

# INDO COTSPIN LIMITED

REGD. OFF: DELHI MILE STONE 78 K.M, G.T, ROAD, N.H-44 VILLAGE JHATTIPUR  
POST BOX NO. 3, POST OFFICE SAMALKHA, PANIPAT-132103(HARYANA) INDIA

**CIN: L17111HR1995PLC032541, ISIN: INE407P01017**  
**SCRIP CODE: 538838, SCRIP ID: ICL, PAN NO. AAACI4596A**  
**EMAIL ID: [rajpalaggarwal2000@yahoo.com](mailto:rajpalaggarwal2000@yahoo.com), [www.indocotspin.com](http://www.indocotspin.com)**  
**EMAIL ID: [info@indocotspin.com](mailto:info@indocotspin.com), 9896034879**

To,

Date: 07.08.2024

<b>BSE Limited</b> <b>The Manager,</b> <b>Phiroze Jeejeebhoy Towers,</b> <b>Dalal Street, Mumbai,</b> <b>Maharashtra 400001</b>	<b>Company Symbol: ICL</b> <b>Scrip Code: 538838</b>
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## Sub: Notice of the 30<sup>th</sup> Annual General Meeting ('AGM') and Annual Report -2023-24

Dear Sir/ Madam,

This is to inform you about the 30<sup>th</sup> Annual General Meeting ('AGM') of M/s. Indo Cotspin Limited (the 'Company') scheduled to be held on Monday, September 02, 2024, at 3:00 P.M.(IST) through Video Conference ('VC') / Other Audio-Visual Means ('OAVM'), to transact the business as set forth in the Notice of the AGM.

Pursuant to Regulation 34 and other provisions, as applicable, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Annual Report for the financial year 2023-24, comprising Notice for the 30<sup>th</sup> AGM and Audited Financial Results of the Company for the financial year 2023-24 alongwith Auditor's Reports thereon, Director's Report, and other reports required to be annexed thereto, is enclosed herewith.

In compliance with the applicable provisions of the Companies Act, 2013 (the 'Act'), rules made thereunder, Listing Regulations and various circulars issued by the Ministry of Corporate Affairs and SEBI, the Notice convening the 30<sup>th</sup> AGM along with Annual Report for the financial year 2023-24 is being sent only through emails to all those shareholders whose email addresses are registered with the Company/ Registrar & Share Transfer Agent / Depository Participant(s).

Kindly note that the facility of casting votes by a member using remote e-Voting system before the AGM as well as e-Voting during the AGM will be provided by NSDL. The remote e-Voting facility would be available during the following period:

The remote e-voting period begins on	Friday, 30 August, 2024 at 09:00 A.M. (IST)
The remote e-voting period end on	Sunday, September 01, 2024 at 05:00 P.M. (IST)

You are requested to take the above information and enclosed documents on your record. You

are requested to take the above information

Thanking you,

Yours faithfully,

**For & on behalf of**  
**Indo Cotspin Limited**

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

As Encl:



**INDO COTSPIN LIMITED**  
**BSE SCRIP CODE-538838-ICL**

**30<sup>TH</sup> ANNUAL REPORT**  
**F.Y. 2023-2024**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Bal Kishan Aggarwal	Chairman cum Managing Director
Mr. Raj Pal Aggarwal	Whole Time Director
Mr. Arpan Aggarwal	Whole Time Director
Mr. Sanil Aggarwal	Whole Time Director
Ms. Shally Aggarwal	Woman Independent Director
Mr. Shubham Singla	Independent Director

### **Chief Financial Officer**

Mr. Vijay Pal

### **Company secretary and Compliance Officer**

Ms. Bhavnesh

### **Statutory Auditors**

M/s Dinesh Kumar Goel & Co., Chartered Accountants  
Room No7, Leela Chartbhuj Trust Building  
Chartered Accountants Geeta Mandir Road, Panipat- 132103  
Ph No. 0180 - 4068347

### **Secretarial Auditors**

M/s Vikas Kumar Verma & Associates (Company Secretaries)  
B-507, 5<sup>th</sup> Floor, Statesman House 148,  
Barakhamba Lane, New Delhi-110001

### **Bankers**

Kotak Mahindra Bank Limited

### **Registrar & Share Transfer Agents**

Skyline Financial Services Private Limited

D-153 A, Ist Floor, Okhla Industrial Area,  
Phase-I, New Delhi-110020  
Ph: - 011-40450193 - 97, Fax: - 011-41044923  
Email Id: [admin@skylinerta.com](mailto:admin@skylinerta.com)  
Website: [www.skylinerta.com](http://www.skylinerta.com)

**Listed at**  
BSE Limited

**Demat ISIN Number**  
INE407P01017

**Website**  
[www.indocotspin.com](http://www.indocotspin.com)  
[www.indocotspin.in](http://www.indocotspin.in) (Catalogue)

**E-mail id**  
[info@indocotspin.com](mailto:info@indocotspin.com)

**Registered Office**  
Delhi Mile Stone, 78 K.M., NH-44, G.T. Road, Village Jhattipur, Post Box-3, Post Office Samalkha, Distt.  
Panipat-132103, Haryana (INDIA)

**Corporate Identification Number (CIN)**  
L17111HR1995PLC032541

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## NOTICE

NOTICE is hereby given that the Thirty (30<sup>th</sup>) Annual General Meeting of the members of Indo Cotspin Limited will be held on Monday, **02<sup>nd</sup> September, 2024 at 03:00 P.M. (IST)** through Video Conferencing ("VC")/Other Audio-Visual means ("OAVM") to transact the following business:

### **ORDINARY BUSINESS:**

#### **ITEM NO. 1- TO CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENT OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024 TOGETHER WITH THE REPORT OF BOARD OF DIRECTORS AND AUDITORS THEREON:**

To consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2024 and the reports of the Board of Directors and Auditors thereon as circulated to the Members, be and are hereby considered and adopted."

#### **ITEM NO. 2- APPOINTMENT OF MR. SANIL AGGARWAL (DIN: 03073407) WHO RETIRES BY ROTATION, AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT**

To consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

To appoint a Director in Place of Mr. Sanil Aggarwal (DIN: 03073407) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment.

### **SPECIAL BUSINESS:**

#### **ITEM NO.3- TO APPROVE THE REVISION IN REMUNERATION PAYABLE TO MR. SANIL AGGARWAL, (DIN: 03073407) WHOLE TIME DIRECTOR OF THE COMPANY**

To Consider, and if thought fit, to pass the following resolution, with or without modification, as a **Special Resolution**

**"RESOLVED THAT** in supersession of all the earlier resolutions passed for payment of remuneration and pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (the 'Act') read with Schedule V of the Act and the Rules made thereunder, including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force, and such other approvals, permissions and sanctions of such authorities, as may be required in this regard and subject to the provisions of the Articles of Association, and based on the recommendation of Nomination and Remuneration Committee and Board of Directors, the consent of the members, be and is hereby accorded for revision in the remuneration of **Mr. Sanil Aggarwal (DIN: 03073407)**, Whole Time Director of the Company amounting from **INR 70,000/-** to **INR. 1,00,000/- P.M.** and the said remuneration be paid in such amount, proportion and manner as may be decided by the Board of Directors of the Company from time to time.

**FURTHER RESOLVED THAT** the total overall managerial remuneration payable to all the Directors of the Company in any financial year shall be subject to Section 197, 198, Schedule V of the Companies Act, 2013, and any subsequent increase in remuneration beyond the limits as stated herein shall be done by way of passing a special resolution in a general meeting of the members of the Company;

**FURTHER RESOLVED THAT** any Director or the Key Managerial Personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**ITEM NO.4- TO APPROVE THE REVISION IN REMUNERATION PAYABLE TO MR. ARPAN AGGARWAL, (DIN: 00456309) WHOLE TIME DIRECTOR OF THE COMPANY**

To Consider, and if thought fit, to pass the following resolution, with or without modification, as a **Special Resolution**

“**RESOLVED THAT** in supersession of all the earlier resolutions passed for payment of remuneration and pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (the ‘Act’) read with Schedule V of the Act and the Rules made thereunder, including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force, and such other approvals, permissions and sanctions of such authorities, as may be required in this regard and subject to the provisions of the Articles of Association, and based on the recommendation of Nomination and Remuneration Committee and Board of Directors, the consent of the members, be and is hereby accorded for revision in the remuneration of **Mr. Arpan Aggarwal (DIN: 00456309), Whole Time Director** of the Company amounting from **INR 70,000/- to INR. 1,00,000/- PM.** and the said remuneration be paid in such amount, proportion and manner as may be decided by the Board of Directors of the Company from time to time

**FURTHER RESOLVED THAT**, the total overall managerial remuneration payable to all the Directors of the Company in any financial year shall be subject to Section 197, 198, Schedule V of the Companies Act, 2013, and any subsequent increase in remuneration beyond the limits as stated herein shall be done by way of passing a special resolution in a general meeting of the members of the Company;

**FURTHER RESOLVED THAT**, any Director or the Key Managerial Personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**ITEM NO.5- TO APPROVE THE REVISION IN REMUNERATION PAYABLE TO MR. RAJ PAL AGGARWAL, (DIN: 00456189) WHOLE TIME DIRECTOR OF THE COMPANY**

To Consider, and if thought fit, to pass the following resolution, with or without modification, as a **Special Resolution**

“**RESOLVED THAT** in supersession of all the earlier resolutions passed for payment of remuneration and pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (the ‘Act’) read with Schedule V of the Act and the Rules made thereunder, including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force, and such other approvals, permissions and sanctions of such authorities, as may be required in this regard and subject to the provisions of the Articles of Association, and based on the recommendation of Nomination and Remuneration Committee and Board of Directors, the consent of the members, be and is hereby accorded for revision in the remuneration of **Mr. Raj Pal Aggarwal, (DIN: 00456189), Whole Time Director** of the Company amounting from **INR 70,000/- to INR. 1,00,000/- PM.** and the said remuneration be paid in such amount, proportion and manner as may be decided by the Board of Directors of the Company from time to time

**FURTHER RESOLVED THAT**, the total overall managerial remuneration payable to all the Directors of the Company in any financial year shall be subject to Section 197, 198, Schedule V of

the Companies Act, 2013, and any subsequent increase in remuneration beyond the limits as stated herein shall be done by way of passing a special resolution in a general meeting of the members of the Company;

**FURTHER RESOLVED THAT**, any Director or the Key Managerial Personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**ITEM NO.6- TO APPROVE THE REVISION IN REMUNERATION PAYABLE TO MR. BAL KISHAN AGGARWAL, (DIN: 00456219) MANAGING DIRECTOR OF THE COMPANY**

To Consider, and if thought fit, to pass the following resolution, with or without modification, as a **Special Resolution**

“**RESOLVED THAT** in supersession of all the earlier resolutions passed for payment of remuneration and pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (the ‘Act’) read with Schedule V of the Act and the Rules made thereunder, including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force, and such other approvals, permissions and sanctions of such authorities, as may be required in this regard and subject to the provisions of the Articles of Association, and based on the recommendation of Nomination and Remuneration Committee and Board of Directors, the consent of the members, be and is hereby accorded for revision in the remuneration of **Mr. Bal Kishan Aggarwal, (DIN: 00456219), Managing Director** of the Company amounting from **INR 70,000/- to INR. 1,00,000/- PM.** and the said remuneration be paid in such amount, proportion and manner as may be decided by the Board of Directors of the Company from time to time

**FURTHER RESOLVED THAT**, the total overall managerial remuneration payable to all the Directors of the Company in any financial year shall be subject to Section 197, 198, Schedule V of the Companies Act, 2013, and any subsequent increase in remuneration beyond the limits as stated herein shall be done by way of passing a special resolution in a general meeting of the members of the Company;

**FURTHER RESOLVED THAT**, any Director or the Key Managerial Personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**ITEM NO.7 TO APPROVE ISSUANCE OF BONUS SHARES.**

To consider and if thought fit, to pass with or without modification(s), the following resolutions as **ORDINARY RESOLUTIONS:**

“**RESOLVED THAT** in accordance with Section 63 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Share Capital & Debentures) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), the relevant provisions of the Memorandum and Articles of Association of the Company and subject to the regulations and guidelines issued by the Securities and Exchange Board of India (SEBI) including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time) and further subject to such permissions, sanctions and approvals as may be required in this regard, the consent of the shareholders of the Company be and is hereby accorded to capitalize a sum of Rs. 2,94,03,500 /- only (Rupee Two Crore Ninety-Four Lakh Three Thousand Five Hundred Only) standing to the credit of the free reserves, for the purpose of issuance of bonus shares of Rs. 10/- (Rupees Ten Only)



each, credited as fully paid-up equity shares to the holders of existing equity share(s) of the Company whose names appear in the Register of Members maintained by the Company and the List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the Record Date as fixed by the Board for the purpose (which expression shall also include a Committee thereof/CMD), in the proportion of 7 (Seven) Bonus equity share of Rs. 10/- each for every 10 (Ten) existing equity share(s) of Rs. 10/- each held by the Members/Beneficial Owners and that the Bonus Shares so distributed shall, for all purposes, rank pari-passu with the existing equity shares and shall be treated as increase in the paid-up share capital of the Company”.

**“RESOLVED FURTHER THAT** the issue and allotment of the Bonus Shares to Non-Resident Members, Foreign Institutional Investors (FIIs) & other Foreign Investors and/or distribution of net sale proceeds in respect of fractions to such members may be entitled, be subject to the compliance requirements of RBI or any other regulatory authority, if any”.

**“RESOLVED FURTHER THAT** no letter of allotment shall be issued to the allottees of the new equity bonus shares and the share certificate(s) in respect of the new equity bonus shares shall be issued to shareholders holding shares in physical mode and dispatched to the allottees thereof within the period prescribed or that may be prescribed in this behalf, from time to time; except that the new equity bonus shares will be credited to the demat account of the allottees, who hold the existing equity shares in electronic form”.

**“RESOLVED FURTHER THAT** the new equity bonus shares of Rs. 10/- each to be allotted and issued as bonus shares shall be subject to the terms of Memorandum & Articles of Association of the Company and shall rank pari passu in all respects and carry the same rights as the existing fully paid equity shares of the Company and shall be entitled to participate in full in any dividend(s) to be declared after the bonus shares are allotted”.

**“RESOLVED FURTHER THAT** the Board/Committee shall not issue any certificate or coupon in respect of fractional shares, if any, but the total number of such new equity shares representing such fractions shall be allotted by the Board (which expression shall also include Committee thereof) to the nominee(s) to be selected by the Board/Committee, who would hold them as trustee for the members entitled thereto, and sell such equity shares allotted to him at the prevailing market rate and the net sale proceeds of such shares after adjusting the cost and expenses in respect thereof be distributed to the members in proportion to their fractional entitlements.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of such shares on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and other applicable guidelines, rules and regulations”.

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolutions, the Board / Committee of the Board, be and are hereby authorized to do all such acts, deeds, matters and things whatsoever, including settling any questions, doubts or difficulties that may arise with regard to or in relation to the issue or allotment of the bonus shares and to accept on behalf of the Company, any conditions, modifications, alterations, changes, variations in this regard as prescribed by the

statutory authority(ies) and which the Board / Committee of the Board in its discretion thinks fit and proper”.

**ITEM NO. 8 INCREASE IN AUTHORIZED SHARE CAPITAL OF THE COMPANY AND CONSEQUENTIAL ALTERATION OF MEMORANDUM OF ASSOCIATION OF THE COMPANY:**

To consider and if thought fit, to pass with or without modification(s), the following resolutions as **ORDINARY RESOLUTIONS:**

**“RESOLVED THAT**, pursuant to the provisions of Sections 13, 61, 64 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), and the rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company or any other applicable laws for the time being in force and subject to all other necessary approvals, permissions, consents and sanctions, if any, the approval of the Members of the Company be and is hereby accorded to increase the existing Authorized Share Capital of the Company from 5,00,00,000/- (Rupees Five Crore Only ) divided into 50,00,000 (Rupees Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten Only) each to Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000/- (Rupees One Crores Only) Equity shares of Rs. 10/- (Rupees Ten Only) ranking pari - passu in all respect with the existing Equity Shares of the Company.”

**“RESOLVED FURTHER THAT** the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted by following new Clause V as under:

*V. The Authorised Share Capital of the Company is 10,00,00,000/- (Indian Rupees Ten Crore) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Indian Rupees Ten only) each.*

**“RESOLVED FURTHER THAT** any director of the Company be and are hereby authorized to sign, execute and file necessary application, forms, deeds, documents and writings as may be necessary for and on behalf of the Company and to settle and finalize all issues that may arise in this regard and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution and to delegate all or any of the powers conferred herein as they may deem fit.

