

36th
Annual Report & Accounts
2009-10



VIPPY INDUSTRIES LTD.

An ISO 9001:2008 Certified Company

**VIPPY INDUSTRIES LTD.***An ISO 9001:2008 Certified Company**36th Annual Report & Accounts 2009-10***Board of Directors**

: Shri Rahul Mutha (Managing Director)
Shri Prancet Mutha (Executive Director)
Shri Sajeve Deora
Dr. K. Savagaon
Shri K.B. Singh (Ceased w.e.f. 13.07.2009)

Auditors

: M/s., Sodani & Company
Chartered Accountants

Cost Auditors

: M. Goyal & Company

Company Secretary

: Prakash Chakrawarti

Registered Office

: 28, Industrial Area,
A.B. Road, Dewas- 455001 (M.P.)
Phone: 07272-258545, 6 Fax: 07272-258552

Works Office

: 28, 29 & 30 Industrial Area,
A.B. Road, Dewas -455001 (M.P.)
Phone: 07272-258545, 6 Fax: 07272-258552

Registrar & Share Transfer Agent

: Ankit Consultancy Pvt. Ltd.
2nd Floor, Alankar Point,
Geeta Bhawan Chouraha,
A.B. Road, Indore-452001(M.P.)

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**VIPPY INDUSTRIES LTD.***An ISO 9001:2008 Certified Company**36th Annual Report & Accounts 2009-10***NOTICE**

Notice is hereby given that the 36th Annual General Meeting of the Company will be held on Thursday, the 30th day of September, 2010 at 2.00 p.m. at the Registered Office of the Company situated at 28, Industrial Area, A. B. Road, Dewas-455001 (M. P.) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2010 and the Profit and Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. K. Savagaon who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. Sodani & Company, Chartered Accountants, as Auditors of the Company, from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT the members of the company hereby accorded their approval to the appointment of Shri Praneet Mutha as a Whole Time Director designated as Executive Director of the Company for a period of 2 years with effect from 01st, April 2010 on the remuneration and terms and conditions mentioned in the explanatory statement annexed hereto."

"RESOLVED FURTHER THAT the remuneration as set out in the enclosed explanatory statement be paid as minimum remuneration to Shri Praneet Mutha.

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

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

By Order of the Board
For Vippy Industries Ltd.

Prakash Chakrawarti
Company Secretary

Dewas, 29th May, 2010

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company.
2. The instrument appointing proxy should be deposited at the registered office of the Company not less than forty-eight hours before commencement of the meeting.
3. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, relating to special business to be transacted at the meeting is annexed hereto.
4. The register of members and share transfer books will remain closed from Thursday, 23rd September, 2010 to Thursday, 30th September, 2010 (both days inclusive) for the purpose of Annual General Meeting.
5. 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., 2nd Floor, Alankar Point, Geeta Bhawan Chouraha, A.B. Road, Indore-452001 (M.P.), in respect of their physical share folio, if any.
6. Members/proxies who wish to attend the meeting are requested to bring attendance slip sent herewith, duly filled in, and the copy of the Annual Report. Copies of the Annual Report will not be distributed at the meeting.
7. Brief resume of directors seeking appointment/re-appointment in ensuing annual general meeting are provided in terms of clause 49 of the listing agreement with stock exchanges in the report on Corporate Governance forming part of the Annual Report.

**EXPLANATORY STATEMENT**

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

Item No. 4

Shri Praneet Mutha was appointed as additional director of the Company on 31.10.2007, and confirmed as director by the members in annual general meeting held on 27.09.2008. He has vast experience in soya extraction industry & other industries, and he is a person qualified for the position of whole time director of the Company. After the vacation of post of Joint Managing Director, it is necessary to consider appointment of Shri Praneet Mutha as a Whole Time Director. After due consideration of the present scenario, size and nature of operations of the Company and wide experience of Shri Praneet Mutha in the soya extraction industry & other industries, the Remuneration Committee and Board of Directors at their respective meeting held on 31.03.2010, subject to approval of annual general meeting, approved his appointment as a Whole Time Director designated as Executive Director w.e.f. 01.04.2010 for the period of 2 years on the following terms and conditions:

