

Sixth Annual Report 1998-99

Report  junction.com



MV COTSPIN

Limited

Get it first to be true Copy

MVICOTSPIN LTD


Mg. Director

Board of Directors

M. C. Agarwala – *Chairman*
S. S. Kothari
R. C. Bhaiya
Arvind Kumar
Santosh Kumar Jain
Sudipto Sen – *Nominee of RILCO*
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

Report

Registered Office

32, Chowringhee Road
Om Tower, 8th 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

**Annual Report
1998- 99**

Works

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



MV COTSPIN *Limited*

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.
2. 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

By order of the Board
For MV Cotspin Limited

Registered Office :
32 Chowringhee Road
"OM TOWER" 8th 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 Register of Members and share transfer books of the Company will remain closed from 23.08.99 to 27.08.99 (both days inclusive).
4. 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

By order of the Board
For MV Cotspin Limited

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

Vivek Agarwal
Managing Director



DIRECTORS' REPORT

To
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 continued unabated in the year under review. In spite 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 realisation in time to come.



MV COTSPIN Limited

Y2K Preparedness Level

Your Directors are glad to report that the areas where Y2K problems will be faced are very limited. Full Y2K compliance is expected to be achieved by September, 1999. An internal team has been formed to address this problem. The expenditure to ensure Y2K compliance is not expected to be significant.

Public Deposits

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

Directors

Shri S. S. Kothari and Shri Arvind Kumar, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Auditors & Auditor's 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

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 regarding employees not required.

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, State Bank of India 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 devoted services rendered by the officers, employees and workers of the Company for its success.

For and on behalf of the Board of Directors

Vivek Agarwal
Managing Director

Place: Calcutta

Dated : June 18, 1999



MV COTSPIN

Limited

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 1998-99	Previous Year 1997-98
i) Power and Fuel Consumption		
1. Electricity		
a. Purchased	Nil	Nil
b. Own generation		
Through Diesel Generator		
Unit (KWH)	3422777	2959940
Units/Ltr. of diesel oil	3.36	3.45
Cost/Unit (Rs.)	2.73	2.78
2. Coal (Specify quality and where used)	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Others/Internal generation	Nil	Nil
(Please give details)		

ii) Consumption per unit of Production

Products (with Details)

Cotton Yarn	Kgs.	2351.186	2256.532
Average Count		-	7.93
Electricity	Unit/Kg.	1.45	1.31
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 1998-99	Previous Year 1997-98
1. Foreign Exchange earned		
Export of Cotton Yarn (F.O.B. Value)	84,799,576	51,278,314
2. Expenditure in foreign Currency		
Capital Goods (C.I.F. Value)	-	29,881,875
Spare Parts (C.I.F. Value)	2,089,110	316,464
Travelling Expenses	250,746	401,370
Export Commission	48,019	1,660,504

For and behalf of the Board of Directors

Place : Calcutta
Dated : June 18, 1999

Vivek Agarwal
Managing Director.


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, 1999 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 as 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, the Balance sheet and profit and loss account comply with the Accounting standard referred to in sub-section 3(c) of section 211 of the Companies Act, 1956 except for accounting of certain expenses on cash basis and treatment of interest on foreign currency loan as per Schedule 'R'.
- (e) 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. B(2)(a) regarding change in accounting treatment relating to interest on foreign currency loan which resulted into profit being overstated by Rs. 2264504/- (after writing off one fifth Rs. 566126/-) and interest on secured loan being understated by the same amount and note no B(2)(b) regarding change in accounting treatment relating to commission on sales the amount of which is not determined and note no. A(9) and A(10)(b) regarding treatment of certain items on cash basis read together with the other notes as appearing in Schedule "R" 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 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
Proprietor

Date : June 18, 1999.