

# Indo Cotspin Limited



# 18th

*Annual  
Report*

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**2011 - 2012**

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## **18th Annual Report 2011-12 Indo Cotspin Limited**

**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 Anil Aviral & Co.

Chartered Accountants

**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)

<b>CONTENTS</b>	<b>Page No.</b>
Notice	3
Director's Report	10
Auditor's Report	31
Balance Sheet	35
Profit & Loss Account	37
Schedules	39
Cash Flow Statement	49
Proxy Form and Attendance Slip	51

**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**

**Notice** is hereby given that the 18<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Saturday, 29<sup>th</sup> September, 2012 at 11:30 A.M. at the Registered Office at Delhi Mile Stone 78 K.M, G.T. Road, NH-1, Village Jhattipur. Post Box-3, Post Office, Samalkha, Panipat-132103(Haryana) to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2012 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr Arpan Aggarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr Sahil Aggarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To re-appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.

The present Statutory Auditors M/s Anil Aviral & Co., Chartered Accountants, Panipat, are holding the office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

**SPECIAL BUSINESS:**

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**  
“**Resolved that** Mr Pawas Aggarwal, who was appointed as an Additional Director of the Company to hold office till the date of the Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company whose office shall be liable for determination through retirement by rotation.”
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**  
“**Resolved that** Mrs Saroj Garg, who was appointed as an Additional Director of the Company to hold office till the date of the Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company whose office shall be liable for determination through retirement by rotation.”
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**  
“**Resolved that** Mr Vinod Kumar Garg, who was appointed as an Additional Director of the Company to hold office till the date of the Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company whose office shall be liable for determination through retirement by rotation.”
8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**  
“**Resolved That** pursuant to the provisions of sections 198, 269, 309 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, Mr Bal Kishan Aggarwal be and is hereby re-appointed as the Managing Director of the Company for a period of 3 years with effect from 1<sup>st</sup> October, 2012 till 30<sup>th</sup> September, 2015 at a monthly remuneration of Rs. 22,000/- (Rupees Twenty Two Thousand only), whether paid as Salary, allowance(s), perquisites or a combination thereof.**Resolved Further That** Mr Bal Kishan Aggarwal as Managing Director of the Company shall also be paid the following statutory perquisites as per Company’s policy:

- 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** Mr Bal Kishan Aggarwal as Managing Director of the Company 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 Managing 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 Mr Bal Kishan Aggarwal as Managing Director of the Company shall not 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."

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**Resolved That** pursuant to the provisions of sections 198, 269, 309 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, Mr Raj Pal Aggarwal be and is hereby re-appointed as a following statutory perquisites as per Company's policy:

- 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** Mr Raj Pal Aggarwal as Whole Time Director of the Company 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 Mr Raj Pal Aggarwal as Whole Time Director of the Company 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."

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**Resolved That** pursuant to the provisions of sections 198, 269, 309 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, Mr Sahil Aggarwal be and is hereby re-appointed as a Whole Time Director of the Company for a period of 3 years with effect from 1<sup>st</sup> October, 2012 till 30<sup>th</sup> September, 2015 at a monthly remuneration of Rs. 22,000/- (Rupees Twenty Two Thousand only), whether paid as Salary, allowance(s), perquisites or a combination thereof.

**Resolved Further That** Mr Sahil Aggarwal as Whole Time Director of the Company shall also be paid the following statutory perquisites as per Company's policy:

- 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** Mr Sahil Aggarwal as Whole Time Director of the Company 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 Mr Sahil Aggarwal as Whole Time Director of the Company 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."

11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**Resolved That** pursuant to the provisions of sections 198, 269, 309 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, Mr Arpan Aggarwal be and is hereby re-appointed as a Whole Time Director of the Company for a period of 3 years with effect from 1<sup>st</sup> October, 2012 till 30<sup>th</sup> September, 2015 at a monthly remuneration of Rs. 22,000/- (Rupees Twenty Two Thousand only), whether paid as Salary, allowance(s), perquisites or a combination thereof.

**Resolved Further That** Mr Arpan Aggarwal as Whole Time Director of the Company shall also be paid the following statutory perquisites as per Company's policy:

- 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** Mr Arpan Aggarwal as Whole Time Director of the Company 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 Mr Sahil Aggarwal as Whole Time Director of the Company 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:** 25<sup>th</sup> August, 2012

**Place:** Panipat

**NOTES:**

- A. Appointment of proxy:** A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. The proxy form in order to be effective must be deposited with the company not less than 48 hours before the time fixed for commencement of the meeting.
- B. 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.
- C. Members/Proxies attending the meeting** are requested to bring their copy of Annual Report to the Meeting.
- D. Queries at the AGM:** 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.
- E. Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 28<sup>th</sup> September 2012 to Saturday, 29<sup>th</sup> September 2012 (both days inclusive) for the purpose of the AGM.
- F. Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- G. Explanatory Statement:** Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 5 to 11 are enclosed herewith.
- H.** The information required to be provided under the Listing Agreement regarding the Directors proposed to be reappointed is given in the annexure to the Director's Report.
- I.** Additional information in terms of clause 49 of the listing agreement in respect of directors being proposed for re-appointment is enclosed herewith.

**ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT**

<b>Name/ Particulars</b>	<b>Mr Bal Kishan Aggarwal</b>	<b>Mr Raj pal Aggarwal</b>	<b>Mr Sahil Aggarwal</b>	<b>Mr Arpan Aggarwal</b>
<b>DIN</b>	00456219	00456189	00456260	00456309
Father's Name	Shri Ram Aggarwal	Shri Ram Aggarwal	Mr Raj Pal Aggarwal	Mr Bal Kishan Aggarwal
Date of Birth	03/11/1962	10/09/1965	17/10/1987	20/06/1987
Designation	Managing Director	Whole Time Director	Whole Time Director	Whole Time Director
Education	Graduate	Graduate	Graduate	Graduate
Experience	25Years	21Years	6Years	6Years
Other Companies in which holds Directorship	Indo Nonwoven P Ltd.	Indo Nonwoven P Ltd.	Nil	Nil
Other Companies in which holds membership of committees	Nil	Nil	Nil	Nil
Shareholding in the Company (No. & %)	495100(11.79%)	488900(11.64%)	121900(2.90%)	124500(2.96%)

<b>Name/ Particulars</b>	<b>Mr Pawas Aggarwal</b>	<b>Mr Vinod Kumar Garg</b>	<b>Mrs Saroj Garg</b>	
<b>DIN</b>	00456416	01112355	01052300	
Father's Name	Mr Vinod Aggarwal	Mr Girish Pal Garg	Mr Dhani ram	
Date of Birth	01/07/1982	17/08/1955	22/02/1959	
Designation	Director	Director	Director	
Education	P-Graduate	L.L.B	Graduate	
Experience	8Years	30Years	5Years	
Other Companies in which holds Directorship	Nil	Vinod Kumar Garg Marketing P Ltd. Shri Ganpati Woollens P Ltd. Vijay Sons P Ltd	Vinod Kumar Garg Marketing P Ltd. Shri Ganpati Woollens P Ltd.	
Other Companies in which holds membership of committees	Nil	Nil	Nil	
Shareholding in the Company (No. & %)	1000(0.02%)	1000(0.02%)	1000(0.02%)	

**Note:** Mr Bal Kishan Aggarwal and Mr Raj Pal Aggarwal are brothers. Mr Arpan Aggarwal is son of Mr Bal Kishan Aggarwal. Mr Sanil Aggarwal and Mr Sahil Aggarwal are sons of Mr Raj Pal Aggarwal.



**INDO COTSPIN LIMITED****Regd. Office:** Delhi Mile Stone 78 K.M, G.T. Road, NH-1Village Jhattipur, Post Box-3, Post Office, Samalkha, Panipat-132103(Haryana)**Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956****Item No. 5 to 7**

Mr Pawas Aggarwal, Mr Vinod Kumar Garg and Mrs Saroj Garg were appointed as Additional Directors of the Company in the Board meeting held on 1<sup>st</sup> June, 2012, and 20<sup>th</sup> March, 2012 respectively, to hold office until the date of ensuing annual general meeting.

The Board is proposing to appoint them as Directors in the ensuing Annual General Meeting of the Company. Accordingly, the resolution is placed before the members for their consideration and approval. The Board recommends the proposed resolution for adoption in the larger interest of the Company.

The Company has received a notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Mr Pawas Aggarwal, Mr Vinod Kumar Garg and Mrs Saroj Garg for the office of Directors of the Company.

Mrs. Saroj Garg and Mr Vinod Kumar Garg should be deemed to be concerned and interest for resolutions at Item No. 6 & 7. Mr Pawas Aggarwal should be deemed to be concerned and interested for resolution at Item No. 5. Apart for this none of the directors is interested and concerned at Item nos. 5, 6 & 7 of the notice.

**Item No. 8 to 11**

Mr Bal Kishan Aggarwal is the Managing Director and one of core promoters of the Company. Similarly, Mr Raj Pal Aggarwal, Mr Sahil Aggarwal and Mr Arpan Aggarwal are Whole Time Directors of the Company. All these persons are instrumental to the growth of the Company. It is proposed to re-appoint Mr Bal Kishan Aggarwal as the Managing Director and Mr Raj Pal Aggarwal, Mr Sahil Aggarwal & Mr Arpan Aggarwal as the Whole Time Directors of the Company and make payment of remuneration under Clause – 1(A) of Section – II, Part – II of the Schedule XIII of the Companies Act, 1956.

The aforesaid explanatory statement read with the resolution proposed for item no. 8 to 11 should also be deemed to be notice of the abstract for terms of appointment and payment of remuneration to Mr Bal Kishan Aggarwal, Mr Raj Pal Aggarwal, Mr Sahil Aggarwal & Mr Arpan Aggarwal under section 302 of the Companies Act 1956.

The members' approval is required by way of Ordinary Resolution for appointment of and payment of remuneration to the aforesaid appointee as the Managing/ Whole Time Directors of the Company. The proposal for re-appointment and payment of remuneration has already been considered by the Board of Directors and Remuneration Committee.

Your directors recommend the adoption of resolution in the larger interest of the Company.

None of the Directors except Mr Bal Kishan Aggarwal, Mr Raj Pal Aggarwal, Mr Sahil Aggarwal, Mr Arpan Aggarwal and Mr Sanil Aggarwal are interested and concerned in the proposed resolutions.

For and on Behalf of the Board

For **Indo Cotspin Limited****Bal Kishan Aggarwal****Chairman & Managing Director****DIN: 00456219****Date: 25<sup>th</sup> August, 2012****Place: Panipat**

**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)

**DIRECTORS' REPORT**

**Dear Members**

Your Directors have pleasure in presenting the 18<sup>th</sup> Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31<sup>st</sup> March, 2012.

**Financial Highlights**

Particulars	Amount (Rs. in lacs)	
	FY 2011-12	FY 2010-11
Net Sales	566.31	471.02
Other Income	0.37	0.80
Total Revenue	566.68	471.82
Total Expenditure	555.84	470.05
Profit before tax	10.84	1.77
Provision for tax	2.12	0.25
Deferred Tax	1.86	2.37
Profit after tax	6.87	(0.84)
Transfer to Reserve	Nil	Nil
Paid-up Share Capital	320.15	320.15
Reserves and Surplus (excluding revaluation reserve)	(97.48)	(103.80)

**Year in Retrospect**

During the year under review, total income of the Company was Rs. 566.31 lacs as against Rs. 471.02 lacs in the previous year. The Company was able to earn a profit after tax of Rs. 6.87 lacs in the financial year 2011-12 as against a loss of Rs. 0.84 lacs in the financial year 2010-11. Your Directors are putting in their best efforts to improve the performance of the Company.

