

Indo Cotspin Limited



19th

*Annual
Report*

2012 - 2013

19th Annual Report 2012-13

Indo Cotspin Limited

BOARD OF DIRECTORS

CHAIRMAN CUM MANAGING DIRECTOR

Sh. Bal Kishan Aggarwal

WHOLE TIME DIRECTOR

Sh. Raj Pal Aggarwal

Sh. Sahil Aggarwal

Sh. Arpan Aggarwal

Sh. Sanil Aggarwal

DIRECTOR

Sh. Ankush Aggarwal

Sh. Anil Aggarwal

Sh. Vinod Kumar Garg

Sh. Pawas Aggarwal

Mrs. Saroj Garg

AUDITORS

M/s Anil Aviral & Co.

Chartered Accountants

RTA

Skyline Financial Services Pvt. Ltd.

D-153 A, 1st Floor, Okhla Industrial Area,

Phase-I, New Delhi-110020

REGISTERED OFFICE & WORKS

Delhi Mile Stone, 78 K.M., G.T. Road,

NH-1, Village Jhattipur, Post Box-3,

Post Office Samalkha,

Distt. Panipat-132103

Haryana (INDIA)

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INDO COTSPIN LIMITED

Regd. Office: Delhi Mile Stone 78 K.M, G.T. Road, NH-1
Village Jhattipur, Post Box-3, Post Office, Samalkha, Panipat-132103(Haryana)

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of the Company will be held on Monday, 30th September, 2013 at 11:30 A.M. at the Registered Office at Delhi Mile Stone 78 K.M, G.T. Road, N.H.-1, Village Jhattipur, Post Office, Samalkha, Panipat-132103 (Haryana) to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Anil Aggarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sanil Aggarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ankush Aggarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To re-appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.

The present Statutory Auditors M/s Anil Aviral & Co., Chartered Accountants, Panipat, are holding the office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Special Business:

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“Resolved That pursuant to the provisions of sections 198, 269, 309 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, Mr. Sanil Aggarwal be and is hereby appointed as a Whole Time Director of the Company for a period of 3 years with effect from 1st October, 2013 till 30th September, 2016 at a monthly remuneration of Rs. 22,000/- (Rupees Twenty Two Thousand only), whether paid as Salary, allowance(s), perquisites or a combination thereof.

Resolved Further That Mr Sanil Aggarwal as Whole Time Director of the Company shall also be paid the following statutory perquisites as per Company's policy:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure

Resolved Further That Mr. Sanil Aggarwal as Whole Time Director of the Company shall not be paid any sitting fees for attending the meetings of the Board of Directors or committee thereof.

Resolved Further That in case of inadequate or absence of profits during any financial year of the tenure of the Whole Time Director; the aforesaid remuneration will be the Minimum Remuneration.

Resolved Further That the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorized to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved Further That the office of Mr Sanil Aggarwal as Whole Time Director of the Company shall be liable for determination through retirement by rotation.

Resolved Further That the Board of Directors be and is hereby authorized to do all such acts, deeds and things and to take such other steps as may be necessary in this regard.”

For and on Behalf of the Board
For **Indo Cotspin Limited**

Bal Kishan Aggarwal
Chairman & Managing Director
DIN: 00456219

Date: 25th August, 2013

Place: Panipat

NOTES:

- A. Appointment of proxy:** A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. The proxy form in order to be effective must be deposited with the company not less than 48 hours before the time fixed for commencement of the meeting.
- B. Corporate Members:** Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C. Members/Proxies attending the meeting** are requested to bring their copy of Annual Report to the Meeting.
- D. Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E. Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 27th September 2013 to Monday, 30th September 2012 (both days inclusive) for the purpose of the AGM.
- F. Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- G. Explanatory Statement:** Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 6 is enclosed herewith.
- H.** The company has appointed Skyline Financial Services Pvt Ltd, as its Registrar and Share Transfer Agent. All correspondence with regard to share transfers, matters related therewith or any other shareholder's query may be directly be addressed to the Registrar and Share Transfer Agents at the address given below:

Skyline Financial Services Pvt Ltd
D-153 A, 1st Floor, Okhla Industrial Area
Phase – I, New Delhi-110 020
Phone: 011-26812682-83
Fax: 26812682

- I.** The information required to be provided under the Listing Agreement regarding the Directors proposed to be reappointed is enclosed herewith.

ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT

Name/ Particulars	Mr. Anil Aggarwal	Mr. Ankush Aggarwal	Mr. Sahil Aggarwal
DIN	03060777	03060781	03073407
Father's Name	Late Shri Hari Krishan Aggarwal	Shri Anil Aggarwal Aggarwal	Mr Raj Pal Aggarwal Aggarwal
Date of Birth	05/08/1958	13/07/1985	02/09/1991
Designation	Director	Director	Director
Education	Graduate	Graduate	Graduate
Experience	25 Years	5 Years	2 Years
Other Companies in which holds Directorship	Nil	Nil	Nil
Other Companies in which holds membership of committees	Nil	Nil	Nil
Shareholding in the Company	4000(0.09%)	80000(11.64%)	184200(2.90%)

Note: Mr Bal Kishan Aggarwal and Mr Raj Pal Aggarwal are brothers. Mr Arpan Aggarwal is son of Mr Bal Kishan Aggarwal. Mr Sanil Aggarwal and Mr Sahil Aggarwal are sons of Mr Raj Pal Aggarwal. Mr. Ankush Aggarwal is son of Mr. Anil Aggarwal. Mrs. Saroj Garg is wife of Mr. Vinod Kumar Garg.