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

**Date: 07<sup>th</sup> August, 2024  
Place: Panipat**

**S/D  
Bhavnesb  
Company Secretary &  
Compliance Officer**

**NOTES:**

1. The Ministry of Corporate Affairs (“MCA”) inter-alia vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 (collectively referred to as “**MCA Circulars**”) has permitted the holding of the annual general meeting through Video Conferencing (“**VC**”) or through other audio-visual means (“**OAVM**”), **without the physical presence of the Members at a common venue.**

In compliance with the provisions of the Companies Act, 2013 (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the 30th Annual General Meeting (“Meeting” or “AGM”) of the Company is being held through VC / OAVM on Monday, September 02, 2024, at 03:00 P.M. (IST). The proceedings of the AGM deemed to be conducted at Delhi Mile Stone, 78 K.M., NH-44, G.T. Road, Village Jhattipur, Delhi Post Box-3, Post Office Samalkha, Distt. Panipat-132103, Haryana (India).

2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH.**

**ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**

3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated December 28, 2022, May 05, 2022, December 14, 2021, January 13, 2021, April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Pursuant to Regulation 44(6) of Listing Regulations, the Company is also providing a live webcast of the proceedings of the AGM. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors etc. who are allowed to attend the AGM, without restriction on account of a first come first served basis.

5. As per the provisions of Clause 3.A. II. of the General Circular No. 20/ 2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 3 and 4 of the accompanying Notice, are considered to be unavoidable by the Board.
6. The submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's RTA. You are also requested to update your Bank details by writing to the Company's RTA.
7. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in dematerialized form with the depositories. Therefore, shareholders are requested to act to dematerialize the equity shares of the Company.
8. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and other documents referred to in the Notice and explanatory statement, will be available electronically for inspection via a secured platform without any fee by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [info@indocotspin.com](mailto:info@indocotspin.com)
9. The Board of Directors of the Company has appointed M/s Vikas Verma & Associates, New Delhi as Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner.
10. The Register of Members and Share Transfer Books of the Company will remain closed from **Monday, 26<sup>th</sup> August, 2024 to Monday, 02<sup>nd</sup> September, 2024** (both days inclusive).
11. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall within 48 hours of conclusion of the AGM shall submit a consolidated Scrutinizer's report of the total votes cast in favor of or against, if any, to the Chairman or any other person authorized by the Chairman, who shall countersign the same and declare the result of the voting forthwith.
12. The results along with Scrutinizer's Report, shall be displayed at the Registered Office of the Company and placed on the Company's website at [www.indocotspin.com](http://www.indocotspin.com) and the website of NSDL immediately after the result is declared. The results shall be simultaneously communicated to the Stock Exchange where the securities of the Company are listed. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favor of the resolutions.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -**

The remote e-voting period begins on 30<sup>th</sup> August, 2024 at 09:00 A.M. and ends on 01<sup>st</sup> September, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 30<sup>th</sup> August, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 30<sup>th</sup> August, 2024.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Login method for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode <b><u>with NSDL.</u></b>	Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> . Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a> Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home

page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

**NSDL Mobile App is available on**



Individual Shareholders holding securities in demat mode with CDSL

Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.

After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.

If the user is not registered for Easi/Easiest, option to register is available at CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login & New System Myeasi Tab and then click on registration option.

Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service

	Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period

**Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.**

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 11456001***

**Password details for shareholders other than Individual shareholders are given below:**

If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

**How to retrieve your 'initial password'?**

If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.



**If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.**

**If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:**

**Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).**

**Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).**

**If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.**

**Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.**

**After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.**

**Now, you will have to click on “Login” button.**

**After you click on the “Login” button, Home page of e-Voting will open.**

### **Step 2: Cast your vote electronically on NSDL e-Voting system.**

How to cast your vote electronically on NSDL e-Voting system?

After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.

Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.

Now you are ready for e-Voting as the Voting page opens.

Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

Upon confirmation, the message “Vote cast successfully” will be displayed.

You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

**1.** Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [service@vvanda.com](mailto:service@vvanda.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

**2.** It is strongly recommended not to share your password with any other person and

take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Abhishek Mishra at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [info@indocotspin.com](mailto:info@indocotspin.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [rajpalaggarwal2000@yahoo.com](mailto:rajpalaggarwal2000@yahoo.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**By Order of the Board  
For Indo Cotspin Limited**

**Dated: 07<sup>th</sup> August, 2024  
Place: Panipat**

**S/D  
Bhavnesb  
Company Secretary &  
Compliance Officer**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

The following Statement sets out all material facts relating to the Special Business mentioned in accompanying Notice:

**ITEM NO. 3**

Mr. Sanil Aggarwal was appointed and designated as Whole Time Director of the Company by the Board at its meeting held on 24<sup>th</sup> July, 2021 for a period of five years i.e. 24.07.2021 to 23.07.2026.

Further, given Mr. Sanil Aggarwal's vast knowledge and varied experience which is of great value to the Company, the Board of Directors at their Meeting ('BM') held on 12th July, 2024, approved the revision in remuneration payable to Mr. Sanil Aggarwal as Whole time Director of the Company effective from April 01, 2024 on terms and conditions enumerated in the resolution.

It is submitted that the overall remuneration exceeds the limits specified u/s 197 of the Companies Act, 2013. The Members are requested to consider the revision in remuneration of Mr. Sanil Aggarwal, Whole time Director of the Company.

**Information in accordance with Schedule V of Companies Act, 2013:**

**1. General Information:**

i. **Nature of Industry** Manufacture of Non-Woven Products such as Non-Woven Fabrics, Non-Woven Felts, Non-Woven Designer, Tufted Carpet of Textiles Products

ii. **Date of commencement of Activity:** Since February, 1995.

**2. Information about the appointee:**

Name	Mr. Sanil Aggarwal
Background details	Mr. Sanil Aggarwal is having 10 years of experience in nonwoven fabric and other related Industry.
Past remuneration drawn	Rs. 70,000 Per Month
Qualifications	Graduate
Remuneration proposed	Rs. 1,00,000 Per Month
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of s origin)	The exact figures are not readily available. However, the proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparative qualifications and experience.
Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any	The appointees are promoters of the Company. Save as the managerial remuneration and their shareholding in the Company they do not have any other material pecuniary relationship with the Company.

**Details of Director seeking Appointment at the General Meeting as per requirements of Secretarial Standard 2 (SS-2)**

<b>Particulars</b>	<b>Information</b>
Name	Mr. Sanil Aggarwal
Age	32 Years
Qualification	Graduation
Experience	More than 10 Years
Terms and conditions of Remuneration	As set out in the resolution
Remuneration sought to be paid	Rs. 1,00,000 Per Month
Remuneration last drawn	Rs. 70,000 Per Month
Date of first appointment on the board	24.07.2021
Shareholding in the company	184,200 equity shares representing (4.39%) of the total shareholding
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Son of Mr. Rajpal Aggarwal (Whole Time Director)
Number of Meetings of the Board attended during the year	9
Other Directorships, Membership/Chairmanship of Committees of other Boards	NIL

It is hereby confirmed that the Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

None of the Directors other than Mr. Sanil Aggarwal set forth in Item No. 3 is concerned or interested in the resolution.

The Board recommends the resolution set forth in Item No. 3 for the approval of members.

**ITEM NO. 4**

Mr. Arpan Aggarwal was appointed and designated as Whole Time Director of the Company by the Board at its meeting held on 30<sup>th</sup> May, 2020 for a period of five years i.e. 30.05.2020 to 29.05.2025.

Further, given Mr. Arpan Aggarwal's vast knowledge and varied experience which is of great value to the Company, the Board of Directors at their Meeting ('BM') held on 12th July, 2024, approved the revision in remuneration payable to Mr. Arpan Aggarwal as Whole time Director of the Company effective from April 01, 2024 on terms and conditions enumerated in the resolution.

It is submitted that, the overall remuneration exceeds the limits specified u/s 197 of the Companies Act, 2013. The Members are requested to consider the revision in remuneration of Mr. Arpan Aggarwal, Whole time Director of the Company.

**Information in accordance with Schedule V of Companies Act, 2013:**

**1. General Information:**

i. **Nature of Industry** Manufacture of Non-Woven Products such as Non-Woven Fabrics, Non-Woven Felts, NonWoven Designer, Tufted Carpet.

ii. **Date of commencement of Activity:** Since February, 1995.

## 2. Information about the appointee:

Name	Mr. Arpan Aggarwal
Background details	Mr. Arpan Aggarwal is having 14 years of experience in non woven fabric and other related industry
Past remuneration drawn	Rs. 70,000 Per Month
Qualifications	Graduation
Remuneration proposed	Rs. 1,00,000 Per Month
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of s origin)	The exact figures are not readily available. However, the proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparative qualifications and experience.
Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any	The appointees are promoters of the Company. Save as the managerial remuneration and their shareholding in the Company they do not have any other material pecuniary relationship with the Company.

### **Details of Director seeking Appointment at the General Meeting as per requirements of Secretarial Standard 2 (SS-2)**

Particulars	Information
Name	Mr. Arpan Aggarwal
Age	37 Years
Qualification	Graduation
Experience	More than 14 Years
Terms and conditions of appointment	As set out in Resolution
Remuneration sought to be paid	Rs. 1,00,000 Per Month
Remuneration last drawn	Rs. 70,000 Per Month
Date of first appointment on the board	30.05.2020
Shareholding in the company	1,24,500 equity shares representing (2.96%) of the total shareholding
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Son of Mr. Bal Kishan Aggarwal (Managing Director)
Number of Meetings of the Board attended during the year	9
Other Directorships, Membership/Chairmanship of Committees of other Boards	NIL

It is hereby confirmed that the Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

None of the Directors other than Mr. Arpan Aggarwal set forth in Item No. 4 is concerned or interested in the resolution.

The Board recommends the resolution set forth in Item No.4 for the approval of members.

**ITEM NO. 5**

Mr. Raj Pal Aggarwal was appointed and designated as Whole Time Director of the Company by the Board at its meeting held on 30<sup>th</sup> May, 2020 for a period of five years i.e. 30.05.2020 to 29.05.2025.

Further, given Mr. Raj Pal Aggarwal’s vast knowledge and varied experience which is of great value to the Company, the Board of Directors at their Meeting ('BM') held on 12th July, 2024, approved the revision in remuneration payable to Mr. Raj Pal Aggarwal as Whole time Director of the Company effective from April 01, 2024 on terms and conditions enumerated in the resolution.

It is submitted that, the overall remuneration exceeds the limits specified u/s 197 of the Companies Act, 2013. The Members are requested to consider the revision in remuneration of Mr. Raj Pal Aggarwal, Whole time Director of the Company.

**Information in accordance with Schedule V of Companies Act, 2013:**

**1. General Information:**

i. **Nature of Industry** Manufacture of Non-Woven Products such as Non-Woven Fabrics, Non-Woven Felts, NonWoven Designer, Tufted Carpet.

ii. **Date of commencement of Activity:** Since February, 1995.

**2. Information about the appointee:**

Name	Mr. Raj Pal Aggarwal
Background details	Mr. Raj Pal Aggarwal is having 14 years of experience in non woven fabric and other related industry
Past remuneration drawn	Rs. 70,000 Per Month
Qualifications	Graduation
Remuneration proposed	Rs. 1,00,000 Per Month
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of s origin)	The exact figures are not readily available. However, the proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparative qualifications and experience.
Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any	The appointees are promoters of the Company. Save as the managerial remuneration and their shareholding in the Company they do not have any other material pecuniary relationship with the Company.

**Details of Director seeking Appointment at the General Meeting as per requirements of Secretarial Standard 2 (SS-2)**

Particulars	Information
Name	Mr. Raj Pal Aggarwal
Age	58 Years
Qualification	Graduation
Experience	More than 30 Years
Terms and conditions of appointment	As set out in Resolution
Remuneration sought to be paid	Rs. 1,00,000 Per Month
Remuneration last drawn	Rs. 70,000 Per Month
Date of first appointment on the board	08/02/1995
Shareholding in the company	4,88,900 equity shares representing (11.64%) of the total shareholding
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Brother of Mr. Bal Kishan Aggarwal (Managing Director)
Number of Meetings of the Board attended during the year	9
Other Directorships, Membership/Chairmanship of Committees of other Boards	NIL

It is hereby confirmed that the Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

None of the Directors other than Mr. Raj Pal Aggarwal set forth in Item No. 5 is concerned or interested in the resolution.

The Board recommends the resolution set forth in Item No.5 for the approval of members.

**ITEM NO. 6**

Mr. Bal Kishan Aggarwal was appointed and designated as Managing Director of the Company by the Board at its meeting held on 01<sup>st</sup> October, 2015 for a period of five years i.e. 30.05.2020 to 29.05.2025.

Further, given Mr. Bal Kishan Aggarwal's vast knowledge and varied experience which is of great value to the Company, the Board of Directors at their Meeting ('BM') held on 12th July, 2024, approved the revision in remuneration payable to Mr. Bal Kishan Aggarwal as Managing Director of the Company effective from April 01, 2024 on terms and conditions enumerated in the resolution.

It is submitted that, the overall remuneration exceeds the limits specified u/s 197 of the Companies Act, 2013. The Members are requested to consider the revision in remuneration of Mr. Bal Kishan Aggarwal Whole time Director of the Company.

**Information in accordance with Schedule V of Companies Act, 2013:****1. General Information:**

i. **Nature of Industry** Manufacture of Non-Woven Products such as Non-Woven Fabrics, Non-Woven Felts, NonWoven Designer, Tufted Carpet of Textiles Products.

ii. **Date of commencement of Activity:** Since February, 1995.

**2. Information about the appointee:**

Name	Mr. Bal Kishan Aggarwal
Background details	Mr. Bal Kishan Aggarwal is having more than 25 years of experience in non woven fabric and other related industry
Past remuneration drawn	Rs. 70,000 Per Month
Qualifications	Graduation
Remuneration proposed	Rs. 1,00,000 Per Month
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of s origin)	The exact figures are not readily available. However, the proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparative qualifications and experience.
Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any	The appointees are promoters of the Company. Save as the managerial remuneration and their shareholding in the Company they do not have any other material pecuniary relationship with the Company.

**Details of Director seeking Appointment at the General Meeting as per requirements of Secretarial Standard 2 (SS-2)**

Particulars	Information
Name	Mr. Bal Kishan Aggarwal
Age	63 Years
Qualification	Graduation
Experience	More than 32 Years
Terms and conditions of appointment	As set out in Resolution
Remuneration sought to be paid	Rs. 1,00,000 Per Month
Remuneration last drawn	Rs. 70,000 Per Month
Date of first appointment on the board	01.10.2015
Shareholding in the company	495,100 equity shares representing (11.78%) of the total shareholding
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Father of Mr. Arpan Aggarwal (Whole time director)
Number of Meetings of the Board attended during the year	9
Other Directorships, Membership/Chairmanship of Committees of other Boards	NIL

It is hereby confirmed that the Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

None of the Directors other than Mr. Arpan Aggarwal set forth in Item No. 6 is concerned or interested in the resolution.



The Board recommends the resolution set forth in Item No.6 for the approval of members.

**ITEM NO. 7 TO APPROVE ISSUANCE OF BONUS SHARES**

The Authorized Share Capital of the Company is Rs. 5 Crore and the Paid-up Share Capital is Rs. 4,20,05,000 (comprising 42,00,500 equity shares of Rs.10 each). The Reserves as per the audited financial statement as on 31st July 2024 is Rs. 2,95,00,000 (INR Two Crores and Ninety-Five Lakhs Only). The Board of Directors at their meeting held on 04<sup>th</sup> July, 2024 have recommended the issuance of bonus shares in the proportion of 7:10 i.e. 7 (Seven) new equity share of Rs. 10 each for every 10 (Ten) existing equity share of Rs. 10/- each fully paid up held by the shareholders as on Record Date to be hereafter fixed by the Board / Committee of the Board, by capitalization of a sum of Rs. 2,94,03,500 (Rupees Two Crore Ninety-Four Lakh Three Thousand Five Hundred Only) from the Reserves. The same is proposed to be applied in full by issuing at par 29,40,350 (Twenty-Nine Lakh Forty Thousand Three Hundred Fifty) new equity shares of Rs. 10/- each as bonus shares. Consequently, the paid-up equity share capital of the Company would increase from Rs. 4,20,05,000 (Four Crore Twenty Lakh Five Thousand Only) to Rs. 7,14,08,500 (Seven Crore Fourteen Lakh Eight Thousand Five Hundred) crore consisting of 71,40,850 (Seventy-One Lakh Forty Thousand Eight Hundred Fifty) equity shares of Rs. 10/-each.