The detailed Management Discussion & Analysis Report is attached hereto with the Director's Report and should be read as part of this Directors Report.

**Material Changes after the close of the financial year**

After the close of the financial year, the Company has reissued 9,99,000 equity shares on 26<sup>th</sup> July, 2012 at an issue price of Rs. 15/- per share. These shares were earlier forfeited due to non payment of the call money.

Save as mentioned else where 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, 2012.

**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.

**Corporate Governance**

A Report on Corporate Governance is attached as a part of this Directors Report along with the Auditors' Certificate on compliance of Clause 49 of the Listing Agreement.

**Public Deposits**

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

Information as required under Section 217(1)(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 **Annexure A**, forming part of this report.

**Particulars of Employees**

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

**Directors**

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr Arpan Aggarwal and Mr Sahil Aggarwal are liable to retire by rotation and being eligible offer themselves for re-appointment. Directors recommend their re-appointment.

After the last Annual General Meeting, Mr Pawas Aggarwal, Mrs Saroj Gargs and Mr Vinod Kumar Garg were appointed as additional directors. In terms of the provisions of the Companies Act, 1956, they hold office until the date of the ensuing Annual General Meeting. Their appointment as Directors of the Company is placed before the Members for consideration. The Board recommends the resolutions for adoption by the members.

Mr Saurav Singla resigned from the Directorship on 21<sup>st</sup> February, 2012. Mr Sanjay Singla and Mrs Shradha Jain have also resigned from the directorship on 20<sup>th</sup> March, 2012 and 1<sup>st</sup> June, 2012 respectively. Mr Pawas Aggarwal who resigned from the Board on 21<sup>st</sup> February, 2012 has been again appointed as an additional director w.e.f. 1<sup>st</sup> June, 2012.

Re-appointment of Mr Bal Kishan Aggarwal as Managing Director and re-appointment of Mr Raj Pal Aggarwal, Mr Arpan Aggarwal and Mr Sahil Aggarwal as Whole Time director of the Company is also placed before the members for their approval. The Board recommends the resolutions for adoption by the members.

**Auditors**

M/s Anil Aviral & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

**Auditors' Report**

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

**Directors' Responsibility Statement**

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- a. in preparation of the annual accounts, the applicable accounting standards have been followed;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2012 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors have prepared the Annual Accounts on a going concern basis.

**Stock Exchange Listing**

The shares of the Company are listed on the Delhi Stock Exchange Ltd (DSE), Jaipur Stock Exchange Ltd (JSE) and Ahmedabad Stock Exchange Ltd (ASE). The listing fee for the financial year 2012-13 has already been paid to DSE and the Company is in the process of making payment of the listing fee due to JSE & ASE.

**Acknowledgement**

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees, support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

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

**Date: 25<sup>th</sup> August, 2012**  
**Place: Panipat:**

**Bal Kishan Aggarwal**  
**Chairman & Managing Director**  
**DIN: 00456219**

**Raj Pal Aggarwal**  
**Whole Time Director**  
**DIN: 00456189**

**ANNEXURE A**

Report on conservation of energy, technology absorption and foreign exchange earnings and outgo in the manner prescribed as per Companies (Disclosure of Particulars in respect of Board of Directors) Rules, 1988, read with provision of section 217(1)(e) of the Companies Act, 1956

**A. CONSERVATION OF ENERGY**

**a. Energy conservation measured taken**

- (i) The Company has already installed plant and machinery, which is energy efficient.
- (ii) Use of automatic power factor correction system
- (iii) Uninterrupted power supply system are being used
- (iv) Lighting devices are sodium vapour, which effect saving in lighting energy usage

**b. additional investments and proposals, if any, being implemented for reduction of consumption of energy;**

- (i) general measures for conservation of energy are pursued on an ongoing basis
- (ii) no specific investment is proposed in immediate future

**c. impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods**

- (i) reduction in cost of production, though exact quantification is not felt necessary
- (ii) improvement in energy usage efficiency
- (iii) improvement in plant efficiency

**d. total energy consumption and energy consumption per unit of production as per Form A below:**

**Form A**  
**Form for Disclosure of Particulars with respected to Conservation of Energy**

**A. Power and fuel consumption**

1.	<i>Electricity</i>	<b>Current Year</b>	<b>Previous Year</b>
	<i>(a) Purchased</i>	<b>2011-12</b>	<b>2010-11</b>
	Unit	156906	130080
	Total amount	900315	702435
	Rate/unit	5.74	5.40
	<i>(b) Own generation</i>		
	<i>(i) Through diesel generator</i>		
	Unit	Nil	Nil
	Units per ltr. of HSD oil	Nil	Nil
	Cost/unit	Nil	Nil
	<i>(ii) Through steam turbine/generator</i>		
	Units	Nil	Nil
	Units per ltr. of fuel oil/gas	Nil	Nil
	Cost/units	Nil	Nil

2.	<i>Coal</i>		
	Quantity (tones)	Nil	Nil
	Total cost	Nil	Nil
	Average rate	Nil	Nil
3.	<i>Furnace Oil</i>		
	Quantity (K/Ltrs.)	Nil	Nil
	Total cost	Nil	Nil
	Average rate	Nil	Nil
4.	<i>Others/internal generation</i>		
	Quantity (Fire Wood)	NA	NA
	Total cost	406070	425671
	Rate/unit	NA	NA

**B. Consumption per unit of production**

	<b>Standards</b>	<b>Current Year</b>	<b>Previous Year</b>
Product: <b>Jute Matting</b>	In Meters	363469.99	256993.00
Product: <b>Non Woven Fabrics</b>	In Meters	397283.00	234380.00
Electricity	-	-	-
Coal	-	-	-
Furnace Oil	-	-	-
Others/internal generation (Fire Wood)	-	-	-

**B. TECHNOLOGY ABSORPTION:**

Details are mentioned as per Form B below:

**Form B**  
**Form for disclosure of particulars with respect to absorption**

**I. Research and development (R & D)**

- i. Specific areas in which R & D carried out by the company : NIL
- ii. Benefits derived as a result of the above R&D :NIL
- iii. Future plan of action: NIL
- iv. Expenditure on R & D
  - Capital : NIL
  - Recurring: NIL
  - Total: NIL
  - Total (as % of total sales): NIL

**II. Technology, absorption, adaptation and innovation**

- i. Efforts, in brief, made towards technology absorption, adaptation and innovation: No new Technology has been adopted during the year under review

- ii. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.: NA
- iii. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:
  - a. Technology imported : NA
  - b. Year of import: NA
  - c. Has technology been fully absorbed: NA
  - d. If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action:NA

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

**I. activities relating to exports; initiatives taken to increase exports ; development of new export markets for products and services ; and export plans:**

There is no export activities by the Company. Further there is no plan in immediate future for export of products by the Company.

**II. Details of Foreign Exchange earnings & Outgo is as below**

	<b>2011-12</b>	<b>2010-11</b>
<b>Total Foreign Exchange Earnings</b>	Nil	Nil
<b>Total Foreign Exchange outgo</b> (import of Raw material & Stock)	7381 USD	Nil

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

Date:25<sup>th</sup> August, 2012  
Place: Panipat:

**Bal Kishan Aggarwal**  
Chairman & Managing Director  
DIN: 00456219

**Raj Pal Aggarwal**  
Whole Time Director  
DIN: 00456189

**KUMAR DINESH & ASSOCIATES****COMPANY SECRETARIES**

ROOM NO. 7, FIRST FLOOR, CHATARBHUJ LEELAWATI TRUST BUILDING,  
GEETA MANDIR ROAD, PANIPAT-132 103 (HARYANA),  
PH. 0180-4006750, M 9896252550, e.mail.: dkgc2004@yahoo.com

**COMPLIANCE CERTIFICATE**

**CIN: L17111HR1995PLC032541**

**Authorised Capital: Rs. 5,00,00,000/-**

**Paid-up Capital: Rs. 4,20,05,000/-**

The Members of

**Indo Cotspin Ltd.**

Delhi Mile Stone 78 K.M, G.T, Road

Village Jhattipur, Post Office

Samalkha, Panipat-132103(Haryana)

We have examined the registers, records, books and papers of **Indo Cotspin Ltd** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under, the provisions contained in the Memorandum & Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the financial year ended on 31<sup>st</sup> March, 2012:

1. The Company has kept and maintained registers as stated in “**Annexure: A**” to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in “**Annexure: B**” to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under save as mentioned in the aforesaid “Annexure: B”.
3. The Company is a public limited company listed with Delhi Stock Exchange Limited and Jaipur Stock Exchange Limited and Ahmedabad Stock Exchange Ltd.
4. The Board of Directors and the Operations Committee duly met on the following dates in respect of which meetings proper notices were given and the proceedings were properly recorded including the resolutions passed by circulation in the Minutes Book maintained for the purpose:
  - **Meeting of Board of Directors:** Eight Board Meetings held on 31.05.2011, 30.07.2011, 10.08.2011, 31.10.2011, 31.01.2012, 21.02.2012, 20.03.2012 and 31.03.2012;
  - **Meeting of Audit Committee:** Four Audit Committee Meetings held on 31.05.2011, 30.07.2011, 31.10.2011 and 31.01.2012;
  - **Meeting of Shareholder’s Grievances Committee:** Two Shareholder’s Grievances Meetings held on 25.04.2011 and 24.11.2011;
  - **Meeting of Remuneration Committee:** One Remuneration Committee Meetings held on 31.05.2011;



5. The Company has closed its Register of Members from 24<sup>th</sup> September, 2011 to 30<sup>th</sup> September, 2012 and complied with the provisions of section 154 of the Act in this regard. The Company did not have any debentures.
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March, 2011 was held on 30<sup>th</sup> September, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors and/or persons or firms or companies referred to in section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act
10. The Company has made necessary entries in the register(s) maintained under section 301 of the Act.
11. As there were no instances falling within purview of Section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate share certificate.
13.
  - a. The Company has delivered all the certificates on allotment of shares in accordance with the provisions of the Act and there was no transfer/ transmission of shares during the financial year under scrutiny.
  - b. The Company has not declared any dividend during the financial year.
  - c. Since the Company has not declared any dividend during the financial year, postage of dividend warrants, etc., was not applicable. The Company was not required to transfer any unclaimed/unpaid dividend to Unpaid Dividend Account with the Bank.
  - d. The Company was not required to transfer any amount on account of un-paid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained un-claimed or un-paid for a period of seven years to the Investor Education and Protection Fund.
  - e. The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. Appointment, re-appointment of director(s), additional director(s) etc., have been duly made.
15. The Company has not appointed any managing director, whole time director or manager during the financial year, except that Mr Arpan Aggarwal and Mr Sahil Aggarwal were reappointed as whole Time Directors of the Company.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies or other prescribed authorities under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares during the financial year.
20. The company has not bought back any shares during the financial year.

