

Indo Cotspin Limited



20th *Annual Report*

2013 - 2014

20th Annual Report 2013-14

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 Manish Jain & Associates

Chartered Accountants

RTA

Skyline Financial Services Pvt. Ltd.

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

Phase-I, New Delhi-110020

Ph:- 011-26812681, Fax:- 011-64732682

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)

CONTENTS	Page No.
Notice	3
Director's Report	10
Auditor's Report	32
Balance Sheet	37
Profit & Loss Account	39
Schedules	41
Cash Flow Statement	55
Proxy Form and Attendance Slip	57

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 TO THE 20TH ANNUAL GENERAL MEETING

Notice is hereby given that the 20th Annual General Meeting of the Members of the Company will be held on Tuesday, 30th September, 2014 at 11.30 A.M. at Delhi Mile Stone 78 K.M, G.T. Road, NH-1, Village Jhattipur, Post Box-3, Post Office, Samalkha, Panipat-132103(Haryana) to transact the following business:

Ordinary Business

Item no.1: Adoption of Financial Statements

To receive, consider and adopt the audited financial statements of the Company for the year ended 31st March, 2014, including the audited balance sheet as at 31st March 2014 and Statement of Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors' thereon.

Item no. 2: Appointment of Director

To appoint a Director in place of Mr. Raj Pal Aggarwal (DIN 00456189), who retires by rotation and, being eligible, offers himself for re-appointment.

Item no. 3: Appointment of Auditors

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. Manish Jain & Associates, 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

Item no. 4: Appointment of Mr. Pawas Aggarwal as an Independent Director

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 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Pawas Aggarwal (DIN-00456416), Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019 (not liable to retire by rotation).

Item no. 5: Appointment of Mr. Vinod Kumar Garg as an Independent Director

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 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Vinod Kumar Garg (DIN-01112355), Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019 (not liable to retire by rotation).

Item no. 6: Appointment of Mrs. Saroj Garg as an Independent Director

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 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mrs. Saroj Garg (DIN-01052300), Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019 (not liable to retire by rotation).

Item no. 7: Appointment of Mr. Anil Aggarwal as an Independent Director

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 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Anil Aggarwal (DIN-03060777), Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019 (not liable to retire by rotation).

Item no. 8: Appointment of Mr. Ankush Aggarwal as an Independent Director

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 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Ankush Aggarwal (DIN-03060781), Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019 (not liable to retire by rotation).

For and on Behalf of the Board
For Indo Cotspin Limited

Bal Kishan Aggarwal
Chairman & Managing Director
DIN: 00456219

Date: 11th August, 2014
Place: Panipat

NOTES:

- A. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- B. **APPOINTMENT OF PROXY: A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.**
- C. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
- D. **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.
- E. Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting.
- F. **Queries at the Annual General Meeting:** 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.
- G. **Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 29th September, 2014 to Tuesday, 30th September, 2014 for the purpose of the Annual General Meeting.
- H. All the documents, transfers, dematerialization requests and other communications in relation thereto should be addressed direct to the Company's Registrar and Transfer Agent, M/s. Skyline Financial Services Private Limited at D-153A, 1st Floor, Okhla Industrial Area, Phase - I, East of Kailash, New Delhi - 110 020, Ph:- 011-26812681, Fax:- 011-64732682
- I. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
- J. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit duly filled Attendance Slip at the registration counter to attend the AGM.

The procedure for the same is as under:

(a) In case of Members receiving an e-mail from NSDL:

- (i) Open the PDF file '**ICL e-Voting.pdf**' attached to the e-mail, using your Client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
- (ii) Launch an internet browser and open <https://www.evoting.nsdl.com>
- (iii) Click on Shareholder - Login.
- (iv) Insert 'User ID' and 'Initial Password' as noted in step (i) above and click 'Login'.
- (v) Password change menu will appear. Change the Password with a new Password of your choice. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
- (vi) Home page of e-voting will open. Click on e-Voting - Active Voting Cycles.
- (vii) Select 'EVEN' of Indo Cotspin Limited.
- (viii) Now you are ready for e-voting as 'Cast Vote' page opens.
- (ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
- (x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at csparveenbansal@gmail.com with a copy marked to evoting@nsdl.co.in.

(b) In case of Shareholders receiving physical copy of the Notice of AGM.

- (i) Initial Password is provided, as follows, alongwith Notice of AGM.

EVEN (E-Voting Event Number)	USER ID	PASSWORD
-	-	-

- (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of NSDL's e-voting website www.evoting.nsdl.com.
- III. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.

General Instructions:

- A. The e-voting period commences on Monday, 22nd September, 2014 (10.00 a.m. IST) and ends on Wednesday, 24th September, 2014 (6.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once, the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- B. Since the Company is required to provide members the facility to cast their vote by electronic means, the shareholders holding shares either in physical form or in dematerialized form as on the cut-off date and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- C. Ms. Lalita Bansal, Practicing Company Secretary, G-3, Industrial Area, Sarawati Vihar, Panipat, 132103, has been appointed as the Scrutinizer to scrutinize the e voting process in fair and transparent manner.
- D. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- E. The voting rights of the shareholders shall be in proportion to their shares of paid up equity share capital of the Company as on the cut-off date.
- F. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.indocotspin.com and on the website of NSDL within three(3) days of passing of the resolutions at the AGM of the Company.
- G. **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.
- H. The information required to be provided under the Listing Agreement regarding the Directors proposed to be appointed/ reappointed is enclosed herewith.

ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT

Name/ Particulars	Mr. Pawas Aggarwal	Mr. Vinod Kumar Garg	Mrs. Saroj Garg
DIN	00456416	01112355	01052300
Father's Name	Mr. Vinod Aggarwal	Mr. Girish Pal Garg	Mr. LT. Dhani Ram
Date of Birth	01/07/1982	17/08/1955	22/02/1959
Designation	Director	Director	Director
Education	Post Graduate	Law Graduate	Graduate
Experience	10 Years	32 Years	7 Years
Other Companies in which holds Directorship	Nil	Vinod Kumar Garg Marketing P Ltd. Shri Ganpati Woollen Pvt. Ltd.	Vinod Kumar Garg Marketing P Ltd. Shri Ganpati Woollen Pvt. Ltd.
Other Companies in which holds membership of committees	Nil	Nil	Nil
Shareholding in the Company	25 (0.00%)	1000 (0.02%)	1000 (0.02%)

Name/ Particulars	Mr. Anil Aggarwal	Mr. Ankush Aggarwal	Mr. Raj Pal Aggarwal
DIN	03060777	03060781	00456189
Father's Name	Late Shri Hari Krishan Aggarwal	Shri Anil Aggarwal Aggarwal	Lt. Shri Ram Aggarwal Aggarwal
Date of Birth	05/08/1958	13/07/1985	10/09/1965
Designation	Director	Director	Director
Education	Graduate	Graduate	Graduate
Experience	26 Years	6 Years	23 Years
Other Companies in which holds Directorship	Nil	Nil	Indo Nonwoven Private Ltd.
Other Companies in which holds membership of committees	Nil	Nil	Nil
Shareholding in the Company (No. &%)	4000 (0.09%)	80000 (1.90%)	488900 (11.64%)

Note: None of the promoters and directors of the Company is relative in terms of the Companies Act or SEBI (ICDR) Regulations, 2009 except 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.

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)

Explanatory Statement pursuant to section 102 of the Companies Act, 2013 annexed to the notice

Item no.: 4 to 8

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, has appointed Mr. Pawas Aggarwal, Mr. Vinod Kumar Garg, Mrs. Saroj Garg, Mr. Anil Aggarwal and Mr. Ankush Aggarwal, as Independent Directors, in compliance with the requirements of the said clause.

Pursuant to the provisions of section 149 of the Companies Act, 2013, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Nominations and Remuneration Committee of the Board of Directors has recommended the appointment of Mr. Pawas Aggarwal, Mr. Vinod Kumar Garg, Mrs. Saroj Garg, Mr. Anil Aggarwal and Mr. Ankush Aggarwal as Independent Directors for a period of five years till 31st March, 2019.

Mr. Pawas Aggarwal, Mr. Vinod Kumar Garg, Mrs. Saroj Garg, Mr. Anil Aggarwal and Mr. Ankush Aggarwal have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

A brief profile of the Independent Directors to be appointed is given in the annexure to this notice.

The Board considers that continued association of Mr. Pawas Aggarwal, Mr. Vinod Kumar Garg, Mrs. Saroj Garg, Mr. Anil Aggarwal and Mr. Ankush Aggarwal would be of immense benefit to the Company.

The Board recommends the resolution set forth in Item no. 4 to 8 for the approval of the members.

None of the directors, key managerial personnel or their relatives, except Mr. Pawas Aggarwal, Mr. Vinod Kumar Garg, Mrs. Saroj Garg, Mr. Anil Aggarwal and Mr. Ankush Aggarwal, to whom the resolution relates, are interested or concerned in the resolution.

For and on Behalf of the Board
For Indo Cotspin Limited

Bal Kishan Aggarwal
Chairman & Managing Director
DIN: 00456219

Date: 11th August, 2014
Place: Panipat

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)

DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting the 20th 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 2013-14	FY 2012-13
Net Sales	742.97	605.74
Other Income	162.23	7.18
Total Revenue	905.20	612.93
Total Expenditure	748.61	606.22
Profit before tax	156.59	6.70
Provision for tax	31.70	1.35
Deferred Tax	0.84	1.63
Profit after tax	124.04	3.72
EPS (Rs.)	2.97	0.13
Transfer to Reserve	Nil	Nil
Paid-up Share Capital	420.05	420.05
Reserves and Surplus (excluding revaluation reserve)	157.52	33.48

Year in Retrospect

During the year under review, total income of the Company was Rs. 742.97 lacs as against Rs. 605.74 lacs in the previous year. The Company was able to earn a profit after tax of Rs. 124.04 lacs in the current financial year as against a profit of Rs. 3.72 lacs in the financial year 2012-13. 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 elsewhere 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, 2014.

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.