.	Risk	Exposure arising from	Measurement	Management
1	Credit Risk	Cash and cash equivalents, trade receivables and financial assets.	Credit ratings, Review of aging analysis, Review of investment on quarterly basis.	Strict credit control and monitoring system, diversification of counterparties, Investment limits, check on counterparties basis credit rating and investment review on quarterly basis.
2	Liquidity Risk	Trade payables and other financial liabilities.	Maturity analysis, cash flow projections.	Maintaining sufficient cash / cash equivalents and marketable security.
3	Market Risk – Interest Rate Risk	Borrowings at various rates expose the Company to cash flow interest rate risk.	Market interest rates.	Fixed and variable interest amounts are calculated by reference to an agreed upon principal amount.
4	Price Risk	Basic ingredient of Company raw material is cotton.	The Company is sourcing raw material from vendors directly, hence it does not hedge its exposure to commodity price risk.	The company is able to pass on substantial price hike to the customers.

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, price risk, investment of surplus liquidity and other business risks effecting business operation. The Company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

**(A) Credit Risk**

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

**Credit Risk Management**

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

The maximum exposure to credit risk as at 31 March 2018, 31 March 2017 and 1 April 2016 is the carrying value of such trade receivables as shown in note 9 of the financials.

<b>The Credit Loss allowances are provided in the case of trade receivables as under:</b>	
Loss allowance as on 1 April 2016	-
Change in loss allowance	-
Loss allowance as on 31 March 2017	-
Change in loss allowance	-
Loss allowance as on 31 March 2018	-

\*Since the company is having effective credit monitoring policy, its receivables are always outstanding for less than 6 months at any given point of time. Therefore, provision of expected credit loss is not required.

**(B) Liquidity Risk**

The Company's principal sources of liquidity are "cash and cash equivalents" and cash flows that are generated from operations. The Company has no outstanding term borrowings. The Company believes that its working capital is sufficient to meet its current requirements. Additionally, the Company has sizeable surplus funds invested in fixed income securities or instruments of similar profile ensuring safety of capital and availability of liquidity if and when required. Hence, the Company does not perceive any liquidity risk.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2018

<b>Particulars</b>	<b>(₹ in Lakhs)</b>				
	<b>Carrying Amount</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>More than 5 year</b>	<b>Total</b>
Borrowings - Current	1,445.71	1,445.71	-	-	1,445.71
Borrowings - Non-Current	241.50		241.50		241.50
Trade payables	33.29	33.29	-	-	33.29
Other Financial Liabilities - Current	272.76	272.76	-	-	272.76



The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2017

Particulars	Carrying Amount	Less than 1 year	1-5 years	More than 5 year	Total
Borrowings - Current	1,385.13	1,385.13	-	-	1,385.13
Borrowings - Non-Current	26.08		26.08		26.08
Trade payables	7.91	7.91	-	-	7.91
Other Financial Liabilities - Current	257.70	257.70	-	-	257.70

The table below provides details regarding the contractual maturities of significant financial liabilities as of April 01, 2016

Particulars	Carrying Amount	Less than 1 year	1-5 years	More than 5 year	Total
Borrowings - Current	199.70	199.70	-	-	199.70
Borrowings - Non-Current	106.31		106.31		106.31
Trade payables	34.66	34.66	-	-	34.66
Other Financial Liabilities - Current	307.02	307.02	-	-	307.02

(C)

**Market risk****Interest Rate Risk Exposure**

The Company is exposed to various types of borrowings as stated in Note Nos. 15 and 18 respectively. The Company's exposure to interest rate risks at the end of the reporting period is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Amount in ₹	% of Total	Amount in ₹	% of Total	Amount in ₹	% of Total
Fixed Rate Borrowings	7.50	0.44%	9.98	0.71%	4.78	1.56%
Variable Rate Borrowings	1,679.71	99.56%	1,401.23	99.29%	301.23	98.44%
<b>Total Borrowings</b>	<b>1,687.21</b>	<b>100.00%</b>	<b>1,411.21</b>	<b>100.00%</b>	<b>306.01</b>	<b>100.00%</b>

**Sensitivity Analysis on Rate Borrowings**

The Company is exposed to various types of borrowings as stated in Note Nos. 15 and 18, respectively. The sensitivity analysis demonstrates a reasonably possible change in the interest rates, with all other variables held constant.