21. There was no redemption of preference shares or debentures during the financial year as the Company did not have any preference shares or debentures.
22. The Company was not required to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares, as there was no such offering from the Company during the financial year.
23. The Company has not invited or accepted any public deposits including un-secured loans taken, falling under section 58A of the Act during the financial year.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others was within the borrowing limits of the Company.
25. The Company has complied with applicable provisions of the Act in making loans and investments or giving guarantees or providing securities to other bodies corporate and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Registered Office of the Company from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the Objects Clause of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the Name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the Authorised Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notice received by the Company for alleged offenses under the Act. Similarly, no fines, penalties or punishment was imposed on the Company under the Act during the financial year.
32. The Company has not received any amount as security from its employees in terms of section 417(1) of the Act.
33. Since the Company has not constituted any provident fund under section 418 of the Act, provisions of section 418 are not applicable to **Indo Cotspin Ltd.**

**PLACE : PANIPAT**  
**DATE : 25<sup>TH</sup> AUGUST, 2012**

**FOR KUMAR DINESH & ASSOCIATES**  
**COMPANY SECRETARIES**

**(DINESH GUPTA,FCA,FCS) PROP.**  
**M.NO. FCS 4726, C.P. NO. 11146**

**Annexure: A**

**Registers maintained by the Company**

SI. NO	Particulars	Relevant Section
1.	Minutes Book of the meetings of the Board of Directors, Shareholders of the Company and the Committee(s) of the Board of Directors	193 159
2.	Copies of Annual Returns	150
3.	Register of Members	
4.	Register of Transfer	-
5.	Register of Particulars of Directors, Managing Director, Manager and Secretary	303
6.	Register of Directors' Share holding	307
7.	Register(s) of contracts, companies and firms in which Directors are interested	301
8.	Register of Charge	130

**Annexure: B**

**A. Forms & Returns filed with the Registrar of Companies, New Delhi**

Sl.No.	Particulars of Forms	Date of Filing & Returns Filed	Whether filed within prescribed time	Additional Fees paid
1.	Form 66 for filing Compliance Certificate u/s 383A for the financial year ended 31 <sup>st</sup> March, 2011	22.10.2011	Yes	NA
2.	Form 23AC XBRL and 23ACA XBRL for filing Annual Accounts u/s 220 for the financial year ended 31 <sup>st</sup> March, 2011	26.12.2011	Yes	NA
3.	Form 20B for filing Annual Return u/s 159 for the Annual General Meeting held on 30 <sup>th</sup> September, 2011	16.11.2011	Yes	NA
4.	Form 25C for re-appointment of Mr Arpan Aggarwal as Whole Time Director of the Company w.e.f. 01-06-2011	25.08.2011	Yes	NA
5.	Form 25C for re-appointment of Mr Sahil Aggarwal as Whole Time Director of the Company w.e.f. 01-06-2011	25.08.2011	Yes	NA
6.	Form 32 u/s 303(2) for appointment of Ms Shradha Jain as Director w.e.f 30.09.2011	19.10.2011	Yes	NA
7.	Form 32 filed u/s 303(2) for resignation of Mr Saurav Singla and Mr Pawas Aggarwal from directorship w.e.f. 21 <sup>st</sup> February, 2012	28.02.2012	Yes	NA

**B. Forms & Returns filed with the Regional Director, Central Government or other authorities**

Nil

**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)

**REPORT ON CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement a Report on Corporate Governance is given below:

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Our Company's philosophy on Corporate Governance envisages attainment of highest levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Our business culture and practices are founded upon a common set of values that govern our relationships with customers, employees, shareholders, suppliers and the communities in which we operate. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability.

**2. BOARD OF DIRECTORS**

The Company maintains an optimum combination of Executive, Non Executive and Independent Directors. The Board consists of total ten (10) directors on 31<sup>st</sup> March, 2012, out of which five (5) are independent. Mr Bal Kishan Aggarwal is the Chairman cum Managing Director of the Company and Mr Raj Pal Aggarwal, Mr Sahil Aggarwal and Mr Arpan Aggarwal are the Whole Time Directors. The Constitution of the Board as on 31<sup>st</sup> March 2012 is as follows:

Name	Designation	Category	No. of positions held in other Public Companies		
			Board	Committee	
				Membership	Chairmanship
Mr Bal Kishan Aggarwal	Chairman & Managing Director	Promoter (Executive)	Nil	Nil	Nil
Mr Raj Pal Aggarwal	Whole-Time Director	Promoter (Executive)	Nil	Nil	Nil
Mr Sahil Aggarwal	Whole-Time Director	Promoter (Executive)	Nil	Nil	Nil
Mr Arpan Aggarwal	Whole-Time Director	Promoter (Executive)	Nil	Nil	Nil
Mr Sanil Aggarwal	Director	Promoter (Executive)	Nil	Nil	Nil
Mr Anil Aggarwal	Director	Independent (Non Executive)	Nil	Nil	Nil
Mr Ankush Aggarwal	Director	Independent (Non Executive)	Nil	Nil	Nil
Mr Vinod Kumar Garg	Director	Independent (Non Executive)	Nil	Nil	Nil
Mrs Saroj Garg	Director	Independent (Non Executive)	Nil	Nil	Nil
Mrs Shradha Jain	Director	Independent (Non Executive)	Nil	Nil	Nil

**Directors' Attendance Record**

During the Financial Year 2011-12, eight meetings of the Board of Directors were held on 31.05.2011, 30.07.2011, 10.08.2011, 31.10.2011, 31.01.2012, 21.02.2012, 20.03.2012 and 31.03.2012. The Board was duly supplied with the agenda of the meetings incorporating all material information for facilitating meaningful and focused discussions at the meeting. The intervening period between the Board Meetings was well within the maximum time gap of four months as prescribed in clause 49 of the Listing Agreement. Details of attendance of Directors in the Board meeting during the financial year 2011-12 are as under:

<b>Name of the Director</b>	<b>No. of Board Meeting</b>	<b>Attendance at the Board Meeting</b>	<b>Whether attended Last AGM</b>
Mr Bal Kishan Aggarwal	8	8	Yes
Mr Raj Pal Aggarwal	8	8	Yes
Mr Sahil Aggarwal	8	8	Yes
Mr Arpan Aggarwal	8	8	Yes
Mr Sanil Aggarwal	8	2	Yes
Mr Anil Aggarwal	8	7	Yes
Mr Ankush Aggarwal	8	5	Yes
Mr Vinod Kumar Garg (Appointed w.e.f. 20-03-2012)	2	1	NA
Mrs Saroj Garg (Appointed w.e.f. 20-03-2012)	2	1	NA
Mrs Shradha Jain (Appointed w.e.f. 30-09-2011)	5	3	NA
Mr Saurav Singla (Resigned w.e.f. 21-02-2012)	5	5	Yes
Mr Pawas Aggarwal (Resigned w.e.f. 21-02-2012)	5	5	Yes
Mr Sanjay Singla (Resigned w.e.f. 20-03-2012)	6	6	Yes

**3. AUDIT COMMITTEE**

**(a) Terms of Reference**

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the provisions of the Clause 49 of the Listing Agreement. The Audit Committee shall have the authority to investigate into any matter that may be prescribed and the matters listed below and for this purpose the Audit Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary:

- a. To review the Company's financial reporting process and ensure that the financial statements give a true and fair view of the affairs of the Company.
- b. To review the Company's audit procedures and techniques.
- c. To review with the management, external and internal procedures and the adequacy of internal control systems.
- d. To review the quarterly and annual financial statements and submit the same to the Board.

e. Any other matter that may be delegated by the Board from time to time.

**(b) Composition**

The Audit Committee was reconstituted on 31st May, 2011 and comprises of the following Directors:

<b>Name of the Director</b>	<b>Category</b>
Mr Anil Aggarwal	Chairman(Non Executive Independent)
Mr Ankush Aggarwal	Member (Non Executive Independent)
Mr Raj Pal Aggarwal	Member(Promoter & Executive)

**(c) Attendance**

The Committee met four (4) times during the Financial Year 2011-2012 on 31.05.2011, 30.07.2011, 31.10.2011 and 31.01.2012. Details of attendance of Directors in the Audit Committee meeting are as under:

<b>Name of the Director</b>	<b>Number of Audit Committee Meeting</b>	<b>Attendance at the Audit Committee Meeting</b>
Mr Anil Aggarwal	4	4
Mr Ankush Aggarwal	4	4
Mr Raj Pal Aggarwal	4	4

**4. REMUNERATION COMMITTEE**

**(a) Composition & Terms of Reference**

The Remuneration Committee was reconstituted on 31st May, 2011 and comprises of the following Directors:

<b>Name of the Director</b>	<b>Category</b>
Mr Anil Aggarwal	Chairman (Non Executive Independent)
Mr Ankush Aggarwal	Member (Non Executive Independent)
Mr Pawas Aggarwal	Member (Non Executive Independent)

The Remuneration Committee has been constituted to recommend/ review and approve the remuneration payable to Managing Director, Whole time Director or other directors of the Company based on their performance.

There was one Remuneration Committee meeting held on 31.05.2012 during the Financial Year 2011-2012, where all the Committee members were present.

**(b) Remuneration Policy of the Company**

The remuneration policy of the Company is directed towards rewarding performance. The Managing Director and the Whole Time Director of the Company are entitled for payment of Remuneration as decided by the Board and approved by the members as per the provisions of the Companies Act, 1956. Directors are also entitled for the sitting fee for attending Board Meeting except the Managing Director and Whole Time Director. However, no sitting fee is paid for attending any committee meeting by the Committee members.

**(c) Details of the Directors' Remuneration for the financial year ended 31<sup>st</sup> March, 2012.**

Name of Director	Designation	Sitting fees (In Rs.)	Salaries & Perquisites (In Rs.)	Commission, Bonus Ex-gratia	Total Amount (In Rs.)	No. of Shares held & %
Mr Bal Kishan Aggarwal	Managing Director	Nil	240000	Nil	240000	495100 (11.79%)
Mr Raj Pal Aggarwal	Whole Time Director	Nil	240000	Nil	240000	488900 (11.64%)
Mr Sahil Aggarwal	Whole Time Director	Nil	240000	Nil	240000	121900 (2.90%)
Mr Arpan Aggarwal	Whole Time Director	Nil	240000	Nil	240000	124500 (2.96%)
Mr Sanil Aggarwal	Director	2000	Nil	Nil	2000	184200 (4.38%)
Mr Anil Aggarwal	Director	7000	Nil	Nil	7000	4000 (0.09%)
Mr Ankush Aggarwal	Director	5000	Nil	Nil	5000	80000 (1.90%)
Mr Vinod Kumar Garg (Appointed w.e.f. 20-03-2012)	Director	1000	Nil	Nil	1000	1000 (0.02%)
Mrs Saroj Garg (Appointed w.e.f. 20-03-2012)	Director	1000	Nil	Nil	1000	1000 (0.02%)
Mrs Shradha Jain (Appointed w.e.f. 30-09-2011)	Director	3000	Nil	Nil	3000	171000 (4.07%)
Mr Saurav Singla (Resigned w.e.f. 21-02-2012)	Director	5000	Nil	Nil	5000	Nil
Mr Pawas Aggarwal (Resigned w.e.f. 21-02-2012)	Director	5000	Nil	Nil	5000	1000 (0.02%)
Mr Sanjay Singla (Resigned w.e.f. 20-03-2012)	Director	6000	Nil	Nil	6000	198400 (4.72%)

**5. INVESTORS' GRIEVANCE COMMITTEE**

- (i) The Company has constituted an "Investors' Grievance Committee" to look into redressal of Shareholder's / investors' complaints, to approve share transfer, share transmission etc and to oversee all matters connected with the Shareholders.
- (ii) **Composition:** The Remuneration Committee was reconstituted on 31st May, 2011 and comprises of the following Directors

Name of the Director	Category
Mr Anil Aggarwal	Chairman(Non Executive Independent)
Mr Ankush Aggarwal	Member (Non Executive Independent)
Mr Raj Pal Aggarwal	Member(Promoter & Executive)

The committee met Two times during the year on 25-04-2011 and 24-11-2011.

