

Board of Directors

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

Auditors

P. K. AJITSARIA & CO.

Chartered Accountants

Bankers

State Bank of Bikaner & Jaipur

State Bank of India

Registered Office

32, Chowringhee Road Om Tower, 8th Floor Calcutta 700 071

Registrars & Share Transfer Agents

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MV COTSPIN

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 1998–99



MV COTSPIN

NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the Company will be held on Friday the 27th August, 1999 at Modi Foundation Room in Rotary Sadan 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, 1999 and Profit & Loss Account for the year ended on that date and report of Directors and Auditors thereon.
- To appoint a Director in place of Sri S. S. Kothari who retires by rotation and being eligible, offers himself for re-appointment.
- 3. To appoint a Director in place of Sri Arvind Kumar who retires by rotation and being eligible, offers himself for re-appointment.
- 4. To appoint Auditors and to fix their remuneration.

Dated : June 18, 1999

Registered Office : 32 Chowringhee Road "OM TOWER" 8th Flour Calcutta- 700 071

Notes :

By order of the Board For MV Cotspin Limited

> Vivek Agarwal Managing Director

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 Register of Members and share transfer books of the Company will remain closed from 23.08.99 to 27.08.99 (both days inclusive).
- Members are requested to notify any change of address to the Registrar and Share Transfer Agent ie. M/s ABS Consultants Pvt. Ltd., Stephen House, Room. No.99, 6th Floor, 4, B.B.D. Bag(East), Calcutta –700 001.

Date : June 18, 1999

Registered Office : 32, Chowringhee Road, "OM TOWER" 8th Floor Calcutta - 700 071 By order of the Board For MV Cotspin Limited

> Vivek Agarwal Managing Director

DIRECTORS' REPORT

COTS

То

The Members,

Your Directors have pleasure in presenting the 6th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 1999.

FINANCIAL HIGHLIGHTS

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

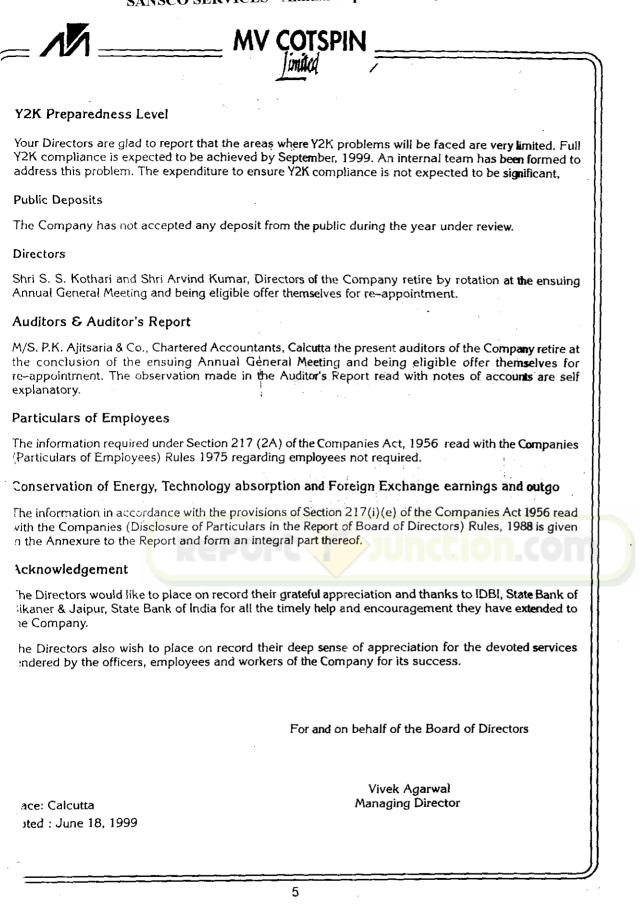
	(Rs. in Lacs)	
	<u>31st March, 1999</u>	<u>31st March, 1998</u>
Turnover & other income	2031.68	1694.90
Operating Profit	273.34	175.16
Less : Interest	(227.48)	(134.84)
Gross Profit	45.86	40.32
Less : Depreciation	(96.84)	(12.51)
Provision for taxation	· -	(2.92)
Net Profit/(Loss)	(50.98)	24.89

