

# Indo Cotspin Limited

BSE SCRIP CODE - 538838 - ICL



# 22nd

*Annual  
Report*

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**2015 - 2016**

## **22nd Annual Report 2015-16**

### **Indo Cotspin Limited**

**ISIN/INE 407P01017, BSE SCRIP CODE - 538838-ICL**

#### **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

Email Id : viren@skylinerta.com

Website : www.skylinerta.com

##### **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)

Website : www.indocotspin.com

Email Id : rajpalaggarwal2000@yahoo.com

info@indocotspin.com

cs@indocotspin.com

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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 TO THE 22nd ANNUAL GENERAL MEETING**

**Notice** is hereby given that the 22<sup>nd</sup> Annual General Meeting of the Members of the Company will be held on **Friday, 30<sup>th</sup> September, 2016** at 11.30 A.M. at the registered office of the Company at Delhi Mile Stone 78 K.M, G.T, Road, Village Jhattipur, Post Box No. 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 31<sup>st</sup> March, 2016, including the audited balance sheet as at 31<sup>st</sup> March 2016 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. Sanil Aggarwal (DIN 03073407), who retires by rotation and, being eligible, offers himself for re-appointment.

**Item no. 3: Appointment of Auditors**

To appoint the Statutory Auditors of the Company and to authorize the Board to fix their remuneration and to pass the following resolution thereof, as an **Ordinary Resolution**

**"Resolved that,** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board, M/s. Manish Jain & Associates, Chartered Accountants, Panipat (Firm Registration No. 015608N) be and is hereby appointed as the Auditors of the company to hold office till the conclusion of the Annual General Meeting (AGM) to be held in the calendar year 2019 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**Special business**

**Item no. 4: Re-appointment of Mr. Sanil Aggarwal as Whole Time Director**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"Resolved That** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to the re-appointment of Mr. Sanil Aggarwal (DIN: 03073407) as a Whole Time Director of the Company, for a period of three (3) years with effect from **1<sup>st</sup> October, 2016 till 30<sup>th</sup> September, 2019**, at a remuneration of Rs. 22,000/- (Rupees Twenty Two Thousand only) per month, whether paid as salary, allowance(s), perquisites or a combination thereof.

**Resolved further that** payment towards the following statutory perquisites will not be included in the aforesaid remuneration:

- 
- 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** the aforesaid Whole Time Director 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 Whole Time Director 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 : 30<sup>th</sup> July, 2016**  
**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 ANNUAL GENERAL MEETING (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. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- f. Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting.
- g. **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.
- h. **Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, 29<sup>th</sup> September, 2016 to Friday, 30<sup>th</sup> September, 2016** for the purpose of the Annual General Meeting.
- i. 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, New Delhi - 110 020.
- j. 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.
- k. 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.

- I. In compliance with provisions of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and the SEBI (ICDR) Regulations, 2015, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). Members who have not cast their vote through remote e-voting facility may cast the vote at the annual general meeting Company the Company through Polling Paper. Resolution(s) passed by Members through Polling Papers or e-voting is / are deemed to have been passed as if they have been passed at the AGM. Detailed instructions with regard to remote e-voting process are enclosed with this AGM Notice.

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

**Item no.: 4**

Mr. Sanil Aggarwal is a Whole Time Director of the Company. He is instrumental to the growth of the Company. It is proposed to re-appoint Mr. Sanil Aggarwal as a Whole Time Directors of the Company and make payment of remuneration under section 196 and 197 read with Schedule V of the Companies Act, 2013. Proposed payment of remuneration has already been approved by the Nomination and Remuneration Committee of the Board of Directors of the Company.

**Further details as required under Section II of Part-II of Schedule V of the Companies Act, 2013 are as below:**

**I. General Information**

1.	Nature of Industry	Manufacture of Non-Woven Products such as Non-Woven Fabrics, Non-Woven Felts
2.	Date or expected date of commencement of commercial production	The Company is already in existence and is in operation since February, 1995.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4.	Financial Performance in the FY 2015-16	Amount (Rs. In lacs)
	Net Sales	747.83
	Other Income	12.81
	<b>Total Revenue</b>	<b>760.64</b>
	Total Expenditure	752.19
	Profit before tax	8.44
	Provision for tax	1.61
	Deferred Tax	-5.79
	<b>Profit after tax</b>	<b>12.55</b>
	EPS (Rs.)	0.16
5.	Export performance and net foreign exchange collaborations	Nil
6.	Foreign investments or collaborators, if any	Nil

**II. Information about the Appointee**

S.No.	Particulars	Mr. Sanil Aggarwal
(1)	Background details	Mr. Sanil Aggarwal, aged about 25 years is a graduate by qualification having 5 years of experience in non woven fabric and other related industry.
(2)	Recognition or awards	N.A.
(3)	Job profile and his suitability	Mr. Sanil Aggarwal is Whole Time director of the Company with 5 years of experience.
(4)	Remuneration proposed	Rs. 22,000/- per month
(5)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The exact figures are not readily available. However, the proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparative qualifications and experience.

(6)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	The appointees are promoters of the Company. Save as the managerial remuneration and their shareholding in the Company they do not have any other material pecuniary relationship with the Company.
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**III. Other Information**

(1)	Reasons for loss or inadequate profits loss/absence/	The Company is in profit. However fixed remuneration is proposed to be paid as minimum remuneration in the event of inadequacy of profits due to unavoidable circumstances.
(2)	Steps taken or proposed to taken for improvement	The Board of directors of the Company is taking their best efforts be to improve the business and profitability of the Company.
(3)	Expected increase in productivity profits in measurable terms	The company is expected to have improved sales and profitability and figures in the next financial years.

