

MD	<input checked="" type="checkbox"/>		DEC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
ACM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHE	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

Fourth Annual Report 1996 -97

Certified to be true Copy

MV COTSPIN LTD.

Uw...

Report  junction.com



Board of Directors

M. C. Agarwala – *Chairman*
S. S. Kothari
R. C. Bhaiya
Arvind Kumar
Smt. Vasanthi A. Pai
Santosh Kumar Jain
Sudipto Sen – *Nominee of RICO*
Smt. Baljinder Kaur Mandal – *Nominee of IDBI*
Vivek Agarwal – *Managing Director*



Auditors

P. K. AJITSARIA & CO.

Chartered Accountants

Bankers

State Bank of Bikaner & Jaipur
Global Trust Bank Ltd..

Registered Office

32, Chowringhee Road
Om Tower, 14th Floor
Calcutta 700 071

Registrars & Share Transfer Agents

ABS CONSULTANTS PVT. LTD.

Stephen House, 6th Floor
4, B. B. D. Bag (East)
Calcutta 700 001

Works

Plot No. 14 B, Neemrana Industrial Area
Dist : Alwar
Rajasthan

Annual Report
1996 – 97



MV COTSPIN

Limited

NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting of the Company will be held on Friday the 19th September, 1997 at Gyan Manch Education Society, 11 Pretoria Street, Calcutta-700 071 at 10.00 A.M. to transact the following business;

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and Profit & Loss Account for the year ended on that date and report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri M.C. Agarwala who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri R.C. Bhaiya who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution.

"RESOLVED THAT in accordance with the provisions of Schedule XIII, Section 198, 309 and other applicable provisions, if any of the Companies Act, 1956 the company hereby approves the increase in the remuneration payable to Mr. Vivek Agarwal, Managing Director of the Company with effect from 01.04.97 for the residual tenure of his office as set out in the Explanatory Statement annexed to this resolution."

Dated : June 27, 1997

By order of the Board
For MV Cotspin Limited

Registered Office :
32 Chowringhee Road
"OM TOWER" 14th Floor
Calcutta- 700 071

Vivek Agarwal
Managing Director

Notes :

1. A Member entitled to attend and vote is entitled to appoint a Proxy, to attend and vote instead of himself and the proxy need not be a Member.
2. Proxy in order to be effective must be received by the Company at the Registered Office of the Company at not later than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the Special business in annexed hereto.
4. The Register of members and share transfer books of the Company will remain closed from 12.09.97 to 19.09.97 (both days inclusive).
5. Members are requested to notify any change of address to the Company's Share Transfer Agent M/s ABS Consultants Pvt. Ltd., Stephen House, R.No.99, 6th Floor, 4, B.B.D. Bag(East), Calcutta -700 001.



MV COTSPIN Limited

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO : 5

The Board of Directors at their meeting held on 27.08.96 had approved the remuneration payable to Managing Director w.e.f. 01.04.96 which was subsequently approved by the Members at the Annual General Meeting held on 29.09.96. The Members simultaneously authorised and empowered the Board of Directors to increase/decrease, alter or vary the remuneration payable to the Managing Director as mutually agreed.

Therefore, in terms of said power and authority as conferred by the Members of the Company, the Board of Directors at their meeting held on 27.06.97 has considered and approved the increase in the remuneration payable to Mr. Vivek Agarwal, Managing Director of the Company with effect from 01.04.97 as set out here under :

REMUNERATION

- 1) Salary : Rs. 25000/- Per Month
- 2) Commission : 1% of the net profit of the company computed in the manner referred to in section 198 of the Companies Act, 1956.

The other terms and conditions of the remuneration as approved by the Members at AGM held on 26.09.96 remain unchanged.

The Explanatory Statement together with the notice should be treated as an abstract of the terms of Agreement and Memorandum of interest under section 302 of the Companies Act, 1956.

The Directors recommend the resolution for the approval of the Members.

None of the Directors except Shri Vivek Agarwal and Shri M.C. Agarwala as his relative are interested in this resolution.

Date : June 27, 1997

By order of the Board
For MV Cotspin Limited

Registered Office :
32, Chowringhee Road,
OM TOWER
Calcutta - 700 071

Vivek Agarwal
Managing Director


MV COTSPIN
Limited

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the 4th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 1997.

FINANCIAL HIGHLIGHTS

The working results of the Company for the year under review are as under :

	(Rs. in Lacs)	
	<u>31st March, 1997</u>	<u>31st March, 1996</u>
Turnover & other income	1744.55	52.15
Operating Profit	267.91	0.03
Less : Interest	(126.19)	(7.39)
Gross Profit	141.72	(7.36)
Less : Depreciation	(110.09)	(4.68)
Provision for taxation	(3.48)	-
Net Profit/(Loss)	28.15	(12.04)

The figures for previous year are not comparable with current year as it represents the figure for one month's operation only.

Current year Operations

This is the first full year of operations of the Company and during this year the unit has achieved an overall capacity utilisation of 82.2% and recorded a turnover of Rs. 1740.39 lacs including total exports of Rs. 477.06 lacs. The Company has earned an operating profit of Rs. 267.91 lacs during the year under review. The Directors of the Company are confident that in the coming year the profitability shall improve with better capacity utilisation and commissioning of additional spinning capacity from the second half of the year 1997-98.