For the year ended March 31, 2018 and March 31, 2017, every 0.25% increase in the interest rate would decrease the Company's profit approximately by ₹ 2.67 lakhs and ₹ 0.86 lakhs respectively and every 0.25% decrease in the interest rate would lead to an equal but opposite effect.

(D)

**Price risk**

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

**Competition and Price risk**

The Company faces competition from local competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.



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

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

**S. Related Parties**      **Nature of Relationship**  
**No.**

- (i) Vippy Industries Ltd. Entity in which Key Managerial person's relative having significant influence  
(ii) Shri Piyush Mutha      Managing Director (Key Management Personnel)  
(iii) Shri Mangalore      Whole time Director (Key Managerial Personnel)  
Maruthi Rao  
(iv) Shri Praneet Mutha      Director

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

<b>S. Related parties</b> <b>No.</b>	<b>Nature of Transactions</b> <b>during the year</b>	<b>2017-18</b> <b>(₹ In lakhs)</b>	<b>2016-17</b> <b>(₹ In lakhs)</b>
(i) Vippy Industries Ltd.	Purchase of Goods & Services	<b>11.98</b>	-
	Sales of Goods & Services	<b>2.23</b>	-

Employee Benefits for Key Management Personnel

(ii) Shri Piyush Mutha	Remuneration Paid:		
	Remuneration	<b>66.00</b>	54.00
	Provident Fund	<b>7.92</b>	6.48
	Superannuation fund	<b>7.92</b>	8.10
	Perquisite	<b>1.13</b>	1.09
(iii) Shri Mangalore Maruthi Rao	Remuneration	<b>4.20</b>	3.86
(iv) Shri Praneet Mutha	Sitting Fees	<b>0.05</b>	0.04

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

<b>S. Related parties</b> <b>No.</b>	<b>Nature of Transactions</b> <b>during the year</b>	<b>As at 31st</b> <b>March, 2018</b>	<b>As at 31st</b> <b>March, 2017</b>	<b>As at 1st</b> <b>April, 2016</b>
(i) Vippy industries Ltd.	Purchase & Sales of Goods & Services	-	-	-
(ii) Shri Piyush Mutha	Remuneration	-	-	-
(iii) Shri Mangalore Maruthi Rao	Remuneration	-	-	-
(iv) Shri Praneet Mutha	Sitting Fees	-	-	-

**Note 41** Balances of Trade Receivables, Trade Payables and Loans and Advances are subject to confirmation and consequential adjustment, if any.



**Note 42 FAIR VALUE MEASUREMENT**

The fair value of Financial instrument as of March 31, 2018, March 31, 2017 and April 01, 2016 were as follows:

Particulars	March 31, 2018	March 31, 2017	April 1, 2016	(₹ in Lakhs)	
				Fair value Hierarchy	Valuation Technique
Assets-					
Investment in Equity Instruments through OCI	45.63	61.15	36.72	Level-1	Quoted Market Price
<b>Total</b>	<b>45.63</b>	<b>61.15</b>	<b>36.72</b>		

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

**Note 43 FIRST TIME ADOPTION OF IND AS (IND AS 101)**

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet at April 1, 2016 (the company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2014 and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

**(A) Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**(i) Ind AS optional exemptions****a) Deemed cost for Property, Plant and Equipment, Intangible Assets and Investment Property**

Ind AS 101 permits a first-time adopter to opt to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has opted to measure all of its property, plant and equipment at their previous GAAP carrying value and use the same as deemed cost in the opening Ind AS balance sheet.

**b) Designation of previously recognised financial instrument**

Ind AS 101 allows an entity to recognise investments in equity instruments at fair value through other comprehensive income (FVOCI) through an irrevocable election on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has opted to apply this exemption for its investment in quoted equity investments.