(iii) Mr Bal Kishan Aggarwal is the Compliance Officer of the Company for the purpose of Clause 47 of the Listing Agreements to look after the compliances under the Listing Agreement and other SEBI Rules & Regulations etc.

(iv) During the financial year, there is no investor complaint were received and no investor complaint were pending at the end of the financial year 31<sup>st</sup> March, 2012.

**6. GENERAL BODY MEETINGS**

**a). Annual General Meetings:** Particulars of past three Annual General Meetings of the Company:

Year	Date	Venue	Time	No. of Special Resolution(s) passed
2009	30.09.2009	Delhi Mile Stone 78 K.M, G.T. Road, NH-1, Village Jhattipur, Post Box-3 Post Office, Samalkha, Panipat-132103(Haryana)	11:00 AM	NIL
2010	30.09.2010	Delhi Mile Stone 78 K.M, G.T. Road, NH_1, Village Jhattipur, Post Box-3,Post Office, Samalkha, Panipat-132103(Haryana)	11:30 AM	NIL
2011	30.09.2011	Delhi Mile Stone 78 K.M, G.T. Road, NH-1, Village Jhattipur, Post Box-3, Post Office, Samalkha, Panipat-132103(Haryana)	11:30 AM	NIL

**b). Postal Ballot:** No resolution has been passed through postal ballot process during the last three years. Further, there is no resolution proposed in the proposed AGM to the passed through postal ballot process.

**7. DISCLOSURES**

**(a) Related Party Transactions**

There are no materially significant related party transactions with its Promoters, the Directors or the Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the company at large.

**(b) Non compliance by the Company, Penalties, Structures**

There were no instances of non-compliance by the Company, penalties, structures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

**(c) Non mandatory requirements**

The Company proposes to adopt the non-mandatory requirements including adoption of Whistle Blower Policy given in Annexure-3 of Clause 49 of the listing agreement in due course of time.

**8. CODE OF CONDUCT**

The Board has formulated a code of conduct for the Board members and senior management of the Company. All Board members and senior management personnel have affirmed their compliance with the code.

**Declaration on compliance with code of conduct by the Chairman & Managing Director:**

The Board has formulated a code of conduct for the Board members and senior management of the Company.

It is hereby affirmed that all the Directors and senior management personnel have complied with the code of conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

Sd/-

**Bal Kishan Aggarwal**  
Chairman & Managing Director



**9. MEANS OF COMMUNICATION**

- (a) At present quarterly/ half-yearly reports are not being sent to each household of shareholders.
- (b) The Quarterly / half-yearly / annual accounts results are published in the English and Hindi Newspapers.
  - Which newspaper normally published in                      Financial Express/ Pioneer (English) & Vir Arjun (Hindi)
  - Any website where displayed                                      Yes – [www.indocotspin.com](http://www.indocotspin.com)
- (c) The Management Discussion and Analysis forms a part of the Annual Report.

**10. GENERAL SHAREHOLDERS INFORMATION**

- i) **Annual General Meeting**

<b>Day &amp; Date</b>	<b>Time</b>	<b>Venue</b>
Saturday, September 29, 2012	11.30 A.M.	Delhi Mile Stone 78 K.M, G.T.Road, NH-1, Village Jhattipur, Post Box-3, Post Office, Samalkha, Panipat-132103(Haryana)
- ii) **Financial Calendar**
- iii) **Dates of Book Closure**                                      28<sup>th</sup> September, 2012 to 29<sup>th</sup> September, 2012 (Both days inclusive)
- iv) **Dividend Payment Date**                                      Not applicable

Events	Tentative time frame
Financial Reporting for the first quarter ended 30 <sup>th</sup> June, 2012	31 <sup>st</sup> July, 2012 (actual)
Financial Reporting for the second quarter ending 30 <sup>th</sup> September, 2012	By 15 <sup>th</sup> November 2012
Financial Reporting for the third quarter ending 31 <sup>st</sup> December, 2012	By 15 <sup>th</sup> February 2013
Financial Reporting for the fourth quarter ending 31 <sup>st</sup> March, 2013	By 15 <sup>th</sup> May 2013

- v) **Listing on Stock Exchanges:** The Shares of the Company is listed on the Delhi Stock Exchange Ltd, Jaipur Stock Exchange Ltd and Ahmedabad Stock Exchange Ltd.
- vii) **Market Price Data :** As there is no trading on Delhi, Jaipur of Ahmedabad stock exchanges, the stock market data, pertaining to Monthly High and Low prices of Equity shares of the Company, during the previous financial year are not available.
- viii) **Registrar and Share Transfer Agent & Share Transfer System**  
The Company has not appointed Registrar & Share Transfer Agent. Share registry works are handles In-house by the Company.

**ix) Distribution of Shareholding as on 31<sup>st</sup> March 2012:**

Share Range		Shareholders		Share Amount	
		Number	% to Total	In Rs.	% to Total
(1)		(2)	(3)	(4)	(5)
Up to 500		37	25.69	10,100	0.32
501	1000	63	43.75	50,900	1.59
1001	2000	12	8.33	16,100	0.50
2001	3000	4	2.78	10,900	0.34
3001	4000	4	2.78	14,600	0.46
4001	5000	2	1.39	9,500	0.30
5001	10000	3	2.08	24,500	0.77
10001 and above		19	13.19	30,64,900	95.73
<b>Total</b>		<b>144</b>	<b>100.00</b>	<b>32,01,500</b>	<b>100.00</b>

**x) Dematerialization of shares and liquidity:** the Company has not yet admitted with any of the Depositories namely National Security Depositories Ltd. (NSDL) or Central Depository Services Ltd. (CDSL).

**xi)** There are no outstanding GDRs/ ADRs/ Warrants or any Convertible other Instruments as on the date.

**xii) Factory Locations:** The Company has nonwoven plant located at:

Delhi Mile Stone 78 K.M,  
G.T, Road, NH-1, Village Jhattipur,  
Post Box No-3  
Post Office, Samalkha,  
Panipat-132103(Haryana)

**xiii) Address for Correspondence:** The shareholders may send their communication grievances/ queries to the Registrar and Share Transfer Agents at their Address mentioned above or to the Company at:

Investor Relation Centre  
Indo Cotspin Ltd.  
Delhi Mile Stone 78 K.M,  
G.T, Road, NH-1, Village Jhattipur,  
Post Box No-3  
Post Office, Samalkha,  
Panipat-132103(Haryana)

**11. NON-MANDATORY REQUIREMENTS**

The Company proposes to adopt the non-mandatory requirements given in Annexure-3 of Clause 49 of the listing agreement in due course of time.

**CEO/CFO Certification**

We, Bal Kishan Aggarwal, Managing Director and Raj Pal Aggarwal, Whole Time Director, responsible for the finance function certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2012 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the years which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

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

**Bal Kishan Aggarwal**  
**Chairman & Managing Director**  
**DIN: 00456219**

**Raj Pal Aggarwal**  
**Whole Time Director**  
**DIN: 00456189**

**Place: Panipat:**

**Date: 25<sup>th</sup> August, 2012**

**KUMAR DINESH & ASSOCIATES****COMPANY SECRETARIES**

ROOM NO. 7, FIRST FLOOR, CHATARBHUJ LEELAWATI TRUST BUILDING,  
GEETA MANDIR ROAD, PANIPAT-132 103 (HARYANA),  
PH. 0180-4006750, M 9896252550, e.mail.: dkgc2004@yahoo.com

To  
The Members of  
Indo Cotspin Limited

We have examined the compliance of conditions of Corporate Governance by Indo Cotspin Ltd. (hereinafter referred as "the Company") for the year ended March 31, 2012, as stipulated in clause 49 of the listing agreement of the said Company with the stock exchanges on Corporate Governance.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement on Corporate Governance.

We further state that no investor grievance(s) are pending for a period exceeding one month against the Company as per the records maintained by the Investor's Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**PLACE: PANIPAT**  
**DATE : 25<sup>TH</sup> AUGUST, 2012.**

**FOR KUMAR DINESH & ASSOCIATES**  
**COMPANY SECRETARY**  
**DINESH GUPTA, FCA, FCS) PROP**  
**M.NO. FCS 4726, C.P. NO. 11146**

**INDO COTSPIN LIMITED****Regd. Office:** Delhi Mile Stone 78 K.M, G.T. Road, NH-1Village Jhattipur, Post Box-3, Post Office, Samalkha, Panipat-132103(Haryana)**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Cautionary Statement**

The management Discussion and Analysis Report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statement as important factors could influence Company's operations such as Government policies, economic development, political factors and such other factors beyond the control of the Company.

**Overview, Industry Structure & Developments**

Giving importance to fashion and trend is the foremost adage for our company, Indo Cotspin Limited incepted in the year 1995, the Company is renowned Manufacturer, Exporter, Importer and Trader of Non Woven Products such as Non-Woven Fabrics, Non-Woven Carpets, Felts, Automotive Felts, Non-Woven Designer Carpets and many others

**Product Range**

- Non-Woven Fabrics
- Non-Woven Carpets
- Non-Woven Felts
- Non-Woven Automotive Felts
- Non-Woven Designer Carpets
- Non-Woven filter fabrics
- Non-Woven geo textiles
- Jute Matting

The Indian Textile Industry has been facing unprecedented period of difficulty, due to slowing down in the demand especially from the beginning of current financial year 2011 – 12. The uncertainties in the export policy of Government of India related to cotton fibre and cotton yarn have added to the woes of the Textile Industry. However, we are confident about the bright future of Textile Industry in long term. At present, Textile Industry in India is one of the most modern as compared to our competitors such as Pakistan and China.

**Product wise performance**

Product wise performance of the Company has been mentioned in the attached balance sheet of the Company.

**Opportunities & Threats**

The new age Indian consumer, the organized retail potential, which is creating the huge consumption opportunity, is by far the biggest Opportunity for companies like us. With the aspirational and rich class in India having a better penetration, our product led growth will help the company in both the immediate and long run. Also, with the rural India being revisited by marketers through the modern retail philosophy, the opportunity is huge.

Competition from Indian and global players remain a matter of concern and probable threat; while the company is well prepared to tackle such issues on an ongoing basis.

**Risks & Concern**

There is stiff competition in the Non-woven fabrics market with new national and international entrants. On a macro level business continues to be impacted by changes in Government Policy and International Markets.