- a) Basic Salary: Rs.1,00,000/- (Rupees One Lacs) per month in the scale of Rs. 1,00,000/- Rs.25000/- Rs.1,25,000/-.
- b) Expenditure incurred by the Executive Director on Water & Electricity at residence will be provided by the company and shall be valued as per the Income Tax Rules 1962.
- c) Leave Travel Concession: Reimbursement once in a year subject to maximum of one month's Salary.
- d) Medical Allowance: Reimbursement during the year subject to a ceiling of one month's salary.
- e) Contribution to provident fund and superannuation fund or annuity fund to the extent not taxable under the Income Tax Act.
- f) Gratuity at the rate of half a month's salary for each completed year of service.
- g) Payment of Club Fees subject to a maximum of two clubs excluding life membership fees.
- h) Free Telephone and mobile facility at residence for official use.
- i) Free use of one car with driver for official use.
- j) Payment of annual premium for personal accident insurance subject to maximum of Rs. 10000/- per annum.
- k) Payment of annual premium for medical insurance for self & his family subject to maximum of Rs. 50000/- per annum.

Note:

Sitting fees will not be paid for attending meetings of the board of directors or committee thereof.

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

Memorandum of Interest

Except Shri Praneet Mutha himself, no other Directors are concerned or interested in the resolution.

By Order of the Board
For Vippy Industries Ltd.

Prakash Chakrawarti
Company Secretary

Dewas, 29th May, 2010

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 36th Annual Report of the Company along with Audited Statement of Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

The summary of the financial highlights for the financial year ended 31st March, 2010 is given below:

Particulars	(Rs. In Lacs)	
	For the year Ended March 31 st , 2010	For the year Ended March 31 st , 2009
Total Income	73561.26	75070.17
Profit before interest & depreciation	1407.23	1285.53
Less: Interest for the year	28.92	93.82
Profit before depreciation	1378.31	1191.71
Less: Depreciation	374.64	354.18
Profit/(Loss) for the year	1003.67	837.53
Add/(Less): Provision for taxes	(61.95)	(99.25)
Net Profit/(Loss) after tax for the year	941.72	738.28

BUSINESS PERFORMANCE

During the year under review, the total income of the company has decreased to Rs. 73561.26 Lacs from Rs. 75070.17 Lacs in the previous year. The company's Profit after tax increased to Rs. 941.72 Lacs from Rs. 738.28 Lacs registering growth of 27.56% over last year.

DIVIDEND

In view of the need for conservation of resources, your directors regret their inability to recommend any dividend for the year under review.

PUBLIC DEPOSITS

The Company has not accepted / invited any deposits in terms of Section 58A of the Companies Act, 1956 and rules made there under.

ALLOTMENT OF SHARES - UTILISATION OF PROCEEDS OF WARRANTS

During the year on receipt of the balance 90% money for conversion of 5,00,00,000 warrants, the company has allotted 5,00,00,000 equity shares of Re. 1/- each on 30.06.2009 to promoters on conversion of balance 5,00,00,000 warrants forming part of Issue of 15,00,00,000 convertible Share Warrants allotted at Board Meeting held on 10th January, 2008 pursuant of Order of Hon'ble BIFR dt. 4.10.2007 and consequently the paid up capital of the company increased to Rs.160577596. The aggregate of the total proceeds received before allotment of 5,00,00,000 equity shares of Re. 1/- each to promoters, utilised as per the Rehabilitation Scheme sanctioned by Hon'ble BIFR vide its order dt. 4.10.2007.

INSURANCE

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

BIFR REHABILITATION SCHEME

The Rehabilitation Scheme of the Company approved by the Hon'ble BIFR is under implementation.