**(ii) Ind AS mandatory exceptions****a) Estimates**

An entity's estimates in accordance with Ind AS's at the date of transition shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- > Investment in equity instruments carried at FVOCI;
- > Investment in mutual fund carried at FVTPL;
- > Impairment of financial assets based on expected credit loss model.

Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by previous GAAP.

**b) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**(B) Reconciliation between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliation from previous GAAP to Ind AS.

**Reconciliation of Equity****(₹ in Lakhs)**

Particulars	Notes	As at April 01, 2016			As at March 31, 2017		
		IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
Assets							
Non-Current Assets:							
(a) Property Plant and Equipment	2	1,132.95	(3.17)	1,129.78	1,067.47	(3.31)	1,064.16
(b) Capital Work-in-progress	3			-	2.68		2.68
(c) Financial Assets							
(i) Investments	4	4.30	32.42	36.72	4.30	56.85	61.15
(ii) Loans	5	82.72		82.72	79.51		79.51
(iii) Other Financial Assets	6	1.57		1.57	20.96		20.96
(d) Other non-current assets	7	1.57		1.57	323.17		323.17
Total Non-Current Assets		1,223.11	29.25	1,252.36	1,498.09	53.54	1,551.63
Current Assets							
(a) Inventories	8	1,650.79		1,650.79	2,587.79		2,587.79
(b) Financial Assets							
(i) Trade Receivables	9	741.21		741.21	853.81		853.81
(ii) Cash and cash equivalents	10	3.84		3.84	1.33		1.33



(iii) Other Financial Assets	11	14.93	14.93	13.89	13.89
(c) Other current assets	12	166.31	166.31	184.21	184.21
Total Current Assets		2,577.09	2,577.09	3,641.04	3,641.04
<b>Total Assets</b>		<b>3,800.19</b>	<b>29.25</b>	<b>3,829.45</b>	<b>5,139.13</b>
				<b>53.54</b>	<b>5,192.67</b>

(₹ in Lakhs)

Particulars	Notes	As at April 01, 2016			As at March 31, 2017		
		Indian GAAP	Effects of transition to Ind AS	Ind AS	Indian GAAP	Effects of transition to Ind AS	Ind AS
Equity and liabilities							
Equity							
(a) Equity Share Capital	13	587.00		587.00	587.00	-	587.00
(b) Other Equity	14	2,308.10	18.53	2,326.63	2,639.70	34.74	2,674.44
Equity Attributable to Equity Holders		2,895.10	18.53	2,913.63	3,226.70	34.74	3,261.44
<b>Liabilities</b>							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	15	106.31		106.31	26.08		26.08
(b) Provisions	16	28.07		28.07	3.21		3.21
(c) Deferred tax liabilities (net)	17	109.06	10.72	119.78	96.06	18.80	114.86
		243.44	10.72	254.16	125.35	18.80	144.14
Current liabilities							
(a) Financial Liabilities							
(i) Borrowings	18	199.70		199.70	1,385.13		1,385.13
(ii) Trade Payables	19	34.66		34.66	7.91		7.91
(iii) Other financial liabilities	20	307.02		307.02	257.70		257.70
(b) Other current liabilities	21	48.79		48.79	63.10		63.10
(c) Provisions	22	10.06		10.06	24.40		24.40
(d) Current Tax Liabilities (net)	23	61.43		61.43	48.84		48.84
		661.66	0.00	661.66	1,787.08	0.00	1,787.08
<b>Total Equity and liabilities</b>		<b>3,800.19</b>	<b>29.25</b>	<b>3,829.45</b>	<b>5,139.13</b>	<b>53.54</b>	<b>5,192.67</b>

**Statement of Reconciliation of Equity (Shareholders' funds) as at 31st March, 2017 and 1st April, 2016:**

Particulars	As at 31st March, 2017	As at 1st April, 2016
Total Equity (Shareholders' Fund) as per IGAAP	3,226.70	2,895.10
Adjustments on transition to Ind AS:		
Fair valuation of investments	56.85	32.42
Impact of retained earnings	(3.31)	(3.17)
Tax effects of adjustments	(18.80)	(10.72)
Total adjustments	34.74	18.53
<b>Total Equity (Shareholders' Fund) as per IND AS</b>	<b>3,261.44</b>	<b>2,913.63</b>



## Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Notes	Indian GAAP	Effect of transition to Ind AS	Ind AS
Revenue				
Revenue from Operations	24	9,806.90		9,806.90
Other Income	25	140.53		140.53
Total Income (I)		<u>9,947.42</u>	-	<u>9,947.42</u>
Expenses				
Cost of Raw Materials Consumed	26	7,407.66		7,407.66
Purchases of Stock-in-Trade		-		-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	7.60		7.60
Employee Benefits Expense	28	330.14	(0.80)	329.35
Finance Costs	29	36.40		36.40
Depreciation and Amortisation Expense	2	186.43	0.14	186.57
Other Expenses	30	<u>1,512.71</u>		<u>1,512.71</u>
Total Expenses (II)		<u>9,480.94</u>	<u>(0.66)</u>	<u>9,480.29</u>
Profit after Tax Expenses		466.48	0.66	467.14
Tax Expenses:				
Current Tax		147.87		147.87
Deferred Tax Charge		<u>(13.00)</u>		<u>(13.00)</u>
<b>Total tax</b>		<b>134.87</b>	-	<b>134.87</b>
Profit after tax for the year		<u>331.60</u>	<u>0.66</u>	<u>332.26</u>
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit and Loss		-	23.63	23.63
(ii) Income Tax relating to items that will not be reclassified to profit and Loss		-	(8.08)	(8.08)
Other Comprehensive Income for the Year		-	15.55	15.55
Total Comprehensive Income for the Year		<u>331.60</u>	<u>16.21</u>	<u>347.81</u>

Statement of Reconciliation of total comprehensive income for the year ended 31st March, 2017	
Particulars	As at 31st March, 2017
<b>Net Profit after Tax previously presented under IGAAP</b>	<b>331.60</b>
Adjustments on transition to Ind AS	
Amortisation of Leasehold Land	(0.14)
Reclassification of remeasurement of employee benefits	0.80
Tax effects of adjustments	-
Profit after Tax as per Ind As	332.26
Other Comprehensive Income, net of income tax	15.55
<b>Total Comprehensive Income for the period</b>	<b>347.81</b>

**Reconciliation of Statement of Cashflow for the year ended March 31, 2017**

Particulars	Indian GAAP	Effect of transition to Ind AS	Ind AS
Net Cashflow from Operating Activities	(981.75)	67.31	(914.44)
Net Cashflow from Investing Activities	(106.57)	-	(106.57)
Net Cashflow from Financing Activities	1105.20	(86.70)	1,018.50
Net increase/(decrease) in Cash and Cash equivalents	16.89	(19.39)	(2.51)
Cash and cash equivalents as at April 01, 2016	5.41	(1.57)	3.84
Cash and cash Equivalents as at March 31,2017	22.29	(20.96)	1.33

**Explanation for the above reconciliation as previously reported under IGAAP to Ind AS:****1: Property, Plant & Equipment**

As per the requirements of Ind AS 17 “Leases” the lease premium paid for the acquisition of land has been amortised over the lease tenure. Accordingly there is an decrease in value of Leasehold land and increase in Depreciation and Amortisation expenses.

**2: Fair valuation of investments**

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and reliability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments recognised at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss.

Fair value changes with respect to investments in equity instruments have been recognised in FVOCI under Other Comprehensive Income as at the date of transition and for the year ended 31 March 2017. Consequently, other reserves have been increased by ₹ 16.35 lakhs as at March 31, 2017 (increased by ₹ 21.70 lakhs as at April 01, 2016).

**3: Trade receivables**

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. However, due to effective credit monitoring policy of the Company, the trade receivables are outstanding for less than 6 months at any give point of time. As a result, the Company is not required make expected credit loss provision.

**4: Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 increased by Rs .80 lakh (increased by ₹ 7.32 lakhs as at April 01, 2016). There is no impact on the total equity as at March 31, 2017.

