

Indo Cotspin Limited

BSE SCRIP CODE - 538838 - ICL



23rd *Annual Report* --- 2016 - 2017

23rd Annual Report 2016-17

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 & WORKSDelhi 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

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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 23rd ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of the Members of the Company will be held on **Friday, 29th September, 2017** at 10.00 A.M. at the registered office of the Company at Delhi Mile Stone 78 K.M. G.T. Road, N.H.-1, 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 31st March, 2017, including the audited balance sheet as at 31st March 2017 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: Ratification of 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, the company hereby ratifies the appointment of M/s. Manish Jain & Associates, Chartered Accountants, Panipat (Firm Registration No. 015608N) 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: Increase in remuneration of Mr Bal Kishan Aggarwal, Managing 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 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, consent of the members be and is hereby accorded for increase in the remuneration of Mr. Bal Kishan Aggarwal as the Managing Director of the Company upto a sum of Rs. 40,000/- (Rupees Forty Thousand only) per month, whether paid as salary, allowance(s), perquisites or a combination thereof, with effect from 01.05.2017 for a period of three years or till the date of his remaining tenure as Managing Director, whichever is earlier.

Resolved Further That payment towards the following perquisites will not be included in the aforesaid limit of 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 in case of inadequacy of profit in any financial year, the remuneration payable to the Managing Director shall be limited to the extent, as provided under of Part-II of Schedule V of the Companies Act, 2013.

Resolved Further That the Nomination and Remuneration Committee of the Board of Directors of the Company be and is hereby authorized to fix and vary the remuneration from time to time within the aforesaid limit to the extent it may deem appropriate.

Resolved Further that the Board of Directors of the Company (including Nomination and Remuneration Committee) be and is hereby authorized to take all necessary steps to give effect to the aforesaid resolution.”

Item no. 5: Increase in remuneration of Mr. Sahil Aggarwal, 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 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, consent of the members be and is hereby accorded for increase in the remuneration of Mr. Sahil Aggarwal, the Whole Time Director of the Company upto a sum of Rs. 40,000/- (Rupees Forty Thousand only) per month, whether paid as salary, allowance(s), perquisites or a combination thereof, with effect from 01.05.2017 for period of three years or till the date of his remaining tenure, whichever is earlier.

Resolved Further That payment towards the following perquisites will not be included in the aforesaid limit of 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 in case of inadequacy of profit in any financial year, the remuneration payable to the Whole Time Director shall be limited to the extent, as provided under of Part-II of Schedule V of the Companies Act, 2013.

Resolved Further That the Nomination and Remuneration Committee of the Board of Directors of the Company be and is hereby authorized to fix and vary the remuneration from time to time within the aforesaid limit to the extent it may deem appropriate.

Resolved further that the Board of Directors of the Company (including Nomination and Remuneration Committee) be and is hereby authorized to take all necessary steps to give effect to the aforesaid resolution.”

Item no. 6: Increase in remuneration of Mr. Raj Pal Aggarwal, 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 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, consent of the members be and is hereby accorded for increase in the remuneration of Mr. Raj Pal Aggarwal, the Whole Time Director of the Company upto a sum of Rs. 40,000/- (Rupees Forty Thousand only) per month, whether paid as salary, allowance(s), perquisites or a combination thereof, with effect from 01.05.2017 for period of three years or till the date of his remaining tenure, whichever is earlier.

Resolved Further That payment towards the following perquisites will not be included in the aforesaid limit of 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 in case of inadequacy of profit in any financial year, the remuneration payable to the Whole Time Director shall be limited to the extent, as provided under of Part-II of Schedule V of the Companies Act, 2013.

Resolved Further That the Nomination and Remuneration Committee of the Board of Directors of the Company be and is hereby authorized to fix and vary the remuneration from time to time within the aforesaid limit to the extent it may deem appropriate.

Resolved further that the Board of Directors of the Company (including Nomination and Remuneration Committee) be and is hereby authorized to take all necessary steps to give effect to the aforesaid resolution.”

Item no. 7: Increase in remuneration of Mr. Arpan Aggarwal, 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 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, consent of the members be and is hereby accorded for increase in the remuneration of Mr. Arpan Aggarwal, the Whole Time Director of the Company upto a sum of Rs. 40,000/- (Rupees Forty Thousand only) per month, whether paid as salary, allowance(s), perquisites or a combination thereof, with effect from 01.05.2017 for period of three years or till the date of his remaining tenure, whichever is earlier.

Resolved Further That payment towards the following perquisites will not be included in the aforesaid limit of 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 in case of inadequacy of profit in any financial year, the remuneration payable to the Whole Time Director shall be limited to the extent, as provided under of Part-II of Schedule V of the Companies Act, 2013.