- Factors that may affect results of operations
- Fluctuation and increase in raw material prices.
- Non-availability of raw material and other resources
- Supply of Power
- New Competitive products
- Government rules and regulations relating to Textiles Industry
- Any slowdown in the economic growth in general in particular

The Company continues to follow a suitable strategy to modify its risk profile by eliminating and significantly reducing key business risks.

**Outlook**

From the reports available in public domain, it is believed that the global economic recovery is in its way. It is only hoped that the growth momentum gathers, steam soon and fast. Indian textile industry is generally competitive and considering the positive business conditions developing, outlook for cotton textiles appears to be good.

**Human resource / Industrial relations**

The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people.

The Company has cordial relations with employees and staff. There are no industrial relations problems during the year and the Company does not anticipate any material problems on this count in the current year. The management is also committed to help the employees and workers to sharpen their skills and to improve their knowledge base.

**Internal Control Systems and Adequacy**

The Company has disciplined approach to cost and follows prudential norms in every sphere of its activities. The Profit making is put at the center of decision making. The cost are budgeted, reviewed and monitored. The Company has established internal control systems for ensuring optimum use of resources and safeguarding the assets. The Internal Control Systems and procedure are adequate and commensurate with the size of the Company. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and status.

**ANIL AVIRAL & CO.**  
Chartered Accountants

1231-A, BINDLE BHAWAN,  
I.B. SCHOOL LANE, G.T. ROAD,  
PANIPAT-132103.

**AUDITOR'S REPORT**

To,  
The Members  
Indo Cotspin Limited  
Panipat

We have audited the attached Balance Sheet of INDO COTSPIN LIMITED as at March 31<sup>st</sup>, 2012 and the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
3. Further to our comment in the annexure referred to in paragraph 2 above, we report that :
  - 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, the company has kept proper books of accounts as required by law so far, as appears from our examination of such books.
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the mandatory Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.
  - e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2012, and taken on record by the Board of Directors, we report that none of the directors are being disqualified as on 31<sup>st</sup> March, 2012 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012.
    - (ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
    - (iii) In the case of cash flow statement, of the cash flows for the year ended on that date.

**FOR ANIL AVIRAL & CO.**  
**CHARTERED ACCOUNTANTS**  
(Firm Regn No. 007733N)

**ANIL KUMAR, FCA**  
**PROPRIETOR**  
**M.NO. 082187**

**PANIPAT: MAY 31, 2012**

**ANIL AVIRAL & CO.**  
**Chartered Accountants**

**1231-A, BINDLE BHAWAN,  
I.B. SCHOOL LANE, G.T. ROAD,  
PANIPAT-132103.**

**Annexure to Auditors' Report**

1. In respect of its fixed assets:
  - a. The Company had maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
  - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No Material discrepancies were noticed on such physical verification.
  - c. In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
  - a. As explained to us, the Management at regular intervals during the year has physically verified inventories.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. The company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3.
  - (a) As per the information furnished, the company has not granted any loans, Secured or unsecured, to the company, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
  - (b) As the Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, the clause (iii)(b) of the Order is not applicable.
  - (c) As the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, the clause (iii)(c) of the Order is not applicable.
  - (d) As the Company has not granted any loans, secured or unsecured to companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, the clause (iii)(d) of the Order is not applicable.
  - (e) As per the information furnished, the company has not taken any loans, secured or unsecured, from the company, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - (f) As the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, the clause (f) of the Order is not applicable.
  - (g) As the Company has not taken any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, the clause (g) of the Order is not applicable.



- (h) There is no overdue amount outstanding regarding loans
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of audit, we have not observed any major weaknesses in internal controls.
  5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
    - a. In our opinion and according to the information and explanations given to us, particulars of contracts or arrangements, referred to in section 301 of the Act have been entered in the register required to be maintained under that section: and
    - b. the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
  6. The company has not accepted any deposits from the public and therefore section 58A, 58AA or any other relevant provisions of the Companies Act, do not apply.
  7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
  8. We have broadly reviewed the cost records maintained by the company pursuant to the Companies ( Cost Accounting Records ) Rules , 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act , 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
  9. In respect of statutory dues:
    - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other Statutory Dues have been generally regularly deposited with the appropriate authorities except the fees of Rs. 203273.00 payable to Stock Exchanges regarding previous years.
    - b. According to the information and explanations given to us, no disputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date of becoming payable.
  10. The company has accumulated losses of Rs. 9795391.14 Lacs as on 31<sup>st</sup> March 2012 and the company has not incurred any cash loss during the financial year covered by our audit or in the immediately preceding financial year .
  11. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or any other organization.
  12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
  13. In our Opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
  14. In our Opinion, the company has not engaged in trading of securities, debentures and other investments etc. Therefore, clause 4(xiv) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
  15. The company has not given any guarantees for loans taken by others from banks or financial institutions.
  16. The company has not raised any term loan during the year.

17. According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilized any funds raised from short-term sources towards long-term investments.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures during the year.
20. The company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

**FOR ANIL AVIRAL & CO**  
**Chartered Accountants**  
**(Firm Regn No. 007733N)**

**ANIL KUMAR**  
**Proprietor**  
**M. No. 82187**

**Panipat: MAY 31, 2012**

**INDO COTSPIN LIMITED****ANNUAL REPORT 2011-12**

ANIL AVIRAL & CO.  
Chartered Accountants

1231-A, BINDLE BHAWAN,  
I.B. SCHOOL LANE, G.T. ROAD,  
PANIPAT-132103.  
Ph. No. 0180-2630831

**INDO COTSPIN LIMITED**  
**REGD. OFFICE : DELHI MILSTONE 78KM, G. T. ROAD, NH-1,**  
**VILLAGE-JATTIPUR, POST BOX NO.-3, POST OFFICE SAMALKHA, PANIPAT**  
**BALANCE SHEET AS AT 31ST MARCH, 2012**

<u>PARTICULARS</u>	<u>NOTE NO.</u>	<u>AS AT</u> <u>31.03.2012</u>	<u>AS AT</u> <u>31.03.2011</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>SHAREHOLDER'S FUNDS</u></b>			
SHARE CAPITAL	1	39,743,036.00	39,743,036.00
RESERVES AND SURPLUS	2	(9,747,579.11)	(10,379,661.11)
		<u>29,995,456.89</u>	<u>29,363,374.89</u>
<b><u>SHARE APPLICATION MONEY</u></b>			
<b><u>PENDING ALLOTMENTS</u></b>	3	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
<b><u>NON CURRENT LIABILITIES</u></b>			
LONG TERM PROVISIONS	4	494,359.00	448,353.00
DEFERRED TAX LIABILITY (NET)	5	1,325,654.16	1,140,011.00
		<u>1,820,013.16</u>	<u>1,588,364.00</u>
<b><u>CURRENT LIABILITIES</u></b>			
SHORT TERM BORROWINGS	6	(5,456,288.10)	0.00
TRADE PAYABLES	7	20,688,446.00	11,101,842.00
OTHER CURRENT LIABILITIES	8	345,557.00	1,944,459.00
SHORT TERM PROVISIONS	9	211,664.00	24,903.00
		<u>15,789,378.90</u>	<u>13,071,204.00</u>
		<u><b>47,604,848.95</b></u>	<u><b>44,022,942.89</b></u>
<b><u>ASSETS</u></b>			
<b><u>NON CURRENT ASSETS</u></b>			
FIXED ASSETS			
TANGIBLE ASSETS	10	21,951,222.14	17,979,744.50
NON CURRENT INVESTMENTS	11	7,866,486.00	48,627.00
LONG TERM LOANS & ADVANCES	12	196,750.00	196,750.00
		<u>30,014,458.14</u>	<u>18,225,121.50</u>

**INDO COTSPIN LIMITED****ANNUAL REPORT 2011-12**

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PANIPAT-132103.  
Ph. No. 0180-2630831

**INDO COTSPIN LIMITED**  
REGD. OFFICE : DELHI MILSTONE 78KM, G. T. ROAD, NH-1,  
VILLAGE-JATTIPUR, POST BOX NO.-3, POST OFFICE SAMALKHA, PANIPAT  
**BALANCE SHEET AS AT 31ST MARCH, 2012**

<u>PARTICULARS</u>	<u>NOTE NO.</u>	<u>AS AT</u> <u>31.03.2012</u>	<u>AS AT</u> <u>31.03.2011</u>
<b><u>CURRENT ASSETS</u></b>			
CURRENT INVESTMENTS	13	0.00	0.00
INVENTORIES	14	6,056,176.00	15,683,613.00
TRADE RECEIVABLES	15	9,983,847.85	7,743,486.16
CASH AND CASH EQUIVALENTS	16	1,090,600.10	2,194,909.19
SHORT TERM LOANS AND ADVANCES	17	377,548.00	93,576.00
OTHER CURRENT ASSETS	18	82,218.86	82,237.04
		17,590,390.81	25,797,821.39
<b>TOTAL</b>		<b>47,604,848.95</b>	<b>44,022,942.89</b>

SIGNIFICANT ACCOUNTING POLICIES  
NOTE ON FINANCIAL STATEMENTS

1 TO 33

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALFOF THE BOARD

FOR ANIL AVIRAL & CO  
CHARTERED ACCOUNTANTS  
(Firm Reg No. 007733N)

RAJ PAL AGGARWAL  
WHOLE TIME DIRECTOR  
DIN: 00456189

ANIL KUMAR  
PROPRIETOR  
M.NO. 082187  
PANIPAT :MAY 31,2012

BAL KRISHAN AGGARWAL  
MANAGING DIRECTOR  
DIN: 00456219

**INDO COTSPIN LIMITED****ANNUAL REPORT 2011-12**

ANIL AVIRAL & CO.  
Chartered Accountants

1231-A, BINDLE BHAWAN,  
I.B. SCHOOL LANE, G.T. ROAD,  
PANIPAT-132103.  
Ph. No. 0180-2630831

**INDO COTSPIN LIMITED**  
REGD. OFFICE : DELHI MILSTONE 78KM, G. T. ROAD, NH-1,  
VILLAGE-JATTIPUR, POST BOX NO.-3, POST OFFICE SAMALKHA, PANIPAT  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31.03.2012**

<u>PARTICULARS</u>	<u>NOTE NO.</u>	<u>AS AT</u> <u>31.03.2012</u>	<u>AS AT</u> <u>31.03.2011</u>
<b><u>INCOME</u></b>			
REVENUE FOR OPERATIONS	19	56,631,463.60	47,102,351.00
OTHER INCOME	20	36,725.00	80,035.00
<b>TOTAL REVENUE</b>		<b>56,668,188.60</b>	<b>47,182,386.00</b>
<b><u>EXPENDITURE</u></b>			
COST OF MATERIAL CONSUMED	21	50,089,948.28	42,732,438.12
PURCHASES OF STOCK IN TRADE	22	0.00	56,904.00
CHANGES IN INVENTORIE OF FINISHED GOODS, WIP AND STOCK IN TRADE	23	(749,744.00)	(1,014,686.00)
EMPLOYEE BENEFIT EXPENSES	24	1,990,168.00	1,923,438.00
FINANCIAL COSTS	25	65,300.90	4,270.00
DEPRECIATION EXPENSE	10	1,138,480.36	895,110.00
OTHER EXPENSES	26	3,049,660.90	2,407,420.19
<b>TOTAL EXPENSES</b>		<b>55,583,814.44</b>	<b>47,004,894.31</b>
<b>PROFIT BEFORE TAX</b>		<b>1,084,374.16</b>	<b>177,491.69</b>
<b><u>TAX EXPENSES</u></b>			
CURRENT TAX		211,664.00	24,903.00
DEFERRED TAX		185,643.16	236,588.00
<b>PROFIT FOR THE YEAR</b>		<b>687,067.00</b>	<b>(83,999.31)</b>
<b>EARNING PER EQUITY SHARE OF FACE VALUE RS. 10 EACH</b>			
BASIC EPS	28	0.27	0.05