**5: Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

**6: Deferred tax**

Deferred taxes impact of the above adjustments, wherever applicable have been recognised on transition to Ind AS.

**7: Retained earnings**

Retained earnings as at April 01, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**Note 44** Previous year figures have been regrouped and reclassified wherever considered necessary to conform to this year's classifications.

**Significant Accounting Policies (Note No. 1)**

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

As per our report of even date attached

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

**Chartered Accountants**

**Firm's Registration Number: 000939C**

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

**Vijay Bansal**

**Partner**

**Membership No. 075344**

**Dewas**

**May 26th, 2018**

Piyush Mutha

Managing Director

Mohan Lal Jain

Director

Satyanarayan Patidar

Company Secretary

Prabuddha Kumar Majumdar

Chief Financial Officer





# Vippy Spinpro Ltd.

CIN: L01710MP1992PLC007043

Regd. Office: 414, City Centre, 570,M.G. Road, Indore-452001, Madhya Pradesh

Email:admin@vippyspinpro.com

Website:www.vippyspinpro.com, Phone:91-731-2546710.

## Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule (19)(3) of the Companies (Management and Administration) Rules, 2014]

**Name of Member(s):**

**Registered Address:**

**E-mail Id:**

**Folio No./Client Id:**

**DP ID:**

I/We, being the member(s) of \_\_\_\_\_ shares of the Vippy Spinpro Ltd., hereby appoint

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

E-mail Id:\_\_\_\_\_, Signature:\_\_\_\_\_, or failing him ,

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

E-mail Id:\_\_\_\_\_, Signature:\_\_\_\_\_, or failing him ,

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

E-mail Id:\_\_\_\_\_, Signature:\_\_\_\_\_, or failing him ,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company, to be held on the Saturday, 29<sup>th</sup> day of September, 2018 at 9.30 a.m. at Hotel Amar Vilas,1 Chandra Nagar, A.B. Road, Opp. Sony World, Indore-452010 (M.P.), India and at any adjournment thereof in respect of such resolutions are indicated overleaf:

✂.....✂



# Vippy Spinpro Ltd.

CIN: L01710MP1992PLC007043

Regd. Office: 414, City Centre, 570,M.G. Road, Indore-452001, Madhya Pradesh

Email:admin@vippyspinpro.com

Website:www.vippyspinpro.com, Phone:91-731-2546710..

## ATTENDANCE SLIP

**26<sup>th</sup> Annual General Meeting on Saturday, 29<sup>th</sup> day of September, 2018, at 9.30 a.m.**

At Hotel Amar Vilas, 1 Chandra Nagar, A.B. Road, Opp. Sony World, Indore - 452010 (M.P.)

**Folio No.** \_\_\_\_\_ **DP ID No.\*** \_\_\_\_\_ **Client ID No.\*** \_\_\_\_\_

**Name of the Member** \_\_\_\_\_ **Signature** \_\_\_\_\_

**Name of the Proxy holder** \_\_\_\_\_ **Signature** \_\_\_\_\_

I/We hereby record my/our presence at the 26<sup>th</sup> Annual General Meeting of the Company at 9.30 a.m. at Hotel Amar Vilas, 1 Chandra Nagar, A.B. Road, Opp. Sony World, Indore - 452010 (M.P.), India

\*Applicable for members holding shares in electronic form.

1. Only Member/Proxy holder can attend the meeting

2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.



<b>Resolutions</b>		
<b>Ordinary Business</b>		
1.	Adoption of Audited Financial Statement of the Company for the year ended 31 <sup>st</sup> March, 2018 (Ordinary Resolution)	
2.	Re-appointment of Shri Mangalore Maruthi Rao (DIN-00775060), who retires by rotation (Ordinary Resolution)	
<b>Special Business</b>		
3.	Approval of the remuneration of Cost Auditors for the financial year ending March 31, 2019 (Ordinary Resolution)	

Signed this -----day of-----2018

Signature of shareholder.....

Signature of Proxy holder(s).....

Affix Revenue Stamp
---------------------------

**Note :** : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