The proposed issue of bonus shares will be made in line with the provisions of Section 63 of the Companies Act 2013, guidelines issued by Securities & Exchange Board of India (SEBI) and subject to such approvals, if required, from the statutory authorities. As per Article 39 of the Articles of Association of the Company, it is necessary to obtain the approval of the members for issue of bonus shares by capitalization of reserves.

Further, it is proposed to authorize the Board of Directors/ Committee of the Board of the Company to complete all the regulatory formalities as prescribed by SEBI, RBI and Stock Exchanges on which the Company's shares are listed and/ or any other regulatory or statutory authority in connection with the issue of bonus shares.

The Directors of the Company and their relatives may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 6 as an Ordinary Resolution.

The Directors of the Company and their relatives may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 7 as an Ordinary Resolution.

**ITEM NO. 8: INCREASE IN AUTHORIZED SHARE CAPITAL OF THE COMPANY AND CONSEQUENTIAL ALTERATION OF MEMORANDUM OF ASSOCIATION OF THE COMPANY:**

Presently, the Authorized Share Capital of the Company Rs. 5,00,00,000/- (Rupees Five Crore) divided into 50,00,000/- (Fifty Lakhs) equity shares of ` 10/- (Rupees Ten Only) each.

In order to facilitate the future requirements, if any, of the Company, it is proposed to increase the existing Authorized Share Capital of the Company from Rs. 5,00,00,000- (Rupees Five Crore Only) divided into 50,00,000 (Rupees Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten Only) each to Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000/- (Rupees One Crores Only) Equity shares of Rs. 10/- (Rupees Ten Only) each ranking pari - passu in all respect with the existing Equity Shares of the Company. The increase in the Authorized Share Capital as aforesaid would

entail consequential alteration of the existing Clause V of the Memorandum of Association of the Company.

The increase in the Authorized Share Capital and consequential alteration to Clause V of the Memorandum of Association of the Company require Members' approvals in terms of Sections 13, 61 and 64 of the Companies Act, 2013 and any other applicable statutory and regulatory requirements. The set of Memorandum of Association is available for inspection at the Registered Office of the Company during business hours between 11.00 A.M. to 2.00 P.M. on all working days of the Company (Except Saturday, Sundays and Public holidays).

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of this Notice except to the extent of their shareholding in the Company.

Accordingly, approval of the Members of the Company is hereby sought by way of ordinary resolution as set out in Item No. 8 of this Notice.

## INDO COTSPIN LIMITED

**Registered office:**

Delhi Mile Stone, 78 K.M., NH-44, G.T. Road,  
Village Jhattipur, Post Box-3, Post Office  
Samalkha, Distt. Panipat-132103, (INDIA)

Ph. No.: 9896034879

Website: www.indocotspin.com E-mail:  
Rajpalaggarwal2000@yahoo.com

To,  
Dear Member,

**Kind Attention**

You are the shareholder of Equity Shares of Indo Cotspin Limited. We wish to inform that your Company being Listed on Bombay Stock Exchange Limited (BSE) is mandatorily required to comply with circular no. **SEBI/CIR/ISD/1/2010** issued by Securities and Exchange Board of India (SEBI) dated December 23, 2014 directing that the Equity Shares should be held by the owner in Dematerialized mode in order to stabilize the price movements in shares of the Company. Also, holding of shares in demat mode by you, will make your trading transactions convenient and economical.

In this regard, we accordingly request you to convert your Physical Shares into Dematerialized Mode. The Company's ISIN is **INE407P01017** and in case of any query, kindly contact our Registrar and Transfer Agent (RTA) Skyline Financial Services Private Limited whose contact details are given below:

1. Email Id: info@skylinerta.com
2. Mobile No: 011-40450193

You are also requested to provide us with self-attested copy of PAN, Mobile/Telephone No. and Email Id for our records.

Thanking You,

**By Order of the Board  
For Indo Cotspin Limited**

**Date: 07<sup>th</sup> August, 2024**

**Place: Panipat**

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

**DIRECTORS REPORT**

**To,  
The Members of Indo Cotspin Limited**

Your Directors have pleasure in presenting the 30<sup>th</sup> Directors' Report on the Business and Operations of the Company together with the Audited Financial Statements and the Auditors' Report for the financial year ended 31<sup>st</sup> March, 2024.

**1. FINANCIAL PERFORMANCE:**

(In INR)

<b>Particulars</b>	<b>Financial Year 2023-2024</b>	<b>Financial Year 2022-2023</b>
Revenue from Operations	1662.49	1321.35
Other Income	0.99	32.75
<b>Total Revenue</b>	<b>1663.48</b>	<b>1354.10</b>
Cost of material Consumed	1212.60	918.46
Purchase of Stock-in-Trade	71.28	114.69
Change in Inventories of finished goods, stock-in trade and work in progress	32.87	18.33
Employee Benefit Expenses	44.63	33.44
Finance Cost	0.74	3.97
Depreciation and Amortization Expenses	81.20	61.29
Other Expenses	213.84	175.96
<b>Total Expenses</b>	<b>1657.16</b>	<b>1326.14</b>
<b>Profit/ (loss) before tax</b>	<b>6.32</b>	<b>27.96</b>
Current Tax	5.57	4.43
Deferred Tax	(5.89)	(1.80)
<b>Profit for the year</b>	<b>6.64</b>	<b>25.33</b>
Other Comprehensive Income	-	
<b>Total Comprehensive Income/(Loss) for the year</b>	<b>6.64</b>	<b>25.33</b>
<b>Earning Per Share (Basic)</b>	<b>0.02</b>	<b>0.56</b>
<b>Earning Per Share (Diluted)</b>	<b>0.02</b>	<b>0.56</b>

**2. (A) STATE OF COMPANY AFFAIRS AND REVIEW OF OPERATIONS:**

During the year under review, total revenue of the Company was Rs. **16,63,48,484.84** as against Rs. **13,54,10,742.77** in the previous year. The Company was able to earn a profit after tax of Rs. 6,64,413.52 in the current financial year as against a profit of Rs. 25,33,261.38 in the financial year 2022-23. Your Directors are putting in their best efforts to improve the performance of the Company.

**B) CHANGE IN MANAGEMENT**

During the period under review, Ms. Chhavi Agrawal (Membership No. A49299) submitted her notice of resignation from the position of Company Secretary/Compliance Officer of the

Company and Mr. Trigun Sharma (Membership No. A61140) was appointed as a Full-Time Company Secretary/Compliance Officer of the Company with effect from May 6, 2023.

**(C). SHARE CAPITAL**

During the year under review, there was no changes in the capital structure of the Company and the Authorized Share Capital of the Company is INR 5,00,00,000 (Indian Rupees Five Crores Only) divided into 50,00,000 (Fifty Lacs) Equity Shares of INR 10/- each

Further, the Paid-up Share Capital of the Company is INR 4,20,05,000 (Indian Rupees Four Crore Twenty Lakhs Five Thousand Only) divided into 42,00,500 (Forty-Two Lacs Five Hundred) Equity Shares of INR 10/- each.

**3. DEPOSITS:**

During the period under review, your Company has not accepted any deposits, falling within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**4. DIVIDEND:**

The Board of Directors has not recommended any dividend for the financial year ended on 31st March, 2024. Since, the Board has considered it financially prudent in the long-term interest of the Company to re-invest the profits into the business of the Company to build a strong reserve base and to grow the business of the Company.

**5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

**6. AMOUNTS, IF ANY, WHICH IT PROPOSES TO CARRY TO ANY RESERVES:**

The Board of Directors have not proposed to transfer any amount to General Reserves of the Company.

**7. REVISION OF FINANCIAL STATEMENT, IF ANY:**

There is no revision in the Financial Statement for the Financial Year 2023-2024.

**8. DIRECTORS & KEY MANAGERIAL PERSONNEL:**

**Board of Directors**

DIN No / PAN	Name of Director	Designation	Date of Appointment/ Reappointment	Date of Resignation
00456189	Raj Pal Aggarwal	Whole Time Director	08/02/1995	NA

00456219	Bal Kishan Aggarwal	Managing Director	01/10/2015	NA
00456309	Arpan Aggarwal	Whole Time Director	30/05/2020	NA
03073407	Sanil Aggarwal	Whole Time Director	24/07/2021	NA
08390196	Shubham Singla	Independent Director	25/03/2019	NA
08392797	Shally Aggarwal	Women Independent Director	25/03/2019	NA

### **Key Managerial Personnel**

In terms of Section 203 of the Act, the following were designated as director or/and Key Managerial Personnel of your Company by the Board during the year:

**Mr. Trigun Sharma- Company Secretary and Compliance Officer\***

**Ms. Bhavnesh- Company Secretary and Compliance Officer\***

**Mr. Vijay Pal- Chief Financial Officer**

(\*Note: Ms. Chhavi Agrawal from the post of company secretary and compliance officer with effect from 06<sup>th</sup> May, 2023 and Mr. Trigun Sharma was appointed as company secretary and compliance officer with effect from 06<sup>th</sup> May, 2023.)

(\*Note: Mr. Trigun Sharma resigned w.e.f. 22<sup>nd</sup> July, 2024 and Ms. Akansha Awasthi was appointed as the Company Secretary and Compliance Officer of the company w.e.f. 30<sup>th</sup> July, 2024, but due to some personal reason she has not been able to join the Company. Thus, Ms. Bhavnesh has been appointed as the Company Secretary and Compliance Officer w.e.f. 07<sup>th</sup> August, 2024.)

### **Woman Director**

In terms of the provisions of Section 149 of the Companies Act, 2013, a company shall have at least one-Woman Director on the Board of the Company. The Company has appointed Ms. Shally Aggarwal, as a Woman Director on the Board of the Company.

## **9. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

During the Financial Year under review, 09 (Nine) meetings of the Board of Directors were held. The dates on which the said meetings were held:

1. 03<sup>rd</sup> April, 2023;
2. 02<sup>nd</sup> May, 2023;
3. 06<sup>th</sup> May, 2023;
4. 15<sup>th</sup> May, 2023;
5. 20<sup>th</sup> May, 2023;
6. 07<sup>th</sup> July, 2023;
7. 29<sup>th</sup> July, 2023;
8. 27<sup>th</sup> October, 2023;
9. 29<sup>th</sup> January, 2024;

The intervening gap between the Meetings was within the period prescribed under the SEBI (LODR) Regulations, 2015 and Companies Act, 2013.

S.No.	Name of Director	Designation	No. of Board Meeting eligible to attend	No. of Meetings attended	No. of Meeting in which absent
1	Raj Pal Aggarwal	Whole time Director	9	9	0
2	Bal Kishan Aggarwal	Managing Director	9	9	0
3	Arpan Aggarwal	Whole time Director	9	9	0
4	Sanil Aggarwal	Whole time Director	9	9	0
5	Shubham Singla	Independent Director	9	9	0
6	Shally Aggarwal	Women Independent Director	9	9	0

**10. SEPARATE MEETING OF INDEPENDENT DIRECTORS.**

Independent Directors of the Company held their Separate meeting under Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of Companies Act, 2013 on **Monday, 11<sup>th</sup> March, 2024** at the registered office of the Company at Delhi Mile Stone, G.T. Road, 78 K.M, Nh-44, Village Jhattipur, Post Box No.3 Post Office. Samalkha, Panipat, Haryana, 132103, to evaluate the performances.

**11. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY**

During the period under review, there were no material changes occurred affecting the financial position of the company.

**12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE U/S 186 OF THE COMPANIES ACT, 2013:**

The particulars of loans, guarantees and investment wherever required, have been disclosed in the financial statement, which also form part of this report.

**13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:-**

According to Section 134(5) (e) of the Companies Act, 2013, the term “Internal Financial Control (IFC)” means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the company’s policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The company has a well-placed, proper and adequate Internal Financial Control System which ensures that all the assets are safeguarded and protected and that the transactions are authorized recorded and reported correctly. To further strengthen the internal control process, the company has developed the very

comprehensive compliance management tool to drill down the responsibility of the compliance from the top management to executive level.

The compliance relating to Internal Financial controls have been duly certified by the statutory auditors.

**14. CORPORATE SOCIAL RESPONSIBILITY (CSR) :-**

Pursuant to the provisions of **Section 135** of the Companies Act, 2013, every company having **Net Worth of Rupees Five Hundred Crore or More**, or **Turnover of Rupees One Thousand Crore or More** or a **Net Profit of Rupees Five Crore or More** during any financial year shall constitute a Corporate Social Responsibility Committee of the Board and shall formulate a Corporate Social Responsibility Policy. Therefore, Provisions of Corporate Social Responsibility are not applicable on the Company and Company has not developed and implemented any Corporate Social Responsibility Initiatives as provisions of **Section 135(1)** of the Companies Act, 2013 read with **Companies (Corporate Social Responsibility Policy) Rules, 2014**.

**15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:-**

The particulars as prescribed under Sub-section (3) (m) of Section 134 of the companies act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 are annexed herewith at "**ANNEXURE – I**".

**16. DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE- APPOINTMENT, IF ANY:-**

All Independent Directors of the Company have given declaration to the Company under **Section 149(7) read with Schedule IV** of the Companies Act, 2013, that they meet the criteria of independence as provided in the **Sub-section 6 of Section 149** of the Act and also under the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. In the opinion of the Board, the Independent Directors of the Company possess necessary expertise, integrity and experience.

None of the Independent Director on the Board of the Company serve as an Independent Director in more than **seven (7) Listed Companies** nor holds the position of Whole time Director in any Listed Company. Independent Directors of the Company have been appointed in accordance with the applicable provisions of the Companies Act, 2013 ("Act") read with relevant rules.

**17. BOARD EVALUATION: -**

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations").

The performance of the board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.



The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, considering the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

**18. RATIO OF REMUNERATION TO EACH DIRECTOR:-**

The information required under section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your company is set out in **Annexure-II** to this Report.

**19. COMMITTEES OF THE BOARD AND OTHER COMMITTEES: -**

Currently, the Board has following committees:-

- ❖ Audit Committee;
- ❖ Nomination & Remuneration Committee;
- ❖ Stakeholder Relationship Committee;

❖ **Audit Committees:**

The Audit Committee of the Company is constituted/re-constituted in line with the provisions of **Section 177 of the Companies Act, 2013 and other applicable laws**. The Audit Committee comprises of majority of the Independent Directors. All the members of the Committee have experience in financial matters. The Audit Committee is constituted in line to monitor and provide effective supervision of the management’s financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity, and quality of Financial Reporting. The details of the composition of the committee are set out in the following table: -

S.No.	Name	Status	Designation
1.	Mr. Shubham Singla	Independent Director	Chairman
2.	Ms. Shally Aggarwal	Independent Director	Member
3.	Mr. Rajpal Aggarwal	Executive Director	Member

**During the Year under review 05 (Five) meetings of the Audit Committee were convened and held. The dates on which the said meetings were held:**

**1. 02<sup>nd</sup> May, 2023**

- 2. 20<sup>th</sup> May, 2023
- 3. 29<sup>th</sup> July, 2023
- 4. 27<sup>th</sup> October, 2023
- 5. 29<sup>th</sup> January, 2024

S.No.	Name of the Members	Designation	No. of Audit Committee Meetings attended during the year
1.	Mr. Shubham Singla	Chairman and Independent Director	5
2.	Ms. Shally Aggarwal	Member and Independent Director	5
3.	Mr. Rajpal Aggarwal	Member and Executive Director	5

During the year, all recommendations of the audit committee were approved by the Board of Directors.

❖ **Nomination & Remuneration Committee:**

The Nomination and Remuneration Committee of the Company is constituted/reconstituted in line with the provisions of **Section 178 of the Companies Act, 2013**. The Nomination and Remuneration Committee recommends the appointment of Directors and remuneration of such Directors. The level and structure of appointment and remuneration of all Key Managerial personnel and Senior Management Personnel of the Company, as per the Remuneration Policy, is also overseen by this Committee.