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Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956**Item No. 6**

Mr. Sanil Aggarwal is a promoter director and instrumental to the growth of the Company. It is proposed to appoint Mr. Sanil Aggarwal as a Whole Time Director of the Company and make payment of remuneration under Clause – 1(A) of Section – II, Part – II of the Schedule XIII of the Companies Act, 1956.

The aforesaid explanatory statement read with the resolution proposed for item no. 6 should also be deemed to be notice of the abstract for terms of appointment and payment of remuneration to Mr. Sanil Aggarwal under section 302 of the Companies Act 1956.

The members' approval is required by way of Ordinary Resolution for appointment of and payment of remuneration to the aforesaid appointee as Whole Time Directors of the Company. The proposal for re-appointment and payment of remuneration has already been considered and approved by the Board of Directors and Remuneration Committee.

Your directors recommend the adoption of resolution in the larger interest of the Company.

None of the Directors except Mr. Bal Kishan Aggarwal, Mr. Raj Pal Aggarwal, Mr. Sahil Aggarwal, Mr. Arpan Aggarwal and Mr. Sanil Aggarwal are interested and concerned in the proposed resolutions.

For and on Behalf of the Board
For **Indo Cotspin Limited**

Bal Kishan Aggarwal
Chairman & Managing Director
DIN: 00456219

Date: 25th August, 2013
Place: Panipat

INDO COTSPIN LIMITED**Regd. Office:** Delhi Mile Stone 78 K.M, G.T. Road, NH-1Village Jhattipur, Post Box-3, Post Office, Samalkha, Panipat-132103(Haryana)**DIRECTORS' REPORT****Dear Members**

Your Directors have pleasure in presenting the 19th Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2013.

Financial Highlights

Particulars	Amount (Rs. in lacs)	
	FY 2012-13	FY 2011-12
Net Sales	605.74	566.31
Other Income	7.18	0.37
Total Revenue	612.93	566.68
Total Expenditure	606.22	555.84
Profit before tax	6.70	10.84
Provision for tax	1.35	2.12
Deferred Tax	1.63	1.86
Profit after tax	3.72	(6.87)
EPS (Rs.)	0.13	0.27
Transfer to Reserve	Nil	Nil
Paid-up Share Capital	420.05	320.12
Reserves and Surplus (excluding revaluation reserve)	33.48	(97.48)

Year in Retrospect

During the year under review, total income of the Company was Rs. 605.74 lacs as against Rs. 566.31 lacs in the previous year. The Company was able to earn a profit after tax of Rs. 3.72 lacs in the current financial year 2012-13 as against a profit of Rs. 6.87 lacs in the financial year 2011-12. Your Directors are putting in their best efforts to improve the performance of the Company.

The detailed Management Discussion & Analysis Report is attached hereto with the Director's Report and should be read as part of this Directors Report.

Material Changes after the close of the financial year

Save as mentioned else where in this Report, no material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year of the Company-31st March, 2013.

Dividend

The Board of Directors of your Company has decided to retain and plough back the profits into the business of the Company, thus no dividend is being recommended for this year.

Corporate Governance

A Report on Corporate Governance is attached as a part of this Directors Report along with the Auditors' Certificate on compliance of Clause 49 of the Listing Agreement.

Public Deposits

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in **Annexure A**, forming part of this report.

Particulars of Employees

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

Directors

After the last Annual General Meeting, there has been no change in the Board of directors of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Anil Aggarwal, Mr. Ankush Aggarwal and Mr. Sanil Aggarwal are liable to retire by rotation and being eligible offer themselves for re-appointment. Directors recommend their re-appointment.

It is proposed to appoint Mr. Sanil Aggarwal as the Whole Time Director of the Company. Resolution for his appointment as a whole time director of the Company is proposed in the notice of the annual general meeting.

Auditors

M/s Anil Aviral & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

Auditors' Report

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

Directors' Responsibility Statement

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- a. in preparation of the annual accounts, the applicable accounting standards have been followed;
- b. 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, 2013 and of the profit of the Company for the year ended on that date;

- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors have prepared the Annual Accounts on a going concern basis.

Stock Exchange Listing

The shares of the Company are listed on the Delhi Stock Exchange Ltd (DSE), Jaipur Stock Exchange Ltd (JSE) and Ahmedabad Stock Exchange Ltd (ASE). The listing fee for the financial year 2013-14 has already been paid to the stock exchanges.

Acknowledgement

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees, support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

For and on Behalf of the Board
For **Indo Cotspin Limited**

Date: 25th August, 2013
Place: Panipat

Bal Kishan Aggarwal
Chairman & Managing Director
DIN: 00456219

Raj Pal Aggarwal
Whole Time Director
DIN: 00456189