Resolved Further That the Nomination and Remuneration Committee of the Board of Directors of the Company be and is hereby authorized to fix and vary the remuneration from time to time within the aforesaid limit to the extent it may deem appropriate.

Resolved further that the Board of Directors of the Company (including Nomination and Remuneration Committee) be and is hereby authorized to take all necessary steps to give effect to the aforesaid resolution.”

Item no. 8: Increase in remuneration of Mr. Sanil Aggarwal, 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 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, consent of the members be and is hereby accorded for increase in the remuneration of Mr. Sanil Aggarwal, the Whole Time Director of the Company upto a sum of Rs. 40,000/- (Rupees Forty Thousand only) per month, whether paid

as salary, allowance(s), perquisites or a combination thereof, with effect from 01.05.2017 for period of three years or till the date of his remaining tenure, whichever is earlier.

Resolved Further That payment towards the following perquisites will not be included in the aforesaid limit of 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 in case of inadequacy of profit in any financial year, the remuneration payable to the Whole Time Director shall be limited to the extent, as provided under of Part-II of Schedule V of the Companies Act, 2013.

Resolved Further That the Nomination and Remuneration Committee of the Board of Directors of the Company be and is hereby authorized to fix and vary the remuneration from time to time within the aforesaid limit to the extent it may deem appropriate.

Resolved further that the Board of Directors of the Company (including Nomination and Remuneration Committee) be and is hereby authorized to take all necessary steps to give effect to the aforesaid resolution."

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

Bal Kishan Aggarwal
Chairman & Managing Director
DIN: 00456219

Date : 12th May, 2017
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, 28th September, 2017 to Friday, 29th September, 2017** 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.

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CIN NO.: L17111HR1995PLC032541

Explanatory statement pursuant to section 102 of the Companies Act, 2013 annexed to the notice**Item no.: 4 to 8:**

Mr Bal Kishan Aggarwal is the Managing Director and one of core promoters of the Company. Similarly, Mr Raj Pal Aggarwal, Mr Sahil Aggarwal, Mr Arpan Aggarwal and Mr. Sanil Aggarwal are Whole Time Directors of the Company. All these persons are instrumental to the growth of the Company. The remuneration of the aforesaid directors were increased w.e.f. 1st May, 2017 to Rs. 40,000 per month. The payment of remuneration was also 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 Textile Material
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 2016-17	Amount (Rs. In lacs)
	Net Sales	728.43
	Other Income	9.83
	Total Revenue	738.26
	Total Expenditure	731.86
	Profit before tax	6.40
	Provision for tax	6.14
	Deferred Tax	-3.62
	Profit after tax	3.88
	EPS (Rs.)	0.12
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. Bal Kishan Aggarwal	Mr. Raj Pal Aggarwal	Mr. Sahil Aggarwal	Mr. Arpan Aggarwal	Mr. Sanil Aggarwal
(1)	Background details	Mr. Bal Kishan Aggarwal, aged about 55 years is a graduate by qualification having 30 years of experience in non woven fabric and other related industry. He is Managing Director of the Company.	Mr. Raj Pal Aggarwal, aged about 53 years is a graduate by qualification having 26 years of experience in non woven fabric and other related industry.	Mr. Sahil Aggarwal, aged about 30 years is a graduate by qualification having 11 years of experience in non woven fabric and other related industry.	Mr. Arpan Aggarwal, aged about 30 years is a graduate by qualification having 11 years of experience in non woven fabric and other related industry.	Mr. Sanil Aggarwal, aged about 26 years is a graduate by qualification having 6 years of experience in non woven fabric and other related industry.
(2)	Recognition or awards	N.A.	N.A.	N.A.	N.A.	N.A.

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(3)	Job profile and his suitability	Mr. Bal Kishan Aggarwal, being the Managing Director of the Company is entrusted with substantial powers in relation to normal business matters. He is having rich experience of over 30 years in the Industry.	Mr. Raj Pal Aggarwal is Whole Time director of the Company with 26 years of experience.	Mr. Sahil Aggarwal is Whole Time director of the Company with 11 years of experience.	Mr. Arpan Aggarwal is Whole Time director of the Company with 11 years of experience.	Mr. Sanil Aggarwal is Whole Time director of the Company with 6 years of experience.
(4)	Remuneration proposed	Rs. 40,000/- per month	Rs. 40,000/- per month	Rs. 40,000/- per month	Rs. 40,000/- per month	Rs. 40,000/- 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.				
(7)	P e c u n i a r y 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.				

III. Other Information

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