Our Company has constituted a nomination and remuneration committee ("Nomination and Remuneration Committee"). The details of the composition of the Committee are set out in the following table:

S.No.	Name	Status	Designation
1.	Mr. Shubham Singla	Independent Director	Chairman
2.	Ms. Shally Aggarwal	Independent Director	Member
3.	Mr. Rajpal Aggarwal	Executive Director	Member

During the Financial Year under review **02 (Two)** meetings of the Nomination and Remuneration Committee were convened and held. The dates on which the said meetings were held:

- 1. 10<sup>th</sup> October, 2023
- 2. 25<sup>th</sup> March, 2024

S.No.	Name of the Members	Designation	No. of Nomination and Remuneration Committee Meetings attended during the year
1.	Mr. Shubham Singla	Chairman and Independent Director	2
2.	Ms. Shally Aggarwal	Member and Independent Director	2

3.	Mr. Rajpal Aggarwal	Member and Executive Director	2
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❖ **Stakeholder Relationship Committee:**

In compliance with the requirements of the Corporate Governance under the Listing Agreement with the Stock Exchange and the provisions of section 178 of the Companies Act, 2013, the Company has constituted an “Stakeholders Relationship Committee” to specifically look into shareholder issues including share transfer, transmission, re-materialization, issue of duplicate share certificates and redressing of shareholder complaints like non-receipt of balance sheet, other related activities in physical mode besides taking note of beneficial owner position under demat mode, declared dividend etc.

**Composition of Committee:**

S.No.	Name	Status	Designation
1.	Ms. Shally Aggarwal	Independent Director	Chairman
2.	Mr. Shubham Singla	Independent Director	Member
3.	Mr. Rajpal Aggarwal	Executive Director	Member

During the Financial Year under review **02 (Two)** meetings of the Nomination and Remuneration Committee were convened and held. The dates on which the said meetings were held:

1. 12<sup>th</sup> October, 2023
2. 27<sup>th</sup> March, 2024

S.No.	Name of the Members	Designation	No. of Nomination and Remuneration Committee Meetings attended during the year
1.	Ms. Shally Aggarwal	Chairman and Independent Director	2
2.	Mr. Shubham Singla	Member and Non-Executive Director	2
3.	Mr. Rajpal Aggarwal	Member and Executive Director	2

**20. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:-**

The Nomination & Remuneration Committee of Directors have approved a Policy for Selection, Appointment, Remuneration and determine Directors' Independence of Directors which inter-alia requires that composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and senior management employees and the Directors appointed shall be of high integrity with relevant expertise and experience so as to have diverse Board and the Policy also lays down the positive attributes/criteria while recommending the candidature for the appointment as Director.

Nomination & Remuneration Policy is uploaded on the website of the Company i.e. at [www.indocotspin.com](http://www.indocotspin.com).

**21. RISK MANAGEMENT: -**

Pursuant to Section 134(3) (n) of the Companies Act, 2013, the Company has developed and implement the Risk Management Policy for the Company including identification therein of elements of risk, if any, which is in the opinion of the Board may threaten the existence of the Company. These are discussed at the meeting of the Audit Committee and the Board of Directors of the Company.

At present the Company has not identified any element of risk which may threaten the existence of the Company.

**22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

=

During the year under review, the Company has entered into related party transactions falling under **sub section (1) of Section 188** of the Companies Act, 2013. Form for disclosure of particulars of contracts/arrangements as required **under clause (h) of sub-section (3) of section 134** of the Act read with **Rule 8(2) of the Companies (Accounts) Rules, 2014** is provided in the Board Report in the form AOC- 2 as "**ANNEXURE - III**".

**23. NO FRAUDS REPORTED BY STATUTORY AUDITORS: -**

During the Financial Year 2023-24, the Auditors have not reported any matter under **section 143(12)** of the Companies Act, 2013, therefore no detail is required to be disclosed under **section 134(3) (ca)** of the Companies Act, 2013.

**24. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES: -**

During the year under review, the Company does not have any Subsidiary, Joint Venture or Associate Company hence provisions of **Section 129(3)** of the Companies Act, 2013 relating to preparation of consolidated financial statements are not applicable.

**25. MECHANISM / WHISTLE BLOWER POLICY**

Pursuant to **Section 177(9) and (10)** of the Companies Act, 2013, and Regulation 22 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases. The policy of vigil mechanism is available on the Company's website at [www.indocotspin.com](http://www.indocotspin.com).

**26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE: -**

During the period under review, no material orders have been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**27. DIRECTORS' RESPONSIBILITY STATEMENT: -**

Pursuant to the requirement under **Section 134 (5)** of the Companies Act, 2013, with respect to Directors Responsibilities Statement, it is hereby confirmed:

- (a) That in the preparation of the annual accounts for the financial year ended 31st March, 2024 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year review;
  - a. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (c) That the directors had prepared the annual accounts for the financial year ended 31st March, 2024 on a going concern basis;
- (d) That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- (e) That the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**28. AUDITORS & AUDITORS' REPORT:-****📖 Statutory auditors**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereafter, **M/s Dinesh Kumar Goel & Co.**, Chartered Accountants, were appointed as statutory auditors of the Company till the Annual General Meeting (AGM) to be held in the year 2026.

**📖 Cost auditor**

Since the Company is engaged in the providing Textile Manufacturing Activities and rendering of such services are not covered under the Notifications dated 31<sup>st</sup> December 2014 issued by the Central Government to amend the Companies (Cost Records and Audit) Rules, 2014, no Cost Auditor has been appointed by the Company.

Pursuant to **Section 148** of the Companies Act 2013 read with the Companies (Cost Records and Audit) Rules, 2014, maintenance of cost records and appointment of Cost Auditors are not applicable on your Company. and requirement of cost audit is not applicable.

**📖 Secretarial Auditor**

Pursuant to the provisions of **Section 204** of the Companies Act, 2013 and **Rule 9** of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors appointed **M/s. Vikas Verma & Associates, Company Secretaries**, having its registered office at **B-502, Statesman House, 148, Barakhamba Road, New Delhi – 110001** as Secretarial Auditor for the year **2023-2024**. The Report of the Secretarial Audit is annexed herewith as **“ANNEXURE – IV”** The said Secretarial Audit Report does not contain any qualification, reservations, adverse remarks and disclaimer.

**📖 Internal Auditor**

Pursuant to the provision of **Section 138(1)** of the companies Act, 2013 read with **Rule 13 of the Companies (Accounts) Rules, 2014**, and other applicable provisions of the act, the Board of Directors appointed **M/s R.S. Gahlyan & Associates., Chartered Accountants (FRN: 018972N)** as an Internal Auditor of the Company from the financial year **2022-2023** to **2025-26** in Board Meeting held on **02<sup>nd</sup> May, 2023**.

**29. LISTING OF SECURITIES: -**

The Company is listed on the BSE Limited and is regular in paying the annual listing fee to the stock exchange.

**30. SECRETARIAL STANDARDS:-**

Pursuant to the provisions of **Section 118** of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

**31. EXTRACT OF ANNUAL RETURN: -**

As required pursuant to **Section 92(3)** of the Companies Act, 2013 and **rule 12(1) of the Companies (Management and Administration) Rules, 2014**, an annual return is uploaded on website of the Company [www.indocotspin.com](http://www.indocotspin.com).

**32. FAMILIARISATION PROGRAMMES: -**

The Company familiarizes its Independent Directors on their appointment as such on the Board with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through familiarization programme. The Company also conducts orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis. The familiarization programme for Independent Directors is disclosed on the Company's website [www.indocotspin.com](http://www.indocotspin.com).

**33. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:-**

The Management's Discussion and Analysis Report for the year under review, as stipulated under **regulation 34 (3)** and **Part B of schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015** is annexed to this Annual Report as **“ANNEXURE – V”**.

**34. CORPORATE GOVERNANCE :-**

As per **Regulation 15(2) of SEBI (Listing Obligation and Disclosure Requirement)**

**Regulations, 2015**, compliance with the Corporate Governance provisions as specified in **regulation 17 to 27 and clause (b) to (i) [and (t)] of sub-regulation (2) of regulation 46 and Para C, D, and E of Schedule V** shall not apply to the company having **Paid up Equity Share Capital not exceeding Rs. 10 Crore** and **Net Worth not exceeding Rs. 25 Crore**, as on the last day of the previous financial year. The Company is covered under the exception given under Regulation 15(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, therefore Company is not required to comply with the said provisions.

However, as per the Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Corporate Governance Report is annexed to the Board's Report As "**ANNEXURE-VI**".

### **35. CODE OF CONDUCT :-**

Commitment to ethical professional conduct is a must for every employee, including Board Members and Senior Management Personnel of the Company. The Code is intended to serve as a basis for ethical decision-making in conduct of professional work. The Code of Conduct enjoins that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views, and be upright in his conduct and observe corporate discipline. The duties of Directors including duties as an Independent Director as laid down in the Companies Act, 2013 also forms part of the Code of Conduct. All Board Members and Senior Management Personnel affirm compliance with the Code of Conduct annually.

### **36. INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which redresses complaints received on sexual harassment. During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

### **37. STATEMENT ON OTHER COMPLIANCES**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Details relating to deposits covered under Chapter V of the Act.
- b. Issue of equity shares with differential voting rights as to dividend, voting or otherwise;
- c. Issue of shares (including sweat equity shares) to employees of the Company.
- d. Neither the Managing Director nor any of the Whole-time Directors of the Company receive any remuneration or commission.

### **38. BUSINESS RESPONSIBILITY REPORT (BRR)**

Securities Exchange Board of India (SEBI) vide circular CIR/CFD/DIL/8/2012 dated August 13, 2012 has mandated the inclusion of BRR as part of the Annual Report for the top 100

listed entities. In view of the requirements specified, the company is not mandated for the providing the BRR and hence do not form part of this Report.

#### **39. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016**

As there is no application made or pending under Insolvency and Bankruptcy Code, 2016, so there is no requirement to give details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

#### **40. DETAILS OF ONE TIME SETTLEMENT**

During the period under review There has been no one time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

#### **41. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

Your Company's Code of Conduct for Prevention of Insider Trading covers all the Directors, senior management personnel, persons forming part of promoter(s)/ promoter group(s) and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information about the company. The Directors, their relatives, senior management personnel, persons forming part of promoter(s)/ promoter group(s), designed employees etc. are restricted in purchasing, selling and dealing in the shares of the Company while in possession of unpublished price sensitive information about the company as well as during the closure of trading window.

The Board of Directors has approved and adopted the Code of Conduct to Regulate, Monitor and Report Trading by Insiders in line with SEBI (Prohibition of Insider Trading) Regulation, 2015 and the same can be accessed on the website of the Company [www.indocotspin.com](http://www.indocotspin.com).

#### **42. ACKNOWLEDGEMENTS**

The Directors wish to convey their appreciation to all of the Company's employees for their contribution towards the Company's performance. The Directors would also like to thank the shareholders, employee unions, customers, dealers, suppliers, bankers, governments and all other business associates for their continuous support to the Company and their confidence in its management.

**For & on behalf of the Board  
Indo Cotspin Limited**

**Date: 07<sup>th</sup> August, 2024  
Place: Panipat**

**Rajpal Aggarwal  
Whole Time Director  
DIN: 00456189**

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



**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

**[Pursuant to Section 134 (3) (m) read with Rule 8(3) of Companies (Accounts) Rules, 2014]**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

**(A) Conservation of Energy**

(i)	The steps taken or impact on conservation of energy;	NA
(ii)	The steps taken by the company for utilizing alternate sources of energy;	NA
(iii)	The capital investment on energy conservation equipments.	NA

**(B) Technology absorption**

(i)	The efforts made towards technology absorption;	No new technology has been adopted during the Year under review
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution;	NA
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NA
	(a) The details of technology imported;	NA
	(b) The year of import;	NA
	(c) Whether the technology been fully absorbed;	NA
	(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA
(iv)	The expenditure incurred on Research and Development.	NA

**(C) Foreign exchange earnings and Outgo-**

(i)	The Foreign Exchange earned in the terms of actual inflows during the year; 2023-24	NIL
(ii)	Foreign Exchange outgo during the year in terms of actual outflow. 2023-24	USD-119473
		0

**Date: 07<sup>th</sup> August, 2024**  
**Place: Panipat**

**For & on behalf of the Board**  
**Indo Cotspin Limited**

**Rajpal Aggarwal**  
**Whole Time Director**  
**DIN: 00456189**

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

**"ANNEXURE -II"**

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**A. Ratio of remuneration of each Director to the median remuneration of Managing director and Whole-time directors of Your Company for the financial year 2023-24 is as follows:**

Name of the Directors	Total Remuneration (INR)	Ratio of Remuneration of director to the Median Remuneration
Mr Bal Kishan Aggarwal	8,40,000	1.27:1
Mr Raj Pal Aggarwal	8,40,000	1.27:1
Mr. Arpan Aggarwal	6,60,000	1:1
Mr. Sanil Aggarwal	6,60,000	1:1

**B. Details of percentage increase in the remuneration of each Director and CFO & Company Secretary in the financial year 2023-24 are as follows:**

Name of the Directors	Designation	Remuneration** (INR)		Increase
		2023-24	2022-23	Percentage
Mr Bal Kishan Aggarwal	Managing Director	8,40,000	4,20,000	50
Mr Raj Pal Aggarwal	Whole time Director	8,40,000	8,40,000	Nil
Mr. Arpan Aggarwal	Whole time Director	6,60,000	1,20,000	81.81
Mr. Sanil Aggarwal	Whole time Director	6,60,000	480,000	27.28
Ms. Shally Aggarwal*	Women & Independent-Director	8,000.00	8,000.00	NIL
Mr. Shubham Singla*	Independent- Director	8,000.00	8,000.00	NIL
Mr. Vijay Pal	Chief Financial Officer	1,80,000	1,80,000	Nil
Mr. Trigun Sharma	Company Secretary	1,80,000	1,44,000	20.00

\*Includes sitting fees paid to the non-executive Independent Directors.

**C. Percentage increase in the median remuneration of all employees in the financial year 2023-24**

	2023-24	2022-23	Increase (%)
Median remuneration of all employees per annum	6,60,000	16,000	97.57

**D. Number of permanent employees on the rolls of the Company as on 31 March, 2024:**

S No	Category	No. of Employees
1	Executive Manager Cadre	4
2	Staff	2
3	Other lower level employees	10
	<b>Total</b>	<b>16</b>

**E. Comparison of average percentage increase in salary of employees other than the key managerial personnel and the percentage increase in the key managerial remuneration:**

	<b>2023-24</b>	<b>2022-23</b>	<b>Increase (%)</b>
Average salary of all Employees (other than Key Managerial Personnel)	<b>22500</b>	<b>241000</b>	<b>27.19</b>
Salary of MD & CEO	<b>840000</b>	<b>420000</b>	<b>50</b>
Salary of CFO & CS	<b>360000</b>	<b>324000</b>	<b>10</b>

The increase in remuneration of employees other than the managerial personnel is in line with the increase in remuneration of managerial personnel.

**F. Affirmation:**

It is hereby affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.

**G. Variable Pay Compensation**

The variable pay of executive officers, including the Chief Executive Officer and Managing Director, is based on clearly laid out criteria and measures, which are linked to the desired performance and business objectives of the organization. The criteria for variable pay, which is paid out quarterly/annually, includes financial parameters like revenue, profit achievement, operating margin achievement and other strategic goals as decided by the Board, from time to time.

**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

S No	Particulars	Details
1	Name (s) of the related party & nature of relationship	NA
2	Nature of contracts/ arrangements/ transaction	
3	Duration of the contracts/ arrangements/ transaction	
4	Salient terms of the contracts or arrangements or transaction including the value, if any	
5	Justification for entering into such contracts or arrangements or transactions'	
6	Date of approval by the Board	
7	Amount paid as advances, if any	
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

S No	Particulars	Details
1	Name (s) of the related party & nature of relationship	NA
2	Nature of contracts/ arrangements/ transaction	
3	Duration of the contracts/ arrangements/ transaction	
4	Salient terms of the contracts or arrangements or transaction including the value, if any	
6	Date of approval by the Board	
7	Amount paid as advances, if any	

Date: 07<sup>th</sup> August, 2024

Place: Panipat

For & on behalf of the Board  
Indo Cotspin Limited

**Rajpal Aggarwal**  
Whole Time Director  
DIN: 00456189

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

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

*[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members  
**Indo Cotspin Limited**  
Delhi Mile Stone, 78 K.M., NH-44, G.T. Road,  
Village Jhattipur, Post Box-3, Post Office Samalkha,  
Distt. Panipat-132103, Haryana, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Indo Cotspin Limited (hereinafter called the "Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and accordingly, expressing my opinion thereon.