SIGNIFICANT ACCOUNTING POLICIES  
NOTES ON FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE

FOR ANIL AVIRAL & CO  
CHARTERED ACCOUNTANTS  
(Firm Reg No. 007733N)

RAJ PAL AGGARWAL  
WHOLE TIME DIRECTOR  
DIN: 00456189

ANIL KUMAR  
PROPRIETOR  
M.NO. 082187  
PANIPAT :MAY 31,2012

BAL KRISHAN AGGARWAL  
MANAGING DIRECTOR  
DIN: 00456219

**INDO COTSPIN LIMITED  
SIGNIFICANT ACCOUNTING POLICIES**

- A. Basis of Preparation of Financial Statements**  
The financial statements are prepared on historical cost method , in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act , 1956 .
- B. Fixed Assets**
- (i) **Tangible Assets**  
Fixed assets are stated at cost less accumulated depreciation.
- (ii) **Intangible Assets**  
There is no intangible asset.
- C. Depreciation and Amortisation**  
Depreciation on fixed assets is provided to the extent of depreciable amount on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act , 1956 over their useful life.
- D. Investments**  
Long term investments are stated at cost.
- E. Inventories**  
Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase , cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Stock in process is determined at cost upto estimated stage of production and packing material at average sale prices.
- F. Revenue Recognition**  
Revenue is recognized only when it can be reliably measured . Interest income is recognised on the time proportion basis taking into account the amount outstanding and rate applicable.
- G. Sales Tax / Value Added Tax**  
Sales tax/Value added tax is charged to Profit & Loss account.
- H. Provision for Current and Deferred Tax**  
Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act , 1961 . Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.
- I. Contingent Liabilities and Contingent Assets**  
There is no contingent liability & assets.

# INDO COTSPIN LIMITED

# ANNUAL REPORT 2011-12

ANIL AVIRAL & CO.  
Chartered Accountants

1231-A, BINDLE BHAWAN,  
I.B. SCHOOL LANE, G.T. ROAD,  
PANIPAT-132103.  
Ph. No. 0180-2630831

**INDO COTSPIN LIMITED**

**NOTE ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

<u>PARTICULARS</u>	<u>AS AT 31.03.2012</u>	<u>AS AT 31.03.2011</u>
<b>1 SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
50,00,000 EQUITY SHARES OF RS. 10/- EACH	50,000,000.00	50,000,000.00
	<u>50,000,000.00</u>	<u>50,000,000.00</u>
<b>ISSUED AND SUBSCRIBED</b>		
42,00,500 EQUITY SHARES OF RS. 10/- EACH	42,005,000.00	42,005,000.00
	<u>42,005,000.00</u>	<u>42,005,000.00</u>
<b>PAID UP</b>		
32,01,500 EQUITY SHARES OF RS. 10/- EACH FULLY PAID UP	32,015,000.00	32,015,000.00
	<u>32,015,000.00</u>	<u>32,015,000.00</u>
<b>FORFEITED SHARES</b>		
9,99,000 EQUITY SHARES OF RS. 10/- EACH LESS : CALL IN AREARS	9,990,000.00 2,261,964.00	9,990,000.00 2,261,964.00
	<u>7,728,036.00</u>	<u>7,728,036.00</u>
	<u>39,743,036.00</u>	<u>39,743,036.00</u>

**The Details of Shareholders Holding More Than 5% Shares :**

<u>NAME OF SHAREHOLDERS</u>	<u>AS AT 31.03.2012</u>		<u>AS AT 31.03.2011</u>	
	<u>NO. OF SHARES</u>	<u>%HELD</u>	<u>NO. OF SHARES</u>	<u>%HELD</u>
RAJ PAL AGGARWAL	488900	15.27	488900	15.27
BAL KRISHAN AGGARWAL	495100	15.47	495100	15.47
SANIL AGGARWAL	184200	5.75	184200	5.75
SANJAY SINGLA	198400	6.19	198400	6.19
VISHAKHA AGGARWAL	211700	6.61	211700	6.61
MEENU SINGLA	208600	6.52	208600	6.52
SHAMA SINGLA	208000	6.50	208000	6.50

# INDO COTSPIN LIMITED

# ANNUAL REPORT 2011-12

ANIL AVIRAL & CO.  
Chartered Accountants

1231-A, BINDLE BHAWAN,  
I.B. SCHOOL LANE, G.T. ROAD,  
PANIPAT-132103.  
Ph. No. 0180-2630831

	<u>AS AT 31.03.2012</u>	<u>AS AT 31.03.2011</u>
<b>2 RESERVES AND SURPLUS</b>		
<b>PROFIT AND LOSS ACCOUNT</b>		
OPENING BALANCE	(10,379,661.11)	10,069,844.80
CURRENT YEAR PROFITS	687,067.00	(83,999.31)
	<hr/>	<hr/>
	(9,692,594.11)	(10,153,844.11)
LESS: TRANSFERS	0.00	0.00
LESS: PREVIOUS YEAR EXPENSES (NOTE)	54,985.00	225,817.00
	<hr/>	<hr/>
CLOSING BALANCE	(9,747,579.11)	(10,379,661.11)
	<hr/>	<hr/>
<b>NOTE: EXPENSES PERTAINING TO PREVIOUS YEAR</b>		
INCOME TAX REFUND (2008-09)	30,015.00	0.00
INCOME TAX REFUND (2009-10)	16,966.00	0.00
INCOME TAX REFUND (2010-11)	8,004.00	0.00
SECURITY	0.00	17,317.00
ELECTRICITY PROCESSING CHARGES	0.00	208,500.00
	<hr/>	<hr/>
	54,985.00	225,817.00
	<hr/>	<hr/>
T/F TO BALANCE SHEET	(9,747,579.11)	(10,379,661.11)
	<hr/>	<hr/>
<b>3 SHARE APPLICATION MONEY PENDING ALLOTMENT</b>		
	<b>Nil</b>	<b>Nil</b>
<b>4 LONG TERM PROVISIONS</b>		
PROVISION FOR GRATUITY	494,359.00	448,353.00
<b>5 DEFERRED TAX (ASSETS)/ LIABILITY</b>		
As per Accounting standard 22 on Accounting for the Taxes on Income-the company has the following Deffered Tax Liabilities.		
NET BLOCK AS PER COMPANIES ACT	21,951,222.14	17,979,744.50
NET BLOCK AS PER INCOME TAX ACT	17,166,720.24	13,842,036.92
	<hr/>	<hr/>
	4,784,501.90	4,137,707.58
LESS:		
EXPENSES C/F UNDER SEC-438 (GRATUITY)	494,359.00	448,353.00
	<hr/>	<hr/>
NET BLOCK	4,290,142.90	3,689,354.58
	<hr/>	<hr/>
DEFERRED TAX LIABILITY 30.9% ON ABOVE	1,325,654.16	1,140,011.00
DEFERRED TAX LIABILITY UPTO PREVIOUS YEAR	1,140,011.00	903,423.00
	<hr/>	<hr/>
DEFERRED TAX LIABILITY / ASSET FOR THE YEAR:	185,643.16	236,588.00
	<hr/>	<hr/>



1231-A, BINDLE BHAWAN,  
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ANIL AVIRAL & CO.  
Chartered Accountants

INDO COTSPIN LIMITED

NOTE -10  
FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NETBLOCK	
	AT 01.04.2011	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	AS AT 31.03.2012	UPTO 31.03.2011	FOR THE YEAR	DEDUCTIONS	UPTO 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
<b>A. TANGIBLE ASSETS</b>										
LAND	2380994.00	2167417.00	0.00	4548411.00	0.00	0.00	0.00	0.00	4548411.00	2380994.00
PLOT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BUILDING	7307794.30	0.00	0.00	7307794.30	2694716.00	244080.33	-	2938796.33	4368997.97	4613078.30
PLANT AND MACHINERY	43956.00	0.00	0.00	43956.00	0.00	0.00	0.00	0.00	43956.00	43956.00
PLANT AND MACHINERY (NEW)	7644317.81	0.00	0.00	7644317.81	587213.00	363105.10	0.00	950318.10	6693999.71	7057104.81
FURNITURE AND FIXTURES	319571.00	0.00	0.00	319571.00	200177.30	20228.84	0.00	220406.14	99164.86	119993.70
VEHICLES	4701319.00	3264500.00	517036.00	7448783.00	1013678.82	476681.40	174677.00	1315683.22	6133099.78	3687640.18
COMPUTER	189013.51	20400.00	0.00	209413.51	122320.00	33819.44	0.00	156139.44	53274.07	66893.51
FIRE EXTINGUISHERS	11900.00	0.00	0.00	11900.00	1016.00	565.25	0.00	1581.25	10318.75	10884.00
<b>B. INTANGIBLE ASSETS</b>										
	22598865.62	5452317.00	517036.00	27534146.62	4619121.12	1138480.36	174677.00	5582924.48	21951222.14	17979744.50
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL (A+B)</b>	<b>22598865.62</b>	<b>5452317.00</b>	<b>517036.00</b>	<b>27534146.62</b>	<b>4619121.12</b>	<b>1138480.36</b>	<b>174677.00</b>	<b>5582924.48</b>	<b>21951222.14</b>	<b>17979744.50</b>
<b>CAPITAL WORK IN PROGRESS</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(31.03.2011)										
PREVIOUS YEAR FIGURES	28696106.11	2633092.51	8730333.00	22598865.62	3726386.12	895110.00	2375.00	4619121.12	17979744.50	24969719.99

NOTE: a) FIXED ASSETS

Fixed assets are stated at cost less depreciation.

b) DEPRECIATION

Depreciation on fixed assets is provide on Straight Line Method at the rates and in the manner prescribed in schedule XIV to the companies Act, 1956.

c) Additional in land is on account of charges paid to Country Town Planning Department for approval of CLU.