DIRECTORS

Yours directors regret to report the sad demise of Shri K.B.Singh, director of the company, on 13.07.2009. The Board of Directors wishes to place on record appreciation of service tendered by him during his tenure of the office as Director. Shri Pranect Mutha was appointed as a Whole Time Director designated as Executive Director w.e.f.01.04.2010. Dr. K.Savagaon, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment.



DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 217 (2AA) of the Companies Act, 1956, your Directors confirm as under:

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

PARTICULARS OF EMPLOYEES

Provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 (as amended) are not applicable as there was no employee in receipt of the specified remuneration.

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

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

CORPORATE GOVERNANCE

Your Company is committed to good corporate governance practices. The Board of Directors supports the broad principles of corporate governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, separate sectioned titled "Report on Corporate Governance" has been included in the Annual Report, along with General Shareholder Information and Management Discussion and Analysis.

All board members and senior management personnel have affirmed compliance with the code of conduct for the year 2009-2010. A declaration to this effect signed by the Managing Director of the Company is annexed to annual report.

The Managing Director and CFO have certified to the board with regard to the financial statements and other matters as required in clause 49 of the listing agreement with stock exchanges and the said certificate is annexed to annual report.

A certificate as required under clause 49 of Listing Agreement with stock exchanges, for compliance of conditions stipulated in the Listing Agreement, obtained from the M/s. Shilpesh Dalal & Co., Company Secretary in Practice, form a part of the Annual Report.

AUDITORS

M/s. Sodani & Company, Chartered Accountants, retires at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office of Auditors, if reappointed. A Certificate under section 224 (1B) has been obtained from them. The Audit Committee and the Board of Directors recommend M/s. Sodani & Company, as Statutory Auditors of the Company for the financial year 2010-11.

COST AUDIT

Pursuant to section 233B of the Companies Act, 1956, the Central Government has prescribed Cost Audit of the Company's product i.e. Refined Oil.

Subject to the approval of the Central Government, the Board has appointed M. Goyal & Co., Cost Accountants, Jaipur, as Cost Auditors of the Company for the Financial Year 2010-11. The Cost Audit is under process and the Company will submit the Cost Auditors' Report to the Central Government within stipulated statutory period.

INDUSTRIAL/SOCIAL RELATIONS

The Board place on record their appreciation for the support and co-operation your company has been received from soyabean growers/suppliers, wholesaler, various customers and others associated with the Company. Relations between the employees and management remained cordial.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In line with our objective of being a committed corporate citizen, we have taken significant efforts in the area of Corporate Sustainability. Encompassing Corporate Governance, Social Responsibility and Environment care. We strive towards using locally available material and resources to generate employment and business opportunity for the local community.

We have involved ourselves in various welfare activities in & around our manufacturing location. We have focused our attentions on areas like imparting education to underprivileged children and providing employment opportunities to women and physically challenged people.

Our main focus areas in Social Responsibility :**Education:**

In the memory of our Beloved Late Shri Prakash Mutha, (Managing Director from 29.09.1973 to 21.08.2006), the Company started a scheme for promoting education amongst girl students. The Company recognizes the meritorious students and awards them Bicycles, School Dress, School Bags, School Books & education related material. During the year 68 students got the benefits and the Company has now also taken responsibility for payment of college fees of children of employee who met with sudden natural death, till they graduate. Company also has started facility of interest free loans for higher education to the deserving students.

Women Empowerment:

The Company has policy to recruit women in the company's jobs and impart training to develop their skills. During the year the Company has sponsored the fees of underprivileged girls at the Girls Degree College at Dewas.

Health and Awareness:

During the year the company has arranged camp for health check up of the employees and their dependents. Regular programme are being organized for awareness of effect of tobacco and gutka on their health. The Company has also taken mediclaim policy for the staff of the Company.

Environment:

The company has carried out an aggressive greening programme around the corporate office/factory premises and other places. During the year, the Company has planted around 350 trees and help to protect the environment & reduce the spread of respiratory disease aggravated or cause by air pollutions in the country.

Your Company continues to maintain the "Rain Water Harvesting Systems" since last 15 years at its Factory premises at Dewas, resulting in saving water and recharging the bore well & improving the level of underground water.