Based on our inspection, verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Indo Cotspin Limited** ("the Company") for the financial year ended on 31<sup>st</sup> March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made Thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *(No transaction has been recorded during the Audit Period)*
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India {Substantial Acquisition of Shares and Takeovers} Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulation, 2014; *(No transaction has been recorded during the Audit Period)*
  - e) The Securities and Exchange Board of India (**Issue and Listing of Debt Securities**) Regulation,

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***2008 (Not Applicable during the period under review)***

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued; ***(Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review)***
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; ***(No transaction has been recorded during the Audit Period)***
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; ***(No transaction has been recorded during the Audit Period)***
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

As informed to us the following other laws specifically applicable to the company as under and as confirmed & declared by the management, the company has duly complied the same:-

1. The Employees Provident fund and Miscellaneous Provisions Act, 1952 along with labour laws
2. Employees State Insurance Act, 1948
3. Maternity Benefit Act, 1961
4. Payment Gratuity Act, 1972
5. Factories Act, 1949
6. The Environmental (Protection) Act, 1986 and its allied applicable laws

We have also examined the compliance with the applicable clauses of the following:

1. Secretarial Standard issued by the Institute of Company Secretaries of India.
2. The Listing Agreements/Regulations including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 entered into by the Company with Stock Exchange(s).

In respect to the other applicable laws specifically applicable to the Company, We have relied on information / records / declaration produced/furnished by the Company during the course of our audit and the reporting is limited to the extent.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and there exist the system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board were unanimous and the same are captured and recorded as part of the minutes.

We further report that there is scope to improve the systems and processes in the company and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period there were no specific instances / events pursuant of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

**Thanking You,  
For Vikas Verma & Associates  
Company Secretaries  
(FRN: P2012DE081400)**

**Date: 07<sup>th</sup> August, 2024  
Place: New Delhi**

**Sd/-  
Vikas Kumar Verma  
Managing Partner  
M No. 9192  
C.P No. 10786**

*(This report is to be read with our letter of even date, which is annexed as Annexure A and forms an integral part of this report.)*



**Annexure- A**

**To,**  
**Indo Cotspin Limited Limited**  
Delhi Mile Stone, 78 K.M., NH-44, G.T. Road,  
Village Jhattipur, Post Box-3, Post Office Samalkha,  
Distt. Panipat-132103, Haryana (INDIA)

Our report of even date is to be read along with this letter.

- i. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- ii. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
- iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- iv. Wherever required, we have obtained the management representations about the compliance of laws, rules and regulations and happening of events etc.
- v. The Compliance of provisions of corporate and other applicable laws, rules, regulations & standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
- vi. The Secretarial Audit report is neither an assurance as to the future viability nor of the efficacy of the effectiveness with which the management has conducted the affairs of the Company.

**For Vikas Verma & Associates**  
**Company Secretaries**

**Date: 07<sup>th</sup> August, 2024**  
**Place: New Delhi**

**Sd/-**  
**Vikas Kumar Verma**  
**Managing Partner**  
**M No. 9192**  
**C.P No. 10786**  
**UDIN: F009192F000916087**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**Cautionary Statement:**

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

**Industry structure and developments:**

During the period under the review, the Company had been operating in Textile activities i.e. cloth processing. The textile sector has always been an important part of people's lives in India. The textile industry in India is one of the oldest manufacturing sectors in the country and is currently it's largest. Textile machinery and accessories have been identified as core sectors under Make in India campaign. The government has been pushing for indigenous production through 'Make in India' campaign to bring down imports.

India is the world's second-largest exporter of textiles and apparels, with a massive raw material and manufacturing base. The textile industry is a significant contributor to the economy, both in terms of its domestic share and exports. The Indian textiles industry is extremely varied, with the hand-spun and handwoven textiles sectors at one end of the spectrum, while the capital-intensive sophisticated mills sector at the other end of the spectrum. The decentralized power looms/ hosiery and knitting sector form the largest component of the textiles sector. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world. Industry faces a nonlevel playing field in many markets due to tariff barriers, however industry needs to improve its productivity levels, economies of scale and organize itself better for large production at competitive prices.

**Segment-wise or product-wise performance:**

The primary business of our company is manufacturing of non-woven fabric products.

The Company's main business activity is textile and its related activities which fall under single reportable segment i.e. 'Textiles'. The Company has majorly focused on quality and production.

Nonwoven fabric is a fabric-like material made from long fibres, bonded together by chemical, mechanical, heat or solvent treatment. The term is used in the textile manufacturing industry to denote fabrics, such as felt, which are neither woven nor knitted. Nonwoven materials typically lack strength unless densified or reinforced by a backing. In recent years, nonwovens have become an alternative to polyurethane foam.

Nonwoven fabrics are engineered fabrics that may be a have a limited life, single-use fabric or a very durable fabric. Nonwoven fabrics provide specific functions such as absorbency, liquid repellence, resilience, stretch, softness, strength, flame retardancy, wash ability, cushioning, thermal insulation, acoustic insulation, filtration, use as a bacterial barrier and sterility. These properties are often combined to create fabrics suited for specific jobs, while achieving a good balance between product use-life and cost. They can mimic the appearance, texture and strength of a woven fabric and can be as bulky as the thickest paddings. In combination with other materials, they provide a spectrum of products with diverse properties, and are used alone or as components of apparel, home furnishings, health care, engineering, industrial and consumer goods.

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A large number of fibers are available in the market, but the Nonwovens market is mainly dominated by three fibers, namely polyolefin's, polyester, and rayon. These three fiber types make up a substantial part of the 2023-24 overall Nonwovens markets for fibers.

Nonwovens find numerous applications ranging from baby diapers to industrial high-performance textiles. Some of the important areas where nonwovens are treated as primary alternative for traditional textiles as Geotextiles, materials for building, thermal and sound insulating materials, hygienic and health care textiles and automotive industries. Nonwovens are also used in cover stocks, agriculture, aerospace, home furnishings etc.

With the nonwovens successfully moving into more technical end-uses, the fiber requirements have also become more important with regard to the fiber properties. The cooperation between fiber supplier and fabric producers is now seen as important criteria for more advancement to come about in the nonwovens field.

**Business:**

Incepted in the year 1995, the Company is one of a significant player in Non-Woven Products such as Non-Woven Fabrics, Non-Woven Carpets, Non-Woven Felts, Non-Woven Designer Carpets, Tufted Carpets and many others Textiles Products.

**Product Range:**

- Non-Woven Fabrics
- Non-Woven Carpets
- Non-Woven Felt
- Non-Woven Designer Carpets
- Non-Woven Geo Textiles
- Tufted Carpets

**Factory Location:**

The Company has its manufacturing plant located at Delhi Mile Stone 78 K.M, G.T, Road, NH-44, Village Jhattipur, Post Box No. 3, Post Office, Samalkha, Panipat-132103(Haryana) India.

**Our Quality:**

Maintaining high quality standards in every stage of business is the trademark of our company. We do obey quality dimensions from the beginning of collecting raw materials to delivering the products. Exporting premium quality of products is the hallmark of our corporate entity.

For manufacturing the products, our production team normally uses pp, polyester staple fiber as the raw materials. Our export quality inspection team is well equipped with our in-house latest tools and techniques as well. We usually import products like latex chemicals, textile material and stock lots of textiles, etc.

**Infrastructure:**

Our well-arranged infrastructure includes expert manufacturing team and experienced production unit. Here, our engineers use several equipments like raw material processing machines, designing machines, quality checking machines and many useful tools.

We also have high-tech lab, quality control room, site office in order to strengthening our business. We make different design of carpet items at affordable price, so that customers from across the world get

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benefited by our creativity.

**Product wise performance:**

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

**Opportunities & Threats:**

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. 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.

- i. Factors that may affect results of operations
- ii. Fluctuation and increase in raw material prices.
- iii. Non-availability of raw material and other resources
- iv. Supply of Power
- v. New Competitive products
- vi. Government rules and regulations relating to Textiles Industry
- vii. 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:**

The Company is continuously trying to accomplish the desired results. The Company will achieve more turnovers by various marketing strategies, offering more quality products, launching new products etc. in coming years followed by increase in profit margin by way of various cost cutting techniques and optimum utilization of various resources of the Company.

**Human resource / Industrial relations:**

The Company believes that the human resources are vital in giving the Company a competitive edge in the current business environment. The Company's philosophy is to provide congenial work environment, performance-oriented work culture, knowledge acquisition / dissemination, creativity and responsibility. As in the past, the Company has enjoyed cordial relations with the employees at all levels. The Company continues to run an in-house training program held at regular intervals and aimed at updating their knowledge about issues Internal Control Systems and Adequacy. The Company's operating and business control procedures ensure efficient use of resources and comply with the procedures and regulatory requirements. There are adequate internal controls to safeguard the assets and protect them against losses from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly. The Audit Committee periodically reviews the internal

controls systems and reports their observations to the Board of Directors. The Directors have appointed M/s. R.S. GALYAN & ASSOCIATES Chartered Accountants as the Internal Auditors of the Company for the FY 23-24.

**Details of significant changes (i.e. Change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor:**

<b><u>Particulars</u></b>	<b><u>Financial Year 2023-24</u></b>	<b><u>Financial year 2022-23</u></b>
Debtors Turnover	<b><u>28.62</u></b>	<b><u>8.37</u></b>
Inventory Turnover	<b><u>16.72</u></b>	<b><u>8.76</u></b>
Interest Coverage Ratio	<b><u>9.50</u></b>	<b><u>9.34</u></b>
Current Ratio	<b><u>4.79</u></b>	<b><u>1.68</u></b>
Debt Equity Ratio	<b><u>0.01</u></b>	<b><u>0.01</u></b>
Operating Profit Margin (%)	<b><u>5.26%</u></b>	<b><u>3.95</u></b>
Net Profit Margin (%)	<b><u>0.38%</u></b>	<b><u>2.11</u></b>

**ANNEXURE TO THE DIRECTOR'S REPORT ON CORPORATE GOVERNANCE**

Corporate Governance is the set of best practices. Corporate governance refers to the set of systems, principles and processes by which a Company is governed. They provide the guidelines as to how the Company can be directed or controlled such that it can fulfill its goals and objectives in a manner that adds to the value of the Company and is also beneficial for all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the Board of Directors, management, and shareholders to customers, employees and society. The Corporate Governance is a key element in enhancing investor confidence, promoting competitiveness and ultimately improving economic growth. The aim of "Good Corporate Governance" is to ensure commitment of the Board in managing the Company in a transparent manner for maximizing long-term value of the Company for its shareholders and protection of the rights of the shareholders and your Board of Directors are putting their best efforts to fulfill its commitment towards good Corporate Governance.

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency and growth as well as enhancing investor confidence. The Corporate Governance philosophy is scripted as:

"As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long-term success."

The Company's philosophy of Corporate Governance is to strengthen the investor's trust and ensures a long-term partnership that helps in achieving Company's objectives, meeting its obligations towards stakeholders, and is guided by a strong emphasis on transparency, accountability, integrity and environment responsibility. Our Company's framework is designed to enable the Board to provide strategic guidelines for the Company the effective over-sight of management. The respective roles and responsibilities of Board Members and Senior Executives are clearly defined to facilitate accountability to Company as well as its shareholders. This ensures a balance of authority so that no single individual has unfettered powers. Our Company has taken adequate steps to form various Committees at the Board level to focus attention on crucial issues before placing the same before the Board for consideration. These include 'Audit Committee' and 'Shareholders/Investors Grievance Committee' Independent Directors are appointed not merely to fulfill the listing requirement but for their diverse skills, experience and external objectivity that they bring to effectively perform their role to provide strategic direction and guidance and provide constructive support to management by asking the right questions and generating quality debates and discussions on major decisions.

**MANDATORY REQUIREMENTS**

**BOARD OF DIRECTORS:** The Board of Directors is the apex body constituted by shareholders, for overseeing the Company's overall functioning. It provides strategic direction, leadership and guidance to the Company's management as also monitors the performance of the Company with the objective of creating long-term value for the Company's stakeholders.

**1. CATEGORY AND COMPOSITION**

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a balanced mix of executive, non- executive and Independent Directors. As on date of this report, the Board of Directors consists of 6 (Six) Directors, out of which 4 are Executive Directors, 2 are Non- Executive -Independent directors. None of the Directors are liable to retire by rotation as per

provisions of the Companies Act, 2013. In compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, half of the Board comprises of independent directors.

During the Financial Year under review, 09 (Nine) meetings of the Board of Directors were held. The dates on which the said meetings were held:

1. 03rd April, 2023;
2. 02nd May, 2023;
3. 06th May, 2023;
4. 15th May, 2023;
5. 20th May, 2023;
6. 07th July, 2023;
7. 29th July, 2023;
8. 27th October, 2023;
9. 29th January, 2024;

The intervening gap between the Meetings was within the period prescribed under the SEBI (LODR) Regulations, 2015 and Companies Act, 2013.

The following table, illustrates the composition of the Board, Director's attendance at Board Meetings held during the financial year under review and at the last AGM, number of Directorships held in other public companies, total number of committee positions held in other public companies, and names of other listed entities in which Directorship is held, including category of Directorships, as at March 31, 2024.

S.No.	Name of Director	Designation	No. of Board Meeting eligible to attend	No. of Meetings attended	No. of Meeting in which absent
1	Raj Pal Aggarwal	Whole time Director	9	9	0
2	Bal Kishan Aggarwal	Managing Director	9	9	9
3	Arpan Aggarwal	Whole time Director	9	9	0
4	Sanil Aggarwal	Whole time Director	9	9	0
5	Shubham Singla	Independent Director	9	9	0
6	Shally Aggarwal	Women Independent Director	9	9	0

#### **SEPARATE MEETING OF INDEPENDENT DIRECTORS**

The Company's Independent Directors met once during the financial year 2023-24 on March 11, 2024. Such meeting was conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views as well as on matters prescribed under Schedule IV of the Act.

#### **COMMITTEE OF DIRECTORS:**

Given below is the composition and the terms of reference of various Board constituted Committees, inter alia including the details of meetings held during the year and attendance thereat. All Committee decisions are taken, either at the meetings of the Committee or by passing of circular resolutions. The Company Secretary acts as the secretary for all Board constituted Committees.

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## AUDIT COMMITTEE:

The Audit Committee functions according to its Charter that defines its composition, authority, responsibility and reporting functions in accordance with Section 177 of the Act, Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and US regulations applicable to the Company and is reviewed from time to time. Whilst, the terms of reference is available on the Company's website <https://www.indocotspin.com/board-of-directors.html> , given below is a gist of the responsibilities of the Audit Committee, after incorporating therein the regulatory changes mandated under the Listing Regulation:

- i. Reviewing with the management, quarterly/annual financial statements before submission to the Board, focusing primarily on:
  - The Company's financial reporting process and the disclosure of its financial information, including earnings, press release, to ensure that the financial statements are correct, sufficient and credible;
  - Reports on the Management Discussion and Analysis of financial condition, results of Operations and the Directors' Responsibility Statement;
  - Major accounting entries involving estimates based on exercise of judgment by Management;
  - Compliance with accounting standards and changes in accounting policies and practices as well as reasons thereof;
  - Draft Audit Report, qualifications, if any and significant adjustments arising out of audit
  - Scrutinise inter corporate loans and investments; and;
  - Approval or any subsequent modification of transactions with related parties, including omnibus related party transactions.
- ii. Review the statement of uses/applications of funds by major category and the statement of funds utilized for purposes other than as mentioned in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights or private placement issue, and make appropriate recommendations to the Board to take up steps in this matter. These reviews are to be conducted till the money raised through the issue has been fully spent.
- iii. Review with the management, statutory auditor and internal auditor, adequacy of internal control systems, identify weakness or deficiencies and recommending improvements to the management.
- iv. Recommend the appointment/removal of the statutory auditor, cost auditor, fixing audit fees and approving non-audit/consulting services provided by the statutory auditors' firms to the Company and its subsidiaries; evaluating auditors' performance, qualifications, experience, independence and pending proceedings relating to professional misconduct, if any.
- v. Review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the chief internal auditor, coverage and frequency of internal audit, appointment, removal, performance and terms of remuneration of the chief internal auditor.
- vi. Discuss with the internal auditor and senior management, significant internal audit findings and follow-up thereon.
- vii. Review the findings of any internal investigation into matters involving suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board.
- viii. Discuss with the statutory auditor before the audit commences, the nature and scope of audit, as well as conduct post-audit discussions to ascertain any area of concern.
- ix. Review the functioning of the Vigil Mechanism under the Whistle-Blower policy of the Company.