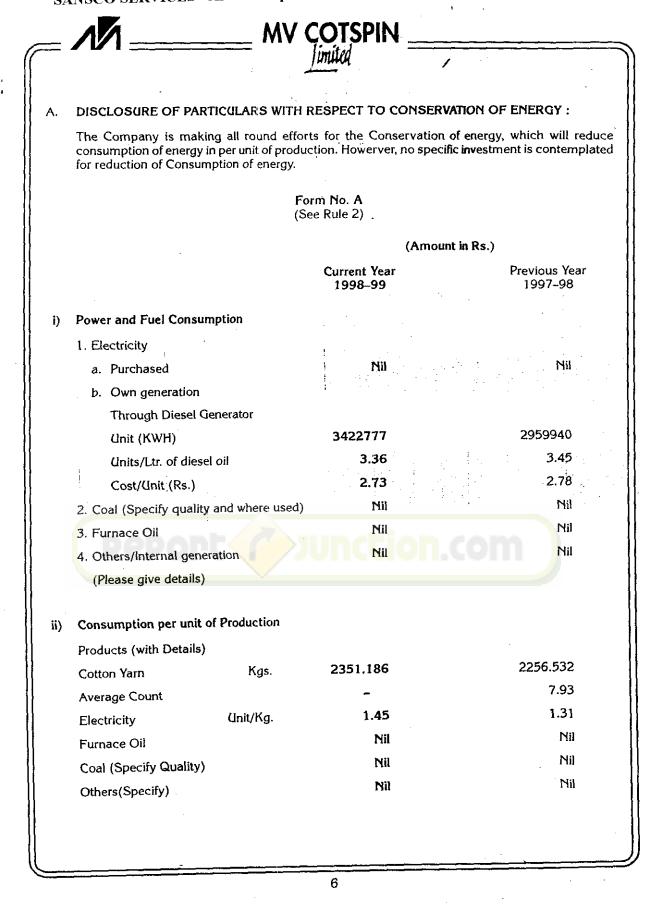
Current year Operations

The Company has posted a turnover of Rs. 20.17 crores during 1998-99, an increase of over 20% over last year. The recessionary trends in the global textile markets countinued unabted in the year under review. Inspite of the above conditions the company was able to post higher operating profits at 273.34 lacs against 175.16 lacs last year due to increase in volumes from additional capacity installed and commissioned during 1998-1999.

The cotton crop **during** the year under review continued to be adversely affected and even though it is estimated to be 16.25 million bales against 14.80 million bales in 1997-98, it is still lower than 17.65 million bales in the year 1996-97. The prices of Indian cotton in the year under review were higher than comparable international cotton prices.

Total exports has increased to Rs. 12.50 crores against Rs. 9.53 in 97-98 an increase of 31%. The Company is committed to focus more on exports and expand global markets which will provide volumes and better reasisation in time to come.





SANSCO SERVICES - Annual Reports Library Services - www.sansco.net DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION в. Form No. B (See Rule 2) Research and Development (R & D) a) During the year under review no significant research work has been undertaken by the Company. **Benefits Derived** Not Applicable. Technology absorption, adaptation and innovation effort b) 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. Foreign Exchange Earnings and Outgo c(Amount in Rs.) Current Year **Previous Year** 1998-99 1997-98 1. Foreign Exchange earned 51,278,314 84,799,576 Export of Cotton Yarn (F.O.B. Value) 2. Expenditure in foreign Currency 29,881,875 Capital Goods (C.I.F. Value) 2,089,110 316,464 Spare Parts (C.I.F. Value) 401,370 250,746 **Travelling Expenses** 1,660,504 48,019 Export Commission For and behalf of the Board of Directors Vivek Agarwal Place : Calcutta Managing Director. Dated : June 18,1999

/ U	MV COTSPIN
AUL	DITOR'S REPORT
To,	
-	embers,
MV C	COTSPIN LTD.
We hav and the	ve Audited the attached Balance Sheet of <i>MV COTSPIN LIMITED</i> as at 31st March, 1999 e Profit & Loss Account for the year ended on that date and report as follows :
by the (in the a	uired by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued Company Law Board in terms of Section 22 7 (4 A) of the Companies Act, 1956 we enclose annexure 'A' Statement on the matters as specified in paragraphs 4 & 5 of the said order, to tent applicable to the Company.
Further	r to our comments in the Annexure referred to in Paragraph 1 above :
	e have obtained all the information and explanations which to the best of our knowledge ad belief were necessary for the purpose of ou r audit.
	our opinion proper books of accounts as required by law have been kept by the Company, o far as it appears from our examination of th e books of the Company.
	ne Balance Sheet and Profit & Loss Account dealt within the report are in agreement with e books of accounts of the Company.
sta for	our opinion, the Balance sheet and profit and loss account comply with the Accounting andard referred to in sub-section 3(c) of section 211 of the Copmanies Act, 1956 except r accounting of certain expenses on cash basis and treatment of interest on foreign currency an as per Schedule 'R'.
us rel 22 un tre no wit	our opinion and to the best of our information and according to the explanations given to the said accounts subject to note no. $B(2)(a)$ regarding change in accounting treatment lating to interest on foreign currency loan which resulted into profit being overstated by Rs. 264504/- (after writing off one fifth Rs. 566126/-) and interest on secured loan being inderstated by the same amount and note no $B(2)(b)$ regarding change in accounting eatment relating to commission on sales the amount of which is not determined and note by $A(9)$ and $A(10)(b)$ regarding tyreatment of certain items on cash basis read together with the other notes as appearing in Schedule "R" thereon give the information required by e Companies Act, 1956 in the manner so required and also give a true and fair view :
í)	In the case of the Balance Sheet, of the state of affairs of the Company as on 31st March 1999.
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
Place	: Calcutta Pawan Kr. Ajitsaria
	: June 18, 1999. Proprietor