**IV. Disclosures**

**Necessary disclosure regarding the remuneration is as below:**

Name of Director	Designation	Sitting fees (In Rs.)	Salaries & Perquisites (In Rs.)	Commission, Bonus Ex-gratia (In Rs.)	Total Amount (In Rs.)	No. of Shares held & %
Mr. Sanil Aggarwal	Whole Time Director	Nil	264000	Nil	264000	184200(4.39)%

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

None of the directors, key managerial personnel or their relatives, except Mr. Bal Kishan Aggarwal, Mr. Raj Pal Aggarwal, Mr. Sahil Aggarwal, Mr. Arpan Aggarwal and Mr Sanil 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: 30<sup>th</sup> July, 2016  
Place: Panipat



**BOARD'S REPORT**

**Dear Members**

Your Directors have pleasure in presenting the 22<sup>nd</sup> Annual Report of your Company together with the Audited financial Statements for the financial year ended 31<sup>st</sup> March, 2016.

**1. Financial Highlights**

The financial performance of your Company for the year ended 31<sup>st</sup> March, 2016 is summarized below:

Particulars	Amount (Rs. in lacs)	
	FY 2015-16	FY 2014-15
Net Sales	747.83	846.04
Other Income	12.81	6.11
<b>Total Revenue</b>	<b>760.64</b>	<b>852.15</b>
Total Expenditure	752.19	843.49
Profit before tax	8.44	8.66
Provision for tax	1.61	1.65
Deferred Tax	-5.79	-9.64
<b>Profit after tax</b>	<b>12.55</b>	<b>7.71</b>
EPS (Rs.)	0.16	0.17
Proposed Dividend	Nil	Nil
Transfer to Reserve	Nil	Nil
<b>Paid-up Share Capital</b>	<b>420.05</b>	<b>420.05</b>
Reserves and Surplus (excluding revaluation reserve)	176.76	164.21

**2. Year in Retrospect**

During the year under review, total income of the Company was Rs. 760.64 lacs as against Rs. 852.15 lacs in the previous year. The Company was able to earn a profit after tax of Rs. 12.55 lacs in the current financial year as against a profit of Rs. 7.71 lacs in the financial year 2014-15. Your Directors are putting in their best efforts to improve the performance of the Company.

**3. Reserves & Surplus**

The net movement in the major reserves of the Company for FY 2015-16 and the previous year are as follows:

Particulars	(Rs. In lacs)	
	FY 2015-16	FY 2014-15
Securities Premium Account	49.95	49.95
Capital Reserves	77.28	77.28
Profit & Loss A/c (Cr.)	49.53	36.98
<b>Total</b>	<b>176.76</b>	<b>164.21</b>

**4. Public deposits**

During the financial year 2015-16, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

**5. 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-31<sup>st</sup> March, 2016 till the date of this report.

**6. 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.

**7. Subsidiaries/ Joint Ventures/ Associates**

As on 31<sup>st</sup> March 2016, the Company had no Subsidiaries, Joint Ventures (JVs) or Associate Companies. Accordingly statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures in Form AOC-1 is not applicable.

The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year: Nil

Policy for determining material subsidiaries of the Company has been provided on the website [www.incocotspin.com](http://www.incocotspin.com) at the link <http://indocotspin.com/reports/Policy%20for%20Determining%20Material%20Subsidiary.pdf>

#### **8. Change in the nature of business**

There has been no major change in the nature of business of your Company. Further since there is no subsidiary, joint venture and associate company, there is no question for mentioning of change in nature of business of such companies.

#### **9. Directors and Key Managerial Personnel**

In terms of Section 149 of the Companies Act, 2013, the Company has appointed the following as Independent Directors of the Company at the Annual General Meeting of your Company held on 30<sup>th</sup> September, 2014 to hold office up to 5 (five) consecutive years up to 31st March, 2019.:

“ Mr. Anil Aggarwal	“ Mr. Ankush Aggarwal	“ Mr. Vinod Kumar Garg
“ Mrs. Saroj Garg	“ Mr. Pawas Aggarwal	

In accordance with the provisions of section 149 of the Companies Act, 2013 all the independent directors are non rotational. The details of the familiarization programmes for Independent Directors are disclosed on the Company's website – [www.indocotspin.com](http://www.indocotspin.com) at link <http://indocotspin.com/reports/Independent%20Director%20-%20Familiarisation%20Programme.pdf>

In terms of Section 203 of the Act, the following were designated as Key Managerial Personnel of your Company by the Board:

“ Mr. Bal Kishan Aggarwal, Managing Director	“ Mr. Raj Pal Aggarwal, Whole Time Director
“ Mr. Sahil Aggarwal, Whole Time Director	“ Mr. Arpan Aggarwal, Whole Time Director
“ Mr. Sanil Aggarwal, Whole Time Director	“ Mr. Vijay Pal, Chief Financial Officer
“ Mr. Sonu Gupta, Company Secretary	

There is no change in the Board of Directors and the Key Managerial Personnel, during the year under review.

Mr. Sanil Aggarwal is liable to retire by rotation in the ensuing Annual general Meeting and being eligible offer himself for re-appointment. Directors recommend his re-appointment.

#### **10. Declaration of Independence**

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013.

#### **11. Disclosure of commission paid to managing or whole time directors**

There is no commission paid or payable by your company to the managing director or the whole time director.

#### **12. Meetings of the Board of Directors**

The details of the number of Board of Directors of your Company are as below:

Meeting	No. of Meeting	Dates of Meeting
Board of Directors	Four (4)	30.05.2015, 31.07.2015, 31.10.2015 & 30.01.2016

All the ten directors of the Company were present in all the Board Meetings of the Company held during previous year.

#### **13. Annual Evaluation of Board performance and performance of its committees and individual directors**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees. Feedback was sought from Directors about their views on the performance of the Board covering