- x. Review the financial statements and investments made by subsidiary companies and subsidiary oversight relating to areas such as adequacy of the internal audit structure and function of the subsidiaries, their status of audit plan and its execution, key internal audit observations, risk management and the control environment.
- xi. Look into reasons for any substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any.
- xii. Review the effectiveness of the system for monitoring compliance with laws and regulations.
- xiii. Approve the appointment of CFO after assessing the qualification, experience and background etc. of the candidate.
- xiv. To approve and review policies in relation to the implementation of the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices ("Code") to note the dealings by Designated Persons in securities of the Company and to provide directions on any penal action to be initiated, in case of any violation of the Code.

**During the Year under review 05 (Five) meetings of the Audit Committee were convened and held. The dates on which the said meetings were held:**

1. 15<sup>th</sup> May, 2023
2. 29<sup>th</sup> July, 2023
4. 29<sup>th</sup> October, 2023
5. 24<sup>th</sup> January, 2024

S.No.	Name of the Members	Designation	No. of Audit Committee Meetings attended during the year
1.	Mr. Shubham Singla	Chairman and Independent Director	5
2.	Ms. Shally Aggarwal	Member and Independent Director	5
3.	Mr. Rajpal Aggarwal	Member and Executive Director	5

During the year, all recommendations of the audit committee were approved by the Board of Directors

#### **NOMINATION AND REMUNERATION COMMITTEE:**

The NRC of the Company functions according to its terms of reference, that defines its objective, composition, meeting requirements, authority and power, responsibilities, reporting and evaluation functions in accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. The suitably revised terms of reference enumerated in the Committee Charter, after incorporating therein the regulatory changes mandated under the SEBI Listing Regulations, are as follows:

- Recommend the set up and composition of the Board and its Committees including the "formulation of the criteria for determining qualifications, positive attributes and independence of a director". The Committee periodically reviews the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Support the Board in matters related to the setup, review and refresh of the Committees.
- Devise and review a policy on Board diversity.
- Recommend the appointment / reappointment or removal of Directors, in accordance with the criteria laid down, including IDs on the basis of their performance evaluation report.

- Identify and recommend to the Board appointment or removal of Key Managerial Personnel ('KMP') and Senior Management of the Company in accordance with the criteria laid down. In case of appointment of CFO the Committee shall identify persons, to the Audit Committee and the Board of Directors of the Company.
- Carry out evaluation of every Director's performance and support the Board, its Committees and individual Directors, including "formulation of criteria for evaluation of Independent Directors and the Board"
- Oversee the performance review process for the KMP and Senior Management of the Company with a view that there is an appropriate cascading of Company's goals and targets and on an annual basis, review the performance of the Directors, KMP and Senior Management and recommend their remuneration.
- Recommend the Remuneration Policy for Directors, KMP, Senior Management and other employees.

In line with the provisions of **Section 178** of the Companies Act, 2013. The Nomination and Remuneration Committee recommends the appointment of Directors and remuneration of such Directors. The level and structure of appointment and remuneration of all Key Managerial personnel and Senior Management Personnel of the Company, as per the Remuneration Policy, is also overseen by this Committee.

Our Company has constituted a nomination and remuneration committee ("Nomination and Remuneration Committee"). The details of the composition of the Committee are set out in the following table:

S.No.	Name	Status	Designation
1.	Mr. Shubham Singla	Independent Director	Chairman
2.	Ms. Shally Aggarwal	Independent Director	Member
3.	Mr. Rajpal Aggarwal	Executive Director	Member

During the Financial Year under review **02 (Two)** meetings of the Nomination and Remuneration Committee were convened and held. The dates on which the said meetings were held:

1. 10<sup>th</sup> October, 2023
2. 25<sup>th</sup> March, 2024

S.No.	Name of the Members	Designation	No. of Nomination and Remuneration Committee Meetings attended during the year
1.	Mr. Shubham Singla	Chairman and Independent Director	2
2.	Ms. Shally Aggarwal	Member and Independent Director	2
3.	Mr. Rajpal Aggarwal	Member and Executive Director	2

The performance evaluation criteria for Non-Executive Directors, including IDs, is determined by the NRC. An indicative list of factors that were evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, role in Board constituted committees, integrity and maintenance of confidentiality and independence of behavior and judgment.

## **STAKEHOLDERS' RELATIONSHIP COMMITTEE ('SRC')**

The SRC functions in accordance with Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations. The suitably revised terms of reference enumerated in the Committee Charter, after incorporating therein the regulatory changes mandated under the SEBI Listing Regulations, are as follows:

- Approve issue of duplicate certificates for securities and transmission of securities.
- Resolve grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review measures taken for effective exercise of voting rights by shareholders.
- Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of the Company.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

### **Composition of Committee:**

<b>S.No.</b>	<b>Name</b>	<b>Status</b>	<b>Designation</b>
1.	Ms. Shally Aggarwal	Independent Director	Chairman
2.	Mr. Shubham Singla	Independent Director	Member
3.	Mr. Rajpal Aggarwal	Executive Director	Member

During the Financial Year under review **02 (Two)** meetings of the Nomination and Remuneration Committee were convened and held. The dates on which the said meetings were held:

1. **12<sup>th</sup> October, 2023**
2. **27<sup>th</sup> March, 2024**

<b>S.No.</b>	<b>Name of the Members</b>	<b>Designation</b>	<b>No. of Nomination and Remuneration Committee Meetings attended during the year</b>
1.	Ms. Shally Aggarwal	Chairman and Independent Director	2
2.	Mr. Shubham Singla	Member and Non-Executive Director	2
3.	Mr. Rajpal Aggarwal	Member and Executive Director	2

### **COMPLIANCE OFFICER OF THE COMPANY:**

During, the period under review, Mr. Nitin Nandwani, Company Secretary is the Compliance Officer for complying with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & SEBI (LODR), Regulation, 2015 and is responsible for complying with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

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**CODE OF CONDUCT:**

The Board of the Company has laid down Code of Conduct for all the Board members of the Company and Senior Management as well and the same has been posted on Website of the Company. Annual Compliance Report for the year ended March 31, 2024 has been received from all the Board members and senior management of the Company regarding the compliance of all the provisions of Code of Conduct. Declaration regarding compliance by Board members and senior management personnel with the Company's Code of Conduct is hereby attached as annexure to this report.

The Company does not have any such subsidiary during the accounting year under review.

**GENERAL BODY MEETINGS:****Annual General Meetings:**

All resolutions moved at the last years' AGM, were passed by means of electronic voting, by the requisite majority of members.

**MEANS OF COMMUNICATIONS:**

The Company recognizes communication as a key element to the overall Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies.

**Financial Results:** The Quarterly, Half Yearly and Annual Results are regularly submitted to the BSE Limited (BSE) as well as uploaded on the Company's website and are published in newspapers, namely the Financial Express (English) and Jansatta (Hindi).

Additionally, the results and other important information are also periodically updated on the Company's website <https://www.indocotspin.com/board-of-directors.html>

**Website:** The Company's website is a comprehensive reference on its leadership, management, vision, policies, corporate governance, sustainability and investor relations. The Members can access the details of the Board, the Committees, Policies, Board committee Charters, financial information, statutory filings. In addition, various downloadable forms required to be executed by the shareholders have also been provided on the website of the Company.

**Annual Report:** The information regarding the performance of the Company is shared with the shareholders vide the Annual Report. The Annual Reports for FY 2023-24 are being sent in electronic mode, to all members who have registered their email ids for the purpose of receiving documents / communication in electronic mode with the Company and / or Depository Participants. The Annual Reports are also available in the Company's website <https://www.indocotspin.com/board-of-directors.html>.

**Electronic Communication:** The Company had during FY 2023-24 sent various communications including Annual Reports, by email to those shareholders whose email addresses were registered with the Company / Depositories. In support of the 'Green Initiative' the Company encourages Members to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company, on a real-time basis without any delay.

**Scores:** A centralized web-based complaints redress system 'Scores' which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports by the concerned companies and online viewing by the investors of actions taken on complaint and its current status.

## **GENERAL INFORMATION FOR MEMBERS:**

### **ANNUAL GENERAL MEETING:**

<b>Date and Time:</b>	Monday, September 02, 2024
<b>Venue:</b>	<p>The Ministry of Corporate Affairs (“MCA”) inter-alia vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 (collectively referred to as “<b>MCA Circulars</b>”) has permitted the holding of the annual general meeting through Video Conferencing (“<b>VC</b>”) or through other audio-visual means (“<b>OAVM</b>”), <b>without the physical presence of the Members at a common venue.</b></p> <p>In compliance with the provisions of the Companies Act, 2013 (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the 29th Annual General Meeting (“Meeting” or “AGM”) of the Company is being held through VC / OAVM on Monday, September 02, 2024, at 03:00 p.m. (IST). The proceedings of the AGM deemed to be conducted at Delhi Mile Stone, 78 K.M., NH-44, G.T. Road, Village Jhattipur, Delhi Post Box-3, Post Office Samalkha, Distt. Panipat-132103, Haryana (India).</p>

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards-2 on General Meetings, details of Director seeking appointment / re-appointment at this AGM are given in the Annexure to the Notice of the forthcoming AGM.

**FINANCIAL YEAR:** Ending March 31, 2024.

### **LISTINGS**

The Company’s shares are listed on the BSE Ltd. (BSE). The following are the details of Company’s shares:

<b>Type</b>	Equity Shares
<b>ISIN</b>	INE407P01017
<b>Scrip Code</b>	538838
<b>Symbol</b>	ICL

### **MARKET INFORMATION**

Market price data - monthly high/low of the closing price and trading volumes on BSE depicting liquidity of the Company’s Ordinary Shares on the said exchanges is given hereunder: -

<b>Month</b>	<b>High Price</b>	<b>Low Price</b>	<b>No. of Shares</b>	<b>No. of Trades</b>
Apr-23	37.68	26.18	8,678	210
May-23	40.39	29.10	10,543	270
Jun-23	39.49	32.05	16,648	185
Jul-23	38.31	32.02	22,792	290
Aug-23	50.50	35.92	49,500	523
Sep-23	43.86	38.92	20,163	151
Oct-23	42.98	35.78	7,258	180
Nov-23	42.89	34.25	13,757	263

Dec-23	52.89	36.48	38,072	574
Jan-24	53.43	44.27	24,511	288
Feb-24	49.18	39.25	62,612	448
Mar-24	47.00	40.50	13,518	147

## **REGISTRAR AND TRANSFER AGENTS**

In order to expedite the process of shares transfers, the Board has appointed Skyline Financial Private Limited as Share Transfer Agent and register of the Company. The transfer agent will generally attend to the transfer formalities once in a fortnight and operate subject to the overall supervision of Shareholders/ Investor Grievances Committee.

In compliance with the Listing Guidelines, every six months, the Share Transfer System is audited by a Company Secretary in practice and a certificate to that effect is issued by them.

## **STATUTORY DISCLOSURES:**

No transactions of material nature have been entered into by the Company with any of the promoters, Directors, their related companies, firms, subsidiaries or relatives etc. that may have a potential conflict with interest of the Company. The Company has not been penalized, nor have any strictures been passed by the Stock Exchanges, SEBI etc.

## **NO DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

The Company has obtained a Certificate from M/s. Vikas Verma and Associates, Company Secretaries confirming that none of the Directors on the board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority, as stipulated under Regulation 34 (3) of SEBI (LODR) which forms part of this Report as **Annexure - A**.

## **DISCLOSURES:**

The Board of Directors receives from time to time disclosures relating to financial and commercial transactions from key managerial personnel of the Company where they and /or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large.

The details of the Related Party Transaction are placed before the audit committee as well as to the Board of Directors in terms of applicable laws for approval.

## **RISK MANAGEMENT**

The Company has in place a Risk Management policy, which lays down a robust and dynamic process for identification and mitigation of risks. This policy has been adopted by the Audit Committee as well as the Board of Directors of the Company. The Audit Committee reviews the management and mitigation plan from time to time.

## **DEMATERIALISATION OF SHARES AND LIQUIDITY**

The Company shares are traded in dematerialized form and have to be delivered in the dematerialized form to the stock exchange. To enable that shareholders have an easy access to the Demat system, the company has executed agreements with both Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The company has appointed M/s Skyline

Financial Services Private Limited, Registrar for the purpose of electronic connectivity as well as for physical mode of transfer of shares.

#### **ADDRESS FOR CORRESPONDENCE**

##### **Corporate Office:**

Delhi Mile Stone 78 K.M, NH-44, G.T, Road, Village Jhattipur, Post Box No. 3, Post Office, Samalkha, Panipat-132103 (Haryana) [www.indocotspin.com](http://www.indocotspin.com) and [www.indocotspi.in](http://www.indocotspi.in)  
Email: [info@indocotspin.com](mailto:info@indocotspin.com)

##### **ADDRESS OF THE REGISTRAR AND SHARE TRANSFER AGENT:**

Skyline Financial Services Private Limited  
D-153 A, 1st Floor, Okhla Industrial Area  
Phase-I, New Delhi-110020  
Ph:- 011-40450193 - 97, Fax:- 011-41044923  
Email Id: [info@skylinerta.com](mailto:info@skylinerta.com),  
Website: [www.skylinerta.com](http://www.skylinerta.com)

#### **DECLARATION**

None of the Director of the Company is a Director (including any alternate directorship) of more than 20 Companies as per the provisions of Section 165 of the Companies Act, 2013 and member of more than 10 committees or Chairman of more than 5 committees across all companies in which he is a Director.

#### **RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

To reconcile the total admitted capital with NSDL & CDSL and the total issue and listed capital, A Reconciliation of Share Capital Audit Report under Regulation 76 of Depository Participants Act, is carried out by a Company Secretary in Practice on Quarterly basis.

#### **For Indo Cotspin Limited**

Bal Kishan Aggarwal  
Managing Director  
Date: 07<sup>th</sup>August, 2024  
Place: Panipat

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**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT  
PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. The Code of Conduct as adopted is available on the Company's website. I confirm that the Company has in respect of the Financial Year ended March 31, 2024, received from the Senior Management team of the Company and the members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

For **Indo Cotspin Limited**

Bal Kishan Aggarwal  
Managing Director  
Date: 07<sup>th</sup> August, 2024  
Place: Panipat



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**CEO/CFO CERTIFICATION IN RESPECT OF FINANCIAL STATEMENTS AND CASH FLOW STATEMENT (PURSUANT TO REGULATION 17 (8) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS), REGULATIONS, 2015 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March 2024 and we hereby certify and confirm to the best of our knowledge and belief the following:

- a. The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are following existing accounting standards, applicable laws and regulations.
- c. There are no transactions entered in to by the Company during the year ended 31st March 2024 which are fraudulent, illegal or violative of Company's Code of Conduct.
- d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.
- e. There have been no significant changes in the above-mentioned internal controls over financial reporting during the relevant period.
- f. That there have been no significant changes in the accounting policies during the relevant period.
- g. We have not noticed any significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting.

**For Indo Cotspin Limited**

Vijay Pal  
CFO  
Date: 07<sup>th</sup> August, 2024  
Place: Panipat

## **INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Shareholders**  
**Indo Cotspin Limited**  
**Panipat**

### **Report on Financial Statements**

We have audited the accompanying financial statements of Indo Cotspin Limited ("the company") which comprise of the Balance Sheet as at 31 March, 2024, the Profit & Loss Statement, Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under section 133 of the Companies Act 2013 and the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS Rules') and its amendments, of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, on a test basis, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2024
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Matters**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. We have inquired into the matters specified under section 143(1) and based on the information and explanations given to us, there is no matter to be reported under this section.
3. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) In our opinion and based on the information and explanations given to us, there are no financial transactions or matters which have any adverse effect on the functioning of the company.
  - f) On the basis of written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of subsection (2) of Section 164 of the Companies Act, 2013.
  - g) There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith.

h) With regards to the adequacy and operating effectiveness of the internal financial controls over financial reporting system in place and their operating effectiveness, a report as "**Annexure B**" giving our responsibilities and opinion has been annexed herewith.

i) Such other matters as are prescribed by the Companies (Audit and Auditors) Rules, 2014 namely:-

i) The company has disclosed the impact, if any, of pending litigations on its financial position in its financial statements.

ii) The company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii) There has been no any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

**For Dinesh Kumar Goel & Co.**  
**Chartered Accountants**

**FCA Manoj Kumar**  
**Partner**  
**M.No. 500485**  
**Firm Regd. No. 011027N**  
**Panipat: 13.05.2024**

**UDIN: 24500485BKACNH7264**

## **"Annexure A" to Auditor's Report**

### **[Referred to in above the Auditor's Report of even date for M/s Indo cotspin Limited on the Financial Statements for the year ended 31st March 2024**

1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.  
  