Your Company continues to use solar energy for heating water for generation of steam in the boiler and save electricity, coal consumption and reduce total emissions of CO₂. The Company treats and reuses the effluent & ensure zero discharge of effluent outside the premises.

Social:

The Company established water huts in summer at various places in Dewas City. The Company also donated to the victims of the fire, who lost their houses at Shantinagar, Dewas.

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

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

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

**ACKNOWLEDGEMENTS**

Your Directors take this opportunity to thank all investors, clients, vendors, banks, regulatory authorities, government authorities and stock exchanges, for their continued supports. Yours Directors wishes to express its gratitude and record its sincere appreciation of the dedicated efforts of all the employees, their commitment and professionalism despite the challenging environment.

For and on behalf of the Board of Directors

Dewas, 29th May, 2010

Rahul Mutha
Managing Director

Praneet Mutha
Executive Director

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

Information as per section 217(1)(c) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2010.

(I) CONSERVATION OF ENERGY**(a) Energy conservation measures taken:**

- I. 1000 KVA voltage stabilizer installed in Unit-3
- II. Capacitor Bank 200 KVAR installed in Unit-3
- III. Used Narmada water in place of R.O water in boiler.
- IV. Condensate recovery system installed in unit-2

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

- I. Installation of energy saving equipment in lighting feeder.
- II. Installation of VFD in Unit-3-Blowers

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

- I. Installation of 1000 KVA voltage stabilizer in unit-3, saved electricity consumption by 350 units/day.
- II. Installation of 200 KVAR Capacitor Bank in unit-3 saved Rs. 18000/month at full load capacity.
- III. Change the water in boiler section, saved Rs. 10000/day.
- IV. Installation of splash steam recovery system in unit-2, saved steam 10 TON/day.

FORM -A

Particulars with respect to conservation of energy

	Current Year ended on 31.03.2010	Previous Year ended on 31.03.2009
A. Power & Fuel Consumption		
1. Electricity		
a. Purchased		
Units	1,36,78,500	1,46,08,600
Total Amt. (Rs.) (excluding cess)	6,37,65,132	6,39,17,214
Rate/unit (Rs.)	4.66	4.38
b. Own Generation		
(i) Through Diesel Generator		
Units	64,645	1,67,223
Units/liter of diesel oil (Rs.)	3.14	3.27
Cost / Unit (Rs.)	15.67	15.96
(ii) Through Steam Turbine/Generator	-	-
2. Coal		
Quantity Consumed (in MT)	25,162.50	25,810.27
Total Cost (Rs.)	8,29,70,503.71	9,99,21,345
Average Rate (Rs./MT)	3,297.39	3,871.38
3. Furnace Oil	-	-
4. Others /internal generation	-	-
B. Consumption per unit of production		
Electricity (Unit/MT)	48.79	45.81
Furnace Oil	-	-
Coal (Kg/MT)	89.34	80.02
Others	-	-

**II. TECHNOLOGY ABSORPTION****FORM -B****Form of disclosures of particulars with respect to absorption:****(A) RESEARCH & DEVELOPMENT**

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

R & D Expenditure: Not Applicable

(B) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. Efforts in brief made towards technology absorption, adoption and innovation.	Gravity Metal separator installed in Nuggets section for on line Separations of ferrous & non ferrous metal from final product.
2. Benefits derived as a result of the efforts.	Metallic impurities in TVP products reduced & quality improved.
3. In case of imported technology during the last 5 years.	N.A.

III. FOREIGN EXCHANGE EARNING AND OUTGO

	Amount (in Rs.) (Current Year)	Amount (in Rs.) (Previous Year)
1. Earning (Rs.) (on FOB Basis)	1,93,62,32,926	1,58,82,23,029
2. Outgo (Rs.)	85,55,393	50,48,781

For and on behalf of the Board of Directors

Dewas, 29th May, 2010

Rahul Mutha
Managing Director

Praneet Mutha
Executive Director