# INDO COTSPIN LIMITED

# ANNUAL REPORT 2011-12

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	<u>AS AT 31.03.2012</u>	<u>AS AT 31.03.2011</u>
<b>7 SHORT TERM BORROWINGS</b>		
<b>7(i) SECURED LOANS</b>		
<b>WORKING CAPITAL LOANS</b>		
UNION BANK OF INDIA -SSI BR. -C/C	(5,456,288.10)	0.00
a) Working Capital Loan from Union Bank of India is secured by mortgage and personal gurantee of the directors.		
b) The Company has a sanctioned limit of Rs. 4800000, however the limit is not availed by the Co. rather having credit balance in their account.		
c) The loan is payable on demand.		
<b>7(ii) UNSECURED LOANS</b>	<b>NIL</b>	<b>NIL</b>
<b>8 TRADE PAYABLES</b>		
SUNDRY CREDITORS-SSI Industries	0.00	0.00
-Others	20,688,446.00	11,101,842.00
	<u>20,688,446.00</u>	<u>11,101,842.00</u>
<b>9 OTHER CURRENT LIABILITIES</b>		
AUDITOR REMUNERATION PAYABLE	40,500.00	31,500.00
DIRECTOR SALARY PAYABLE	0.00	1,459,000.00
SALARY PAYABLE	16,500.00	32,038.00
WAGES PAYABLE	51,296.00	64,187.00
TELEPHONE BILL PAYABLE	9,046.00	7,768.00
ESI PAYABLE	0.00	1,038.00
EPF PAYABLE	0.00	2,535.00
FEES & TAX PAYABLE	6,000.00	12,000.00
TDS PAYABLE	4,500.00	13,500.00
CST PAYABLE	0.00	132,315.00
STOCK EXCHANGE FEES PAYABLE	203,273.00	188,273.00
WELFARE ACCOUNT PAYABLE	125.00	305.00
OTHERS	14,317.00	0.00
	<u>345,557.00</u>	<u>1,944,459.00</u>
<b>10 SHORT TERM PROVISIONS</b>		
PROVISION FOR INCOME TAX	211,664.00	24,903.00
<b>11 NON CURRENT INVESTMENTS</b>		
INVESTMENT IN POPULAR PLANT	48,627.00	48,627.00
INVESTMENT IN PROPERTY (PLOTS)	7,817,859.00	0.00
	<u>7,866,486.00</u>	<u>48,627.00</u>
<b>(i) PLOTS</b>		
OPENING BALANCE	8,055,237.00	0.00
ADD: INSTALLMENTS PAID DURING THE YEAR	262,622.00	0.00
LESS: PLOT AMOUNT REFUNDED	500,00.00	0.00
CLOSING BALANCE	<u>7,817,859.00</u>	<u>0.00</u>

NOTE: Investment are stated at cost.

# INDO COTSPIN LIMITED

# ANNUAL REPORT 2011-12

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	<u>AS AT 31.03.2012</u>	<u>AS AT 31.03.2011</u>
<b>12 LONG TERM LOANS &amp; ADVANCES</b>		
ELECTRICITY SECURITIES	196,750.00	196,750.00
<b>13 CURRENT INVESTMENTS</b>		
There is no Current Investment under the head Current Assets		
<b>14 INVENTORIES</b>		
RAW MATERIAL	3,246,796.00	5,552,372.00
STOCK IN PROCESS	62,885.00	34,160.00
FINISHED GOODS	2,474,858.00	1,753,839.00
CONSUMABLE STORES	271,637.00	288,005.00
PLOT	0.00	8,055,237.00
	<u>6,056,176.00</u>	<u>15,683,613.00</u>
<b>(i) VALUATION OF INVENTORIES</b>		
Raw Material and Stores & Spares		: at cost(fifo method) or market price, which ever is lower
Finished Goods		: at lower of cost(cost of production method) or realisable value
Stock in process		: at cost upto estimated stage of production
Packing Material		: at average sale prices
Stock in Hand		: at cost(fifo method) or market price, which ever is lower
Plot		: at cost
Closing Balance of Plot Rs. 8055237 of previous year is transferred to Investment in Properties under the head Non Current Investments.		
<b>15 TRADE RECEIVABLES</b>		
MORE THAN SIX MONTHS	0.00	0.00
OTHER DEBTS	9,983,847.85	7,743,486.16
	<u>9,983,847.85</u>	<u>7,743,486.16</u>
<b>16 CASH AND CASH EQUIVALENTS</b>		
<b>CASH IN HAND</b>	212,356.12	393,966.12
<b>BALANCE WITH BANKS</b>		
IN CURRENT ACCOUNT -WITH UBI 36374	126,779.98	114,906.98
IN CURRENT ACCOUNT -WITH UBI 19054	94,945.65	27,511.65
IN CURRENT ACCOUNT -WITH HDFC	227,077.09	151,776.09
IN CURRENT ACCOUNT -WITH AXIS BANK	9,441.26	24,322.26
IN CASH CREDIT	0.00	0.00
IN OD A/C - WITH UNION BANK OF INDIA	0.00	1,062,426.09
IN FIXED ACCOUNT	420,000.00	420,000.00
DIRECTOR'S IMPEREST ACCOUNT	0.00	0.00
	<u>1,090,600.10</u>	<u>2,194,909.19</u>
<b>17 SHORT TERM LOANS &amp; ADVANCES</b>		
<b>UNSECURED - (CONSIDERED GOOD)</b>		
ADVANCE INCOME TAX	215,000.00	0.00
PREPAID EXPENSES	162,548.00	93,576.00
	<u>377,548.00</u>	<u>93,576.00</u>

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# ANNUAL REPORT 2011-12

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	<u>AS AT 31.03.2012</u>	<u>AS AT 31.03.2011</u>
<b>18 OTHER CURRENT ASSETS</b>		
INCOME TAX REFUND	0.00	30,015.00
TDS RECEIVABLE	3,413.00	16,966.00
INCOME TAX REFUND 2011-12	0.00	8,004.00
VAT RECEIVABLE	78,805.86	27,252.04
	<u>82,218.86</u>	<u>82,237.04</u>
<b>19 REVENUE FROM OPERATIONS</b>		
<b>GROSS TURNOVER</b>		
NON WOVEN FABRIC & JUTE MATTING	56,631,463.60	45,552,351.00
PLOTS	0.00	1,550,000.00
	<u>56,631,463.60</u>	<u>47,102,351.00</u>
LESS : EXCISE DUTY RECOVERED ON SALES	0.00	0.00
NET TURNOVER	<u>56,631,463.60</u>	<u>47,102,351.00</u>
<b>20 OTHER INCOME</b>		
INTEREST	34,125.00	80,035.00
OTHER INCOME	2,600.00	0.00
	<u>36,725.00</u>	<u>80,035.00</u>
<b>21 COST OF MATERIAL CONSUMED</b>		
<b>RAW MATERIAL</b>		
OPENING STOCK	5,552,372.00	1,038,888.00
ADD: PURCHASES	42,117,907.99	41,963,756.72
	<u>47,670,279.99</u>	<u>43,002,644.72</u>
LESS: CLOSING STOCK	3,246,796.00	5,552,372.00
	<u>44,423,483.99</u>	<u>37,450,272.72</u>
<b>CONSUMABLES STORES AND SPARES</b>		
OPENING STOCK	288,005.00	771,575.00
ADD: PURCHASES	5,609,208.29	3,975,130.40
	<u>5,897,213.29</u>	<u>4,746,705.40</u>
LESS: CLOSING STOCK	271,637.00	288,005.00
	<u>5,625,576.29</u>	<u>4,458,700.40</u>
<b>PACKING MATERIAL</b>		
OPENING STOCK	0.00	321,129.00
ADD: PURCHASES	40,888.00	16,740.00
	<u>40,888.00</u>	<u>337,869.00</u>
LESS: CLOSING STOCK	0.00	0.00
	<u>40,888.00</u>	<u>337,869.00</u>

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	<u>AS AT 31.03.2012</u>	<u>AS AT 31.03.2011</u>
<b>PLOTS</b>		
OPENING BALANCE	0.00	0.00
ADD: TRANSFER	0.00	8,540,833.00
LESS: PLOT REFUND	0.00	0.00
CLOSING BALANCE	0.00	8,055,237.00
	<u>0.00</u>	<u>485,596.00</u>
<b>COST OF MATERIAL CONSUMED (T/F TO P&amp;L A/C)</b>	<b>50,089,948.28</b>	<b>42,732,438.12</b>
<b>22 PURCHASE OF STOCK IN TRADE</b>		
PURCHASE OF FINISHED GOODS	0.00	0.00
PLOT	0.00	56,904.00
	<u>0.00</u>	<u>56,904.00</u>
<b>23 CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK IN TRADE</b>		
<b>STOCK-IN-PROGRESS</b>		
OPENING BALANCE	34,160.00	84,923.00
CLOSING BALANCE	62,885.00	34,160.00
	<u>(28,725.00)</u>	<u>50,763.00</u>
<b>FINISHED GOODS</b>		
OPENING BALANCE	1,753,839.00	688,390.00
CLOSING BALANCE	2,474,858.00	1,753,839.00
	<u>(721,019.00)</u>	<u>(1,065,449.00)</u>
<b>DECREASE/ (INCREASE) IN STOCK</b>	<b>(749,744.00)</b>	<b>(1,014,686.00)</b>
<b>24 EMPLOYEE BENEFIT EXPENSES</b>		
<b>DIRECT EXPENSES</b>		
WAGES	639,873.00	427,842.00
E.P.F ON WAGES	34,448.00	36,123.00
E.S.I ON WAGES	33,767.00	27,205.00
WELFAIR ACCOUNT	1,395.00	1,820.00
	<u>709,483.00</u>	<u>492,990.00</u>
<b>INDIRECT EXPENSES</b>		
SALARY	210,495.00	394,124.00
GRATUITY	46,006.00	23,002.00
STAFF & LABOUR WELFARE	29,184.00	28,322.00
DIRECTOR REMUNERATION	995,000.00	985,000.00
	<u>1,280,685.00</u>	<u>1,430,448.00</u>
<b>TOTAL</b>	<b><u>1,990,168.00</u></b>	<b><u>1,923,438.00</u></b>

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	<u>AS AT 31.03.2012</u>	<u>AS AT 31.03.2011</u>
<b>25 FINANCIAL COSTS</b>		
INTEREST ON WORKING CAPITAL LOAN	42,476.00	0.00
BANK & OTHER FINANCIAL CHARGES	22,824.90	4,270.00
	<u>65,300.90</u>	<u>4,270.00</u>
<b>26 OTHER EXPENSES</b>		
<b>(i) MANUFACTURING EXPENSES</b>		
ADDITIONAL DUTY	0.00	51,978.00
ELECTRICAL EXPENSES	8,030.00	24,000.00
BUILDING REPAIR	0.00	20,455.00
REPAIR AND MAINTENANCE	453,272.31	546,278.08
ELECTRICITY EXPENSES	900,315.00	702,435.00
POWER & FUEL (NOTE)	406,070.00	425,671.00
DIESEL EXPENSES	68,198.00	0.00
	<u>1,835,885.31</u>	<u>1,770,817.08</u>
<b>NOTE:</b>		
<b>POWER &amp; FUEL (NOTE)</b>		
OPENING STOCK	0.00	0.00
ADD: PURCHASES	406,070.00	425,671.00
	<u>406,070.00</u>	<u>425,671.00</u>
LESS: CLOSING STOCK	0.00	0.00
	<u>406,070.00</u>	<u>425,671.00</u>
<b>(ii) SELLING AND DISTRIBUTION EXPENSES</b>		
ADVERTISEMENT AND PUBLICITY	69,611.00	67,289.00
COMMISSION	113,292.00	0.00
FREIGHT & CARTAGE (OUTWARD)	24,000.00	0.00
REBATE AND DISCOUNT	2,097.00	0.00
SALE PROMOTION	0.00	26,000.00
SALES TAX	0.00	44,996.00
	<u>209,000.00</u>	<u>138,285.00</u>
<b>(iii) ESTABLISHMENT EXPENSES</b>		
AUDITOR REMUNERATION	45,000.00	35,000.00
FEES AND TAXES	68,360.00	48,235.00
GENERAL EXPENSES	0.00	9,251.53
LOSS ON SALE OF CAR	7,359.00	0.00
INSURANCE	139,261.00	82,324.56
LOSS ON SALE OF MACHINERY	0.00	2,125.00
POSTAGE AND TELEGRAM EXP	18,775.00	18,402.00
PRINTING AND STATIONARY	900.00	5,125.00