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 fixed assets. No material discrepancies were noticed on such physical verification.  
  
c) According to the information and explanation given to us and on verification, the title deeds of immovable properties are held in the name of the company.

2. In respect of its Inventories:

As per the information provided to us, Inventory has been physically verified by the management during the year and no material discrepancies were noticed.

3. a) According to information and explanation given to us, the Company has not granted any secured or unsecured loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.

In view of the above, provisions of clause 3(iii) (b) and (c) are not applicable to the company.

4. In our opinion and according to information and explanation given to us, the company has, in respect of loans, investments, guarantees, and security provisions, complied with section 185 and 186 of the Companies Act, 2013.
5. According to the information and explanation given to us, the company has not accepted any deposits, whether the directives issued by the Reserve Bank of India, and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. Hence the provisions of clause 3(v) are not applicable to the company.
6. Pursuant to the rules made by the Central Government, the maintenance of Cost Records have been prescribed u/s 148(1) of the Companies Act, 2013. We are of the view that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

7. In respect of Statutory Dues:
  - a) According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also management representations, undisputed statutory dues in respect of Provident fund, employees' state insurance, Income Tax, Sales Tax, Service tax, Custom duty, Excise duty, Value added tax, Cess and other statutory dues, if any, applicable to it, has been regularly deposited with the appropriate authorities.
  - 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, 2024 for a period of more than six months from the date of becoming payable.
8. In our opinion and according to the information and explanation given to us and the books of accounts verified by us, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.
9. The Company has neither raised moneys by way of public issue/ follow-on offer (including debt instruments) nor taken any term loans during the year. Accordingly, the provisions of clause 3(ix) are not applicable to the Company.
10. During the course of our examination of the books of account carried in accordance with the generally accepted auditing standards in India, we have neither come across any instance of fraud on or by the Company, either noticed or reported during the year, nor have we been informed of such case by the Management.
11. According to the information and explanation given to and the books of accounts verified by us, the Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The Company is not a Nidhi Company, hence the provision of clause 3(xii) are not applicable to the company.
13. According to the information and explanation given to us and the record produced before us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
14. According to information and explanation given to us, the Company during the year, has not made any preferential allotment or private placement of shares or fully or partly convertible debentures, hence the provision of clause 3(xiv) are not applicable to the company.
15. According to the information and explanation given to us and the books of accounts verified by us, the company has not entered into any non-cash transactions with directors or persons connected with him.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
17. The company has not incurred any cash losses during the current year as well as in the immediately preceding financial year.
18. There has been no resignation of the Statutory Auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payments of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as the the date of Audit Report indicating that company is not capable of meeting its liabilities existing at the balance sheet date.
20. CSR is not applicable to the company. Accordingly the provisions of clause 3(xx) of the Order are not applicable to the company.

**For Dinesh Kumar Goel & Co.**  
**Chartered Accountants**

**FCA Manoj Kumar**  
**Partner**  
**M.No. 500485**  
**Firm Regd. No. 011027N**  
**Panipat: 13.05.2024**

## **"Annexure B" to Auditor's Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.**

To  
The Shareholders  
Indo Cotspin Limited  
Panipat

We have audited the internal financial controls over financial reporting of Indo Cotspin Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on financial reporting criteria established by the Company considering the essential components of internal controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based



on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on internal control over financial reporting

**Dinesh Kumar Goel & Co.**  
**Chartered Accountants**

**Room No7, Leela Chartbhuj Trust Building**  
**Geeta Mandir Road, Panipat- 132103**  
**Ph No. 0180 - 4068347**

criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India

**For Dinesh Kumar Goel & Co.**  
**Chartered Accountants**

**FCA Manoj Kumar**  
**Partner**  
**M.No. 500485**  
**Firm Regd. No. 011027N**  
**Panipat: 13.05.2024**

## **REPORT OF AUDITORS ON CORPORATE GOVERNANCE**

**To**  
**The Shareholders**  
**Indo Cotspin Limited**  
**Panipat**

We have examined the compliance of the conditions of Corporate Governance by Indo Cotspin Limited for the year ended 31<sup>st</sup> March,2024, as stipulated in Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable

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

**For Dinesh Kumar Goel & Co.**  
**Chartered Accountants**

**FCA Manoj Kumar**  
**Partner**  
**M.No. 500485**  
**Firm Regd. No. 011027N**  
**Panipat: 13.05.2024**

**Indo Cotspin Limited**  
**BALANCE SHEET AS AT 31st March,2024**

PARTICULARS	Sch. No.	As At 31ST MARCH,2024	As At 31ST MARCH,2023
<b>I. ASSETS</b>			
-1 Non-Current Assets			
(a) Property, Plant and Equipment	1	31,149,451.43	44,221,185.15
(b) Capital Work in Progress		0.00	0.00
(c) Non Current Investments	2	121,078.00	101,078.00
(d) Intangible Assets Under Development		0.00	0.00
(e) Financial Assets			
(i) Long Term Loans and Advances	3	613,760.00	613,760.00
(ii) Other Non- Current Financial Assets		0.00	0.00
(f) Deferred Tax Assets (Net)	4	1,853,008.83	1,263,743.82
(g) Other Non-Current Assets		0.00	0.00
		<u>33,737,298.26</u>	<u>46,199,766.97</u>
-2 Current Assets			
(a) Inventories	5	9,942,869.40	15,079,049.00
(b) Financial Assets			
(i) Trade Receivables	6	5,808,336.00	15,784,189.00
(ii) Cash and Cash Equivalents	7	17,748,457.93	16,975,769.01
(iii) Bank Balances other than (iii) above		0.00	0.00
(iv) Short Term Loans and Advances	8	5,259,334.85	8,820,595.56
(c) Current Investments	9	7,201,942.64	1,025,270.22
(d) Other Current Assets	10	0.00	271,526.69
		<u>45,960,940.82</u>	<u>57,956,399.48</u>
Total Assets		<u>79,698,239.08</u>	<u>104,156,166.45</u>
<b>II. EQUITY AND LIABILITIES</b>			
-1 Equity			
(a) Equity Share Capital	11	42,005,000.00	42,005,000.00
(b) Other Equity	12	26,498,006.31	25,833,592.80
		<u>68,503,006.31</u>	<u>67,838,592.80</u>
-2 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Long Term Borrowings	13	541,407.33	869,638.60
(ii) Non current Financial Liabilities		0.00	0.00
(b) Other Non Current Liabilities		0.00	0.00
(c) Long Term Provisions	14	1,062,085.30	992,085.30
		<u>1,603,492.63</u>	<u>1,861,723.90</u>
-3 Current Liabilities			
(a) Financial Liabilities			
(i) Short Term Borrowings	15	0.00	0.00
(ii) Trade Payables	16	8,581,069.00	24,599,341.00
(b) Other Current Liabilities	17	453,706.00	9,413,229.00
(c) Short Term Provisions		0.00	0.00
(d) Current Tax Liabilities (Net)	18	556,965.14	443,279.75
		<u>9,591,740.14</u>	<u>34,455,849.75</u>
Total Equity & Liabilities		<u>79,698,239.08</u>	<u>104,156,166.45</u>

As per our separate report of even date.

UDIN : 24500485BKACNH7264

For Dinesh Kumar Goel & Co.

Chartered Accountants

(FCA MANOJ GOEL)

Partner

Membership No. 500485

Firm's Regn. No. 011027N

Place : Panipat

Date : 13.05.2024

For Indo Cotspin Limited

(Raj Pal Aggarwal)  
Whole Time Director  
DIN: 00456189

(Bal Kishan Aggarwal)  
Managing Director  
DIN: 00456219

(Vijay Pal)  
Chief Financial Officer  
Pan: AAPP6485R

Vikas Verma &  
Associates  
(Trigun Sharma)  
Company Secretary)  
ACS No. 61140

**MANUFACTURING , TRADING & PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED ON 31ST MARCH,2024**

PARTICULARS	Sch. No.	Year Ended 31ST MARCH,2024	Year Ended 31ST MARCH,2023
I. Revenue from Operations	19	166,248,525.00	132,135,887.60
II. Other Income	20	99,959.84	3,274,855.17
<b>Total Income</b>		<b>166,348,484.84</b>	<b>135,410,742.77</b>
III. Expenses			
Cost of Material Consumed	21	121,260,347.94	91,845,743.35
Purchase of Stock-in-Trade	22	7,127,704.27	11,468,751.70
(Increase)/Decrease in F.G.,WIP & Stock in Trade	23	3,287,111.00	1,833,024.00
Employee Benefit Expenses	24	4,463,341.00	3,344,159.00
Finance Costs	25	74,393.63	396,932.24
Depreciation & Amortisation Expense	26	8,119,657.13	6,129,588.00
Other Expenses	27	21,383,816.22	17,596,411.50
<b>Total Expenses</b>		<b>165,716,371.19</b>	<b>132,614,609.79</b>
IV Profit/(Loss) for the year Before Exceptional Items & Tax		<b>632,113.65</b>	<b>2,796,132.98</b>
Exceptional Items- (Income)/ Expenses- Net		0.00	0.00
V Profit/(Loss) for the year Before Tax		<b>632,113.65</b>	<b>2,796,132.98</b>
VI Tax Expense:			
-1 Current Tax		556,965.14	443,279.75
-2 Previous Year Tax		0.00	0.00
-3 Deferred Tax		-589,265.00	-180,408.14
VII Profit/(Loss) for the year After Tax		<b>664,413.52</b>	<b>2,533,261.38</b>
VIII Other Comprehensive Income			
i) Items that will not be reclassified to profit or loss		0.00	0.00
ii) Income tax relating to Items that will not be reclassified to profit or loss		0.00	0.00
iii) Items that will be reclassified to profit or loss		0.00	0.00
iv) Income tax relating to Items that will be reclassified to profit or loss		0.00	0.00
		<b>0.00</b>	<b>0.00</b>
IX Total Comprehensive Income (VII+VIII)		664,413.52	2533261.38
X Earning Per Equity Share:			
Basic/Diluted		0.02	0.56

As per our separate report of even date.

UDIN : 24500485BKACNH7264

For Dinesh Kumar Goel & Co.

Chartered Accountants

(FCA MANOJ GOEL)  
Partner  
Membership No. 500485

Firm's Regn. No. 011027N

Place : Panipat  
Date : 13.05.2024

For Indo Cotspin Limited

(Raj Pal Aggarwal)  
Whole Time Director  
DIN: 00456189

(Vijay Pal)  
Chief Financial Officer  
Pan: AAPPP6485R

(Bal Kishan Aggarwal)  
Managing Director  
DIN: 00456219

Vikas Verma &  
Associates  
(Trigun Sharma)  
Company Secretary)  
ACS No. 61140

## Indo Cotspin Limited

CIN: L17111HR1995PLC032541

Notes to Accounts Forming Integral Part of the Balance Sheet As At 31ST MARCH 2024

### NOTE : 1

#### CORPORATE INFORMATION

Indo Cotspin Limited "The Company" is domiciled in india and was incorporated under the provisions of The Companies Act, 1956. The Company is having its registered office and manufacturing at G.T. Road ,NH-44 ,Village Jhattipur, Samalkha, Panipat

The Company is primarily engaged in the business of Non Woven Fabric/ Tufted Carpet manufacturing & trading of textile goods.

### NOTE : 2

#### SIGNIFICANT ACCOUNTING POLICIES

##### A. Basis of Preparation of Financial Statements

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 "the Act" For all periods upto and including the year ended JUNE 31, 2017, Financial Statements were prepared in accounting standards notified under the section 133 of the Companies Act, 2013 and other relevant provisions of the Act. The financials statements for the year ended JUNE 31, 2019 and onwards are the financial statements under Ind AS. The financial statements are prepared on a historical cost basis, except where the financial assets and liabilities had to be measured at fair value.

##### B. Use of estimates

The preparation of financial statements is in conformity with the Ind AS which requires the management to make judgements, estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the managements best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

##### C. Fixed Assets

###### (i) Tangible Assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any.

###### (ii) Intangible Assets

There is no intangible asset.

##### D. Depreciation and Amortisation

Depreciation on fixed assets is provided to the extent of depreciable amount on the basis useful life prescribed in Schedule II to the Companies Act , 2013

## Indo Cotspin Limited

CIN: L17111HR1995PLC032541

Notes to Accounts Forming Integral Part of the Balance Sheet As At 31ST MARCH, 2024

##### E. Investments

Long term investments are stated at cost. FDR are short term in nature.

##### F. Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolesence, 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.

##### G. Revenue Recognition

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

##### H. Provision for Current and Deffered 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 assets 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

CIN: L17111HR1995PLC032541

Notes to Accounts Forming Integral Part of the Balance Sheet As At 31ST MARCH, 2024

Schedule : 2 Non Current Investments

1 Investment In Popular Plant	121,078.00	101,078.00
Total	<u>121,078.00</u>	<u>101,078.00</u>

Schedule : 3 Long Term Loans & Advances

1 Security Deposits		
(a) Secured Considered Good (Electricity Security)	613,760.00	613,760.00
(b) Unsecured Considered Good	0.00	0.00
(c) Doubtful	0.00	0.00
Total	<u>613,760.00</u>	<u>613,760.00</u>

Schedule : 4 Deferred Taxation

Deferred Taxation

Particulars	Year Ended 31ST MARCH, 2024	Year Ended 31ST MARCH, 2023
Computation of Deferred Tax Assets/ Liabilities		
Deferred Tax Liabilities on Account of Depreciation	(1,853,008.83)	(1,263,743.82)
Difference		
Less : Deferred Tax Assets on Account of Disallowances under Income Tax Act, 1961	0.00	0.00
Net Deferred Tax Liabilities	<u>-1,853,008.83</u>	<u>-1,263,743.82</u>

Schedule : 5 Inventories

( At lower of cost and net realisable value)

1 Raw Materials	4,352,291.40	4,972,217.00
2 Work-in-Progress	25,870.00	49,380.00
3 Finished Goods	3,975,395.00	7,238,996.00
4 Trading Stock	0.00	0.00
5 Consumable Stores & Spares	1,589,313.00	2,818,456.00
6 Power & Fuel	0.00	0.00
Total	<u>9,942,869.40</u>	<u>15,079,049.00</u>

Schedule : 6 Trade Receivables

1 Outstanding for more than six months		
(a) Secured Considered Good	0.00	0.00
(b) Unsecured Considered Good	0.00	0.00
(c) Doubtful	0.00	0.00
Less: Provision for doubtful trade receivables	0.00	0.00
Sub Total (A)	<u>0.00</u>	<u>0.00</u>
2 Others		
(a) Secured Considered Good	5,758,335.00	15,784,189.00
(b) Unsecured Considered Good	0.00	0.00
(c) Doubtful	0.00	0.00
Less: Provision for doubtful trade receivables	0.00	0.00
(d) Advances to Suppliers	50,001.00	0.00
Sub Total (B)	<u>5,808,336.00</u>	<u>15,784,189.00</u>
Total (A + B)	<u>5,808,336.00</u>	<u>15,784,189.00</u>

**Indo Cotspin Limited**

CIN: L17111HR1995PLC032541

Notes to Accounts Forming Integral Part of the Balance Sheet As At 31ST MARCH,2024

**Schedule : 7 Cash & Cash Equivalents**

1	Cash-in-Hand		
	Cash-in-Hand	308,592.92	909,835.00
	Sub Total (A)	<u>308,592.92</u>	<u>909,835.00</u>
2	Bank Balances		
	Balance with Scheduled Banks		
	State Bank of India	54,804.07	107,218.07
	HDFC Bank Limited	952,016.50	569,875.68
	Kotak Mahindra Bank OD	6,361,324.24	15,388,840.26
3	FDR's	10,000,000.00	0.00
4	Accrued Interest on FDR's	71,720.20	0.00
	Sub Total (B)	<u>17,439,865.01</u>	<u>16,065,934.01</u>
	Total (A + B)	<u>17,748,457.93</u>	<u>16,975,769.01</u>

**Schedule : 8 Short Term Loans & Advances**

1	Other Advances (Secured)		
(a)	Balance with Income Tax(Advance Tax)	260,000.00	200,000.00
(b)	Interest Receivable Account	0.00	0.00
(c)	Prepaid Insurance	251,518.00	230,640.00
(d)	TDS Receivable	9,888.00	20,436.87
(e)	TCS Receivable	0.00	0.00
(f)	Advances Against Supplies	0.00	0.00
(g)	GST Receivable	4,737,928.85	8,369,518.69
(h)	TDS Receivable on FDR Interest	0.00	0.00
	Total	<u>5,259,334.85</u>	<u>8,820,595.56</u>

**Schedule : 9 Current Investments**

1	Investments in Quoted Shares	1,000,093.59	1,016,143.85
2	PCJ Share Investment Account	131,849.05	9,126.37
3	SBI Premier Liquid Fund Account	6,070,000.00	0.00
		<u>7,201,942.64</u>	<u>1,025,270.22</u>

**Schedule : 10 Other Current Assets**

1	Income Tax Refund		
	Refund Due (AY 2022-23)	0.00	8,540.69
	Amount Recoverable from Bank Due to Fraud	0.00	262,986.00
	Total	<u>0.00</u>	<u>271,526.69</u>



Indo Cotspin Limited

CIN: L17111HR1995PLC032541

Notes to Accounts Forming Integral Part of the Balance Sheet As At 31ST MARCH,2024

Schedule : 11 Share Capital

A. AUTHORISED SHARE CAPITAL		
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>
ISSUED & SUBSCRIBED SHARE CAPITAL		
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>
PAID UP SHARE CAPITAL		
42,00,500 Equity Shares of Rs 10/- each. Fully Paid-Up	42,005,000.00	42,005,000.00
	<u>42,005,000.00</u>	<u>42,005,000.00</u>
<b>Total</b>	<u><u>42,005,000.00</u></u>	<u><u>42,005,000.00</u></u>

The Company has only one class of Equity Share having Par Value of Rs. 10 Per Share and Each Shareholder is eligible for One Vote Per Share.