Expansion

The Company has undertaken an expansion programme to increase the capacity of plant from 480 rotors to 720 rotors per annum to produce an additional 1377 MT per annum of 7's single count yarn. With this expansion the Company will derive the benefit of lower production cost which will directly affect the profitability of the Company. It is expected that production under expansion will commence from October, 1997.

Overview of the Industry

During the years, the input prices have remained fairly stable due to substantial increase in cotton crop output. It is expected that this trend should continue in view of favourable monsoons predicted in future. Yarn exports are also encouraging from India. Overall future outlook appears to be promising for this industry.



MV COTSPIN Limited

Profitability projects vis a vis achieved

The information required to be stated in terms of clause 43 of the listing agreement is given hereunder :

		(Rs. in Lacs)
	Projections for the year ended 31st March, 1997	Actual for the year ended 31st March, 1997
Net Sales	- 1787	1740.39
Profit/(Loss) after tax	- 131	28.15

Public Deposits

The Company has not accepted any deposit from the Public during the year under review.

Directors

Shri M.C. Agarwala and Shri R.C. Bhaiya Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Smt. Baljinder Kaur Mandal has been inducted in the Board as Nominee Director of Industrial Development Bank of India.

Auditors and Auditors Report

M/S. P.K. Ajitsaria & Co., Chartered Accountants, Calcutta the present auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The observation made in the Auditor's Report read with notes of accounts are self explanatory.

Particulars of Employees

There are no Employees of the Category provided under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo

The information in accordance with the provisions of Section 217(i)(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 the Annexure to the Report and form an integral part thereof.

Acknowledgement

The Directors would like to place on record their grateful appreciation and thanks to IDBI, State Bank of Bikaner & Jaipur, Global Trust Bank Ltd. for all the timely help and encouragement they have extended to the Company.

The Directors also wish to place on record their deep sense of appreciation for the confidence reposed in the company by the Shareholders and of the devoted services rendered by the officers, employees and workers of the Company for its success.

For and on behalf of the Board of Directors

M.C. Agarwala
Chairman

Place: Calcutta

Dated : June 27, 1997



MV COTSPIN

Limited

ANNEXURE TO THE DIRECTORS' REPORT

A. DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY :

The Company is making all round efforts for the Conservation of energy, which will reduce consumption of energy in per unit of production. However, no specific investment is contemplated for reduction of Consumption of energy.

Form No. A
(See Rule 2)

(Amount in Rs.)

	Current Year 1996-97	Previous Year 1995-96
i) Power and Fuel Consumption		
1. Electricity		
a. Purchased	Nil	Nil
b. Own generation		
Through Diesel Generator		
Unit (KWH)	3020828	148800
Units/Ltr. of diesel oil	3.65	3.54
Cost/Unit (Rs.)	2.37	1.92
2. Coal (Specify quality and where used)	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Others/Internal generation (Please give details)	Nil	Nil
ii) Consumption per unit of Production		
Products (with Details)		
Cotton Yarn Kgs.	2263640	83999
Average Count	7	7
Electricity Unit/Kg.	1.33	1.77
Furnace Oil	Nil	Nil
Coal (Specify Quality)	Nil	Nil
Others(Specify)	Nil	Nil



MV COTSPIN Limited

B. DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

Form No. B
(See Rule 2)

A) Research and Development (R&D)

During the year under review no significant research work has been undertaken by the Company.

Benefits Derived

Not Applicable.

B) Technology absorption, adaptation and innovation

Effort

The Company has installed the latest state-of-art imported Plant & Machinery at its unit to produce a superior quality product.

Benefits

Consequent to installation of latest plant & machinery, the Company produced good quality of cotton yarn which is well accepted in the premium segment both in domestic as well as in international market.

C) Foreign Exchange Earnings and Outgo

(Amount in Rs.)

	Current Year 1996-97	Previous Year 1995-96
1. Foreign Exchange earned Export of Cotton Yarn (F.O.B.)	38,661,314	Nil
2. Expenditure in foreign Currency		
Capital Goods (C.I.F. Value)	5,711,656	62,619,097
Spare Parts (C.I.F. Value)	1,587,545	Nil
Travelling Expenses	59,389	35,580
Export Commission	792,987	Nil

For and behalf of the Board of Directors

M.C. Agarwala
Chairman

Place : Calcutta
Dated : June 27, 1997


MV COTSPIN
Limited

AUDITOR'S REPORT

To,
 The Members,
MV COTSPIN LTD.

We have Audited the attached Balance Sheet of **MV COTSPIN LIMITED** as at 31st March, 1997 and the Profit & Loss Account for the year ended on that date and report as follows :

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 we enclose in the annexure a Statement on the matters in specified in paragraphs 4&5 of the said order, to the extent applicable to the Company.

Further to our comments in the Annexure referred to in Paragraph 1 above :

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of the books of the Company.
- (c) The Balance Sheet and Profit & Loss Account dealt within the report are in agreement with the books of accounts of the Company.
- (d) In our opinion and to the best of our information and according to the explanations given to us the said accounts subject to note no. A (8) regarding treatment of certain items on cash basis read together with the other notes as appearing in Schedule "S" thereon give the information required by the Companies Act, 1956 in the manner so required and also give a true and fair view :
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as on 31st March 1997.
 - ii) In the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date.

For P. K. AJITSARIA & CO.
 Chartered Accountants

(Pawan Kr. Ajitsaria)
 Proprietor

Place : Calcutta
 Date : June 27, 1997.