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	<u>AS AT 31.03.2012</u>	<u>AS AT 31.03.2011</u>
SECURITY EXPENSES	155,919.00	0.00
STOCK EXCHANGE FEES	39,414.00	23,273.00
FOREIGN TOUR EXPENSES	180,850.00	37,230.00
TRAVELLING EXPENSES	160,276.00	105,742.00
SERVICE CHARGES OF CAMARS	17,500.00	0.00
MISC EXPENSES	37,820.59	0.00
TELEPHONE CHARGES	133,341.00	131,107.10
SHORT PAYMENT RECOVERY	0.00	502.92
	<u>1,004,775.59</u>	<u>498,318.11</u>
<b>TOTAL (i+ii+iii)</b>	<b><u>3,049,660.90</u></b>	<b><u>2,407,420.19</u></b>
<b>27.1 OTHER EXPENTURE EXCEEDING 1% OF REVENUE FROM OPERATIONS OR RS. 1,00,000/- WHICHEVER IS HIGHER</b>		
ELECTRICITY EXPENSES	900,315.00	702,435.00
REPAIR AND MAINTENANCE	-	546,278.08
<b>27.2 PAYMENT TO AUDITORS</b>		
<b>(a) AUDITOR</b>		
STATUTORY AUDIT FEES	35000.00	25000.00
TAX AUDIT FEES	10,000.00	10,000.00
<b>(b) CERTIFICATION AND CONSULTATION FEES TOTAL</b>		
<b>27.3 VALUE OF IMPROTS ON CIF BASIS</b>		
RAW MATERIAL & STOCK-IN-TRADE COMPONENTS	7381 USD	NIL
CAPITAL GOODS	NIL	NIL
<b>27.4 EXPENDITURE IN FOREIGN CURRENCY</b>		
	<b>NIL</b>	<b>NIL</b>
<b>28 EARNING PER SHARE (EPS)</b>		
a) NET PROFIT AFTER TAX AS PER PROFIT AND LOSS A/C ATTRIBUTE TO EQUITY SHAREHOLDERS	872,710.16	152,588.69
b) NO. OF EQUITY SHARES USED AS DENOMINATOR FOR CALCULATING EPS	3,201,500.00	3,201,500.00
c) <b>EARNING PER SHARE</b>	0.27	0.05
d) FACE VALUE PER EQUITY SHARE	10.00	10.00
<b>29 EARNING IN FOREIGN EXCHANGE</b>		
	NIL	NIL
<b>30 REMITTANCE INFOREIGN CURRENCY ON ACCOUNT OF DIVIDEND</b>		
	NIL	NIL
<b>31 PRIOR PERIOD ITEMS</b>		
	N.A.	N.A.

**INDO COTSPIN LIMITED****ANNUAL REPORT 2011-12**

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	<u>AS AT 31.03.2012</u>	<u>AS AT 31.03.2011</u>
<b>32 CONTINGENT LIABILITIES AND COMMITMENTS</b>	NIL	NIL
<b>33.1 REGISTRATION DETAILS</b>		
Registration No.	32541	32541
State Code No.	5	5
Balance Sheet Date	31.03.2012	31.03.2011
<b>33.2 CAPITAL RAISED DURING THE YEAR</b>		
Public Issue	NIL	NIL
Right Issue	NIL	NIL
Bonus Issue	NIL	NIL
Private Placement		
<b>33. POSITION OF MOBLISATION AND DEVELOPMENT OF FUNDS</b>		
Total Liabilities	47,604,848.95	44,022,942.89
Total Assets	47,604,848.95	44,022,942.89
<b>EQUITY &amp; LIABILITIES</b>		
Paid up Capital	32,015,000.00	32,015,000.00
Forfeited Shares	7,728,036.00	7,728,036.00
Reserves and Surplus	(9,747,579.11)	(10,379,661.11)
Share Application Money	0.00	0.00
Non Current Liabilities	1,820,013.16	1,588,364.00
Current Liabilities	15,789,378.90	13,071,204.00
<b>ASSETS</b>		
Net Fixed Assets	21,951,222.14	17,979,744.50
Non Current Assets other than Fixed Assets	8,063,236.00	24,5377.00
Net Current Assets	17,590,390.81	25,797,821.39
<b>33.4 PERFORMANCE OF COMPANY</b>		
Revenue From Operations	56,631,463.60	47,102,351.00
Other Income	36,725.00	80,035.00
Total Income	55,583,814.44	47,004,894.31
Profit before tax	1,084,374.16	177,491.69
Provision for Taxation	397,307.16	261,491.00
Profit after Tax	687,067.00	(83,999.31)
<b>33.5 GENERIC NAME OF PRINCIPAL PRODUCT OF CO</b>		
(As per money Terms)		N.A.
Item Code No.		
Product Description		MANUFACTURING OF NON WOVEN CARPET/FABRIC & TRADING OF TEXTILE GOODS

**SIGNATURE TO THE SCHEDULE 1 TO 33 AS PER OUR REPORT OF EVEN DATE ATTACHED**

**FOR ANIL AVIRAL & CO**  
**CHARTERED ACCOUNTANTS**  
(Firm Reg No. 007733N)

**ANIL KUMAR**  
**PROPRIETOR**  
**M.NO. 082187**  
**PANIPAT :MAY 31, 2012**



# INDO COTSPIN LIMITED

# ANNUAL REPORT 2011-12

ANIL AVIRAL & CO.  
Chartered Accountants

1231-A, BINDLE BHAWAN,  
I.B. SCHOOL LANE, G.T. ROAD,  
PANIPAT-132103.  
Ph. No. 0180-2630831

## INDO COTSPIN LIMITED

### CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31.03.2012

<u>PARTICULARS</u>	YEAR ENDED MARCH 31, 2012	YEAR ENDED MARCH 31, 2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit after tax	87,210.16	152,588.69
Add: Depreciation	1,138,480.36	892,735.00
Financial Expenses	65,300.90	4,270.00
Provision for Taxation	211,664.00	24,903.00
Loss on sale of Fixed Assets	7,359.00	2,125.00
Current year Deferred tax (assets)/liability	<u>185,643.16</u>	<u>236,588.00</u>
	<u>2,481,157.58</u>	<u>1,313,209.69</u>
Less: Profit on sale fo fixed assets	-	-
Profit on sale of Plots	-	-
Operating Profit before working capital changes	<u>2,481,157.58</u>	<u>1,313,209.69</u>
Less: increase in current assets	2,524,315.51	3,377,195.63
increase in Inventories	<u>(9,627,437.00)</u>	<u>(12,778,708.00)</u>
	9584279.07	(14,842,693.94)
Add: Increase in Trade Payable	<u>8,220,469.00</u>	<u>8,508,160.84</u>
Cash Generated from Operations	17,804,748.07	(6,334,534.10)
Less: Financial Charges	65,300.90	4,270.00
Provision for taxation	211,664.00	24,903.00
Previous Year Expenses	54,985.00	225,817.00
Current year Deferred tax (assets)/liability	<u>185,643.16</u>	<u>236,588.00</u>
Net Cash from Operating Activities	<u>17,287,155.01</u>	<u>(6,826,111.10)</u>
<b>B CASH FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets(CAR)	335,000.00	187,375.00
Plot Refund	800,000.00	8,540,833.00
Less: Purchase of Fixed Assets	5,452,317.00	2,633,092.51
Plot transfer from Investment	8,055,237.00	-
Plot Installment	<u>562,622.00</u>	-
Net Cash from Investing Activities	<u>(12,935,176.00)</u>	<u>6,095,115.49</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from Share Capital	-	-
Proceed from Secured Loans	(5,456,288.10)	-
Proceed from Unsecured Loans	-	-
Net Cash from Financing Activities	<u>(5,456,288.10)</u>	-
Less: Repayment of Loans	-	-
Net Cash Flow from Financing Activities	<u>(5,456,288.10)</u>	-
Net increase in Cash & Cash Equivalents	(1,104,307.09)	(730,995.61)
Opening Balance of Cash & Cash Equivalents	<u>2,194,909.19</u>	<u>2,925,904.80</u>
Closing Balance of Cash & Cash Equivalents	<u>1,090,602.10</u>	<u>2,194,909.19</u>

PANIPAT :MAY 31, 2012

RAJ PAL AGGARWAL  
Whole Time Director  
DIN: 00456189

BAL KISHAN AGGARWAL  
Managing Director  
DIN: 00456219

**AUDITOR'S CERTIFICATE**

We have verified the above cash flow statement of **INDO COTSPIN LIMITED** derived from the audited financial statements for the year ended on 31st March, 2012 after making adjustments / groupings as were considered appropriate and found the same to be true and correct.

**For ANIL AVIRAL & CO  
CHARTERED ACCOUNTANTS  
(Firm Regn No. 007733N)**

**ANIL KUMAR  
PROPRIETOR  
M.NO. 082187**

**PANIPAT :MAY 31,2012**

**PROXY FORM**

**INDO COTSPIN LIMITED**

**Delhi Mile Stone 78 K.M., G.T. Road, NH-1, Vill : Jhattipur, Post Box No. 3,  
Post Office Samalkha, Distt. Panipat, (HARYANA)**

I/We ..... of

.....

.....being a Member/

Members of Indo Cotspin Limited, hereby appoint .....

of .....

or failing him .....

of .....

as my/our proxy to attend and vote for me/us, and on my/our behalf, at the 18th Annual General Meeting of the Company, to be held on September 29, 2012 at Delhi Mile Stone 78 K.m. G.T. Road,NH-1,Village Jhattipur, Post Box No. 3, Post Office Samalkha, Distt. Panipat (Haryana) and at any adjourment thereof.

As WITNESS my/our hand(s) this.....day of.....2012

Signed by said

Affix a  
Re.1.00  
Revenue  
Stamp

Note : This proxy must be deposited at the Registered Office of the Company at Delhi Mile Stone

**ATTENDANCE SLIP**

**INDO COTSPIN LIMITED**

**Delhi Mile Stone 78 K.M., G.T. Road, NH-1, Vill : Jhattipur,  
Post Box-3, Post Office Samalkha, Distt. Panipat, (HARYANA)**

- 1. Full Name of Shareholder/ Proxy .....
- 2. Registered Folio No. ....
- 3. If Proxy, full name of Shareholders .....

I hereby record my presence at the 18th Annual General Meeting of the Company, held at Delhi Mile Stone 78 K.M., G.T. Road, NH-1,Village Jhattipur, Post Box No. 3, Post Office Samalkha, Distt. Panipat (Haryana) on September 29, 2012 at 11.30 a.m.

(Signature of Shareholder/Proxy)

**IMPORTANT**

This attendance slip may please be handed over at the entrance of the Meeting Hall.

## Book Post

*If undelivered please return to :*

**Indo Cotspin Limited**

Delhi Mile Stone 78 K.M., G. T. Road,  
NH-1, Village Jhatipur, Post Box No 3, Post Office,  
Samalkha Distt, Panipat (Haryana)

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