B. Reconciliation of Number of Equity Shares outstanding at the beginning and at the end of the year.		
Number of Shares Outstanding at the beginning of the year	4,200,500.00	4,200,500.00
Add : Number of Shares allotted & paid up during the year	0.00	0.00
	<u>4,200,500.00</u>	<u>4,200,500.00</u>
Less : Number of Shares Bought Back during the year	0.00	0.00
Number of Shares outstanding at the end of the year.	<u>4,200,500.00</u>	<u>4,200,500.00</u>

C. Details of Shares held by Shareholders having more than 5% of the aggregate shares in the company.

Name of Shareholder	As at 31ST MARCH 2024		As at 31ST MARCH , 2023	
	No. of Shares	% of	No. of Shares	% of
	Held	Shareholding	Held	Shareholding
Bal Kishan Aggarwal	4,95,100	11.78	4,95,100	11.78
Raj pal Aggarwal	4,88,900	11.64	4,88,900	11.64
Ritu Garg	328,800	7.83	328,800	7.83

Schedule : 12 Other Equity

1 Securities Premium Reserve	4,995,000.00	4,995,000.00
Sub Total (A)	<u>4,995,000.00</u>	<u>4,995,000.00</u>
2 Capital Reserve	7,728,036.00	7,728,036.00
Sub Total (B)	<u>7,728,036.00</u>	<u>7,728,036.00</u>
Amount on account of forfeited shares have been transferred to Capital Reserve.		
3 Surplus (Profit & Loss Account)		
Balance Brought forward from Previous Year	13,110,556.80	10,577,295.43
Add : Profit for the year	664,413.52	2,533,261.38
Sub Total (C)	<u>13,774,970.31</u>	<u>13,110,556.80</u>
<b>Total (A+B+C)</b>	<u><u>26,498,006.31</u></u>	<u><u>25,833,592.80</u></u>

Indo Cotspin Limited

CIN: L17111HR1995PLC032541

Notes to Accounts Forming Integral Part of the Balance Sheet As At 31ST MARCH, 2024

Schedule : 13 Long Term Borrowings

1	HDFC Car Loan	541,407.33	869,638.60
		<u>541,407.33</u>	<u>869,638.60</u>

Schedule : 14 Long Term Provisions

1	Retirement Benefits (Gratuity)	1,062,085.30	992,085.30
		<u>1,062,085.30</u>	<u>992,085.30</u>

Schedule : 15 Short Term Borrowings

1	Secured		
	(a) Loan Repayable On Demand		
	- From Banks	0.00	0.00
	- From Other Parties	0.00	0.00
	Sub Total (A)	<u>0.00</u>	<u>0.00</u>
2	Unsecured		
	(a) Loan Repayable On Demand		
	- From Directors	0.00	0.00
	- From Other Parties	0.00	0.00
	Sub Total (B)	<u>0.00</u>	<u>0.00</u>
	Total (A+B)	<u>0.00</u>	<u>0.00</u>

Schedule : 16 Trade Payables

1	Micro, Small and Medium Enterprises	0.00	0.00
2	Others	6,227,044.00	24,499,341.00
3	Advances from Customers	2,354,025.00	100,000.00
	Total	<u>8,581,069.00</u>	<u>24,599,341.00</u>

Schedule : 17 Other Current Liabilities

1	Statutory Dues		
	(a) Auditor Remuneration Payable	0.00	54,000.00
	(b) T.D.S. Payable	0.00	63,000.00
	(c) TCS Payable	0.00	0.00
	(d) Electricity Charges Payable	373,460.00	533,362.00
	(e) TDS on Purchase Payable	-	1,354.00
2	Employee Expenses		
	(a) Wages Payable	76,146.00	117,484.00
	(b) Salary Payable	0.00	0.00
	(c) Labour Welfare Payable	0.00	0.00
	(d) EPF Payable	1,625.00	3,210.00
	(e) ESI Payable	2,475.00	3,819.00
	(f) Director Salary Payable Account	0.00	1,137,000.00
3	Creditors for Other Expenses		
	(a) Telephone Bill Payable	0.00	0.00
	(b) Security Service Exp. Payable	0.00	0.00
	(c) Fees & Taxes Payable	0.00	0.00
4	Advance against Sale of Land	0.00	7500000.00
	Total	<u>453,706.00</u>	<u>9,413,229.00</u>

Schedule : 18 Short Term Provisions

1	Provision for Taxation	556,965.14	443,279.75
	Total	<u>556,965.14</u>	<u>443,279.75</u>

Indo Cotspin Limited

CIN: L17111HR1995PLC032541

Notes to Accounts Forming Integral Part of the Balance Sheet As At 31ST MARCH, 2024

Schedule : 19 Revenue from Operations

1 Domestic Sales	166,248,525.00	132,135,887.60
Total	<u>166,248,525.00</u>	<u>132,135,887.60</u>

Schedule : 20 Other Income

1 Interest On FDR's	71,720.20	30,715.41
2 Interest on Income Tax Refund	12,399.31	3,447.84
3 Rebate & Discount	15,840.33	53,829.86
4 Sale of Scrap	0.00	0.00
5 Profit on Sale of Mutual fund	0.00	2,835,017.66
6 Profit on Sale of Machinery	0.00	351,844.40
Total	<u>99,959.84</u>	<u>3,274,855.17</u>

Schedule : 21 Cost Of Material Consumed

1 Raw Material Consumed		
Opening Stock	4,972,217.00	4,735,700.70
Add: Purchases	89,793,415.42	67,218,838.85
Less: Closing Stock	4,352,291.40	4,972,217.00
Less: Trading Stock	3,151,252.25	2,118,850.00
	<u>87,262,088.77</u>	<u>64,863,472.55</u>
2 Consumable Stores & Spares		
Opening Stock	2,762,085.00	1,207,526.00
Add: Purchases	36,182,191.17	32,300,381.20
Less: Closing Stock	1,560,160.00	2,762,085.00
Less: Trading Stock	3,385,857.00	3,763,551.40
	<u>33,998,259.17</u>	<u>26,982,270.80</u>
Total (1+2)	<u>121,260,347.94</u>	<u>91,845,743.35</u>

Schedule : 22 Purchase Of Stock-in-Trade

1 Finished Goods	590,595.02	5,586,350.30
2 Raw Material	3,151,252.25	2,118,850.00
3 Consumable Stores & Spares	3,385,857.00	3,763,551.40
Total	<u>7,127,704.27</u>	<u>11,468,751.70</u>

Schedule : 23 (Increase) / Decrease in Finished Goods, WIP & Stock in Trade

1 <u>Inventories at the beginning of the year</u>		
(a) Finished Goods		
Manufactured Goods	7,238,996.00	9,079,280.00
Trading Stock	0.00	0.00
(b) Work in Progress	49,380.00	42,120.00
	<u>7,288,376.00</u>	<u>9,121,400.00</u>
2 <u>Inventories at the end of the year</u>		
(a) Finished Goods		
Manufactured Goods	3,975,395.00	7,238,996.00
Trading Stock	0.00	0.00
(b) Work in Progress	25,870.00	49,380.00
	<u>4,001,265.00</u>	<u>7,288,376.00</u>
Total (1 - 2)	<u>3,287,111.00</u>	<u>1,833,024.00</u>

Indo Cotspin Limited

CIN: L17111HR1995PLC032541

Notes to Accounts Forming Integral Part of the Balance Sheet As At 31ST MARCH, 2024

Schedule : 24 Employee Benefit Expenses

1	Direct Expenses		
	(a) Wages	1,129,580.00	1,041,293.00
	(b) E.P.F. on Wages	31,041.00	35,018.00
	(c) E.S.I. on Wages	36,720.00	33,848.00
2	Indirect Expenses		
	(a) Salaries	180,000.00	288,000.00
	(b) Director's Remuneration	3,000,000.00	1,860,000.00
	(c) Gratuity	70,000.00	70,000.00
	(d) Sitting Fees of Directors	16,000.00	16,000.00
	Total	<u>4,463,341.00</u>	<u>3,344,159.00</u>

Schedule : 25 Finance Costs

1	Interest Exps	72,505.63	299,417.60
2	Bank & Financial Charges	1,888.00	97,514.64
	Total	<u>74,393.63</u>	<u>396,932.24</u>

Schedule : 26 Depreciation & Amortisation Expenses

1	Depreciation	8,119,657.13	6,129,588.00
2	Amortisation	0.00	0.00
	Total	<u>8,119,657.13</u>	<u>6,129,588.00</u>

Schedule : 27 Other Expenses

1	Manufacturing Expenses		
	(a) Pet Cock/Gas Exps.	7,320,590.93	4,826,715.24
	(b) Machinery Repairs & Spares	870,603.24	1,294,250.85
	(c) Diesel Expenses	264,990.00	89,580.00
	(d) Electricity Expenses	6,283,609.00	5,850,968.00
	(e) Freight Expenses	1,123,281.00	406,660.00
	(f) Agency Charges	40,000.00	71,000.00
	(g) Custom Duty	988,573.00	1,226,373.93
	(h) Oil & Lubricant Exps	134,062.70	0.00
	(i) FOC Expenses	5,000.00	0.00
	(j) D.O Charges	403,456.77	160,554.91
	(k) Airline Charges	0.00	560,169.43
	(l) Shipping Charges	19,500.00	41,300.00
	(m) Loss On Sale Of Machine	8,892.91	0.00
	Sub-Total (A)	<u>17,462,559.55</u>	<u>14,527,572.36</u>
2	Selling & Distribution Expenses		
	(a) Advertisement Expenses	37,162.28	29,400.00
	(b) Freight & Cartage (Outward)	0.00	0.00
	(c) Packing Expenses	1,445,254.50	1,341,837.02
	Sub-Total (B)	<u>1,482,416.78</u>	<u>1,371,237.02</u>

3 Establishment Expenses		
(a) Auditor Remuneration	50,000.00	50,000.00
(b) Printing & Stationary Exps	4,456.85	15,000.00
(c) Battery Account	11,718.50	4,921.88
(d) Fees & Taxes	461,710.80	569,677.71
(e) Insurance	374,154.00	374,334.00
(f) Courier Expenses	11,503.00	17,231.22
(g) Travelling Expenses	370,451.36	539,751.80
(h) Telephone Charges	59,791.84	63,368.60
(i) Miscellaneous Expenses	30,485.00	11,861.33
(j) Electric Exps	339,350.00	16,080.00
(k) Forex Conversion Charges	42,232.54	35,375.58
(l) Loss Due to Fraud	262,986.00	0.00
m) CS Fees	420,000.00	0.00
Sub-Total (C)	<u>2,438,839.89</u>	<u>1,697,602.12</u>
Total Other Expenses (A+B+C)	<u>21,383,816.22</u>	<u>17,596,411.50</u>

30 Provision for Taxation of financial year 2023-24 is Rs 556,965.14

31 Based on the information given by the with the company , in respect of MSME (as defined in the Micro Small & Medium Enterprises Development Act, 2006) there are no outstanding payments to such companies at the end of the year. This has been relied upon by the auditor.

32 Remuneration paid/payable to Managing Director and Whole Time Directors.

Particulars	Year Ended 31ST MARCH, 2024	Year Ended 31ST MARCH, 2023
Director's Remuneration	3,000,000.00	1,860,000.00
SH. BAL KISHAN AGGARWAL	840,000.00	420,000.00
SH. RAJ PAL AGGARWAL	840,000.00	840,000.00
SH. ARPAN AGGARWAL	660,000.00	120,000.00
SH. SANIL AGGARWAL	660,000.00	480,000.00

33 Remuneration paid / payable to Auditors

Particulars	Year Ended 31ST MARCH, 2024	Year Ended 31ST MARCH, 2023
Payment to Auditor	50,000.00	50,000.00

Payments to auditors comprises of Statutory Audit fees and fees for taxation matters.

34 In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated, if realised, in the ordinary course of business.

35 Related Party Disclosures for the Year Ended 31st JUNE, 2022

(a)	Particulars	Year Ended 31ST MARCH, 2024	Year Ended 31ST MARCH, 2023
1	Key Management Personnel	Sh. Bal Kishan Aggarwal	Sh. Bal Kishan Aggarwal
		Sh. Raj Pal Aggarwal	Sh. Raj Pal Aggarwal
	Independent directors	Sh. Shubham Singla	Sh. Shubham Singla
		Smt. Shelly Aggarwal	Smt. Shelly Aggarwal
		Sh. Sanil Aggarwal	Sh. Sahil Aggarwal
		Sh. Arpan Aggarwal	Sh. Arpan Aggarwal
2	Relative of Key Management Personnel	Nil	Nil
3	Enterprises that directly/indirectly through one or more intermediaries control or controlled by, or under common control with, the company.	Nil	Nil
4	Associate Company		
5	Members or their relatives having significant influence over the company by having an interest in the voting power of the company.	Nil	Nil
6	Enterprises in which substantial interest in the voting power is owned directly/indirectly by the key management personnel or their relatives including directors and senior management of the company.	Nil	Nil

## (b) Details of Transaction with the Related Parties

Particulars	Year Ended 31ST MARCH, 2024	Year Ended 31ST MARCH, 2023
1 Key Management Personnel	Rs. 3,000,000.00 (Remuneration Paid)	Rs. 1,860,000.00 (Remuneration Paid)
SH. BAL KISHAN AGGARWAL	840,000.00	420,000.00
SH. RAJ PAL AGGARWAL	840,000.00	840,000.00
SH. ARPAN AGGARWAL	660,000.00	120,000.00
SH. SANIL AGGARWAL	660,000.00	480,000.00
2 Relative of Key Management Personnel	Nil	Nil
3 Enterprises where Control Exists	Nil	Nil
4 Associate Company	Nil	Nil
5 Members or their relatives having significant influence	Nil	Nil
6 Enterprises in which substantial interest	Nil	Nil

## 36 Earning per Share

Particulars	Year Ended 31ST MARCH, 2024	Year Ended 31ST MARCH, 2023
Profit After Tax	75,148.52	2,352,853.24
Weighted Average No. of Equity Shares	4,200,500	4,200,500
Basics/ Diluted EPS	0.02	0.56

## 37 Statement of Finished Goods

S.No.	Particulars	Opening Stock as on 01.04.2023	Purchase/ Production	Sales/ Consumed/Was tage	Closing Stock as on 31.03.2024
1	Manufactured Non Woven Fabrics	102,920.78	2,910,768.69	2,898,460.67	115,228.80
2	Tufted Carpet	101,904.60	320,125.37	422,029.97	0.00

## 38 Cost of Material Consumed

(Amount in Rupees)

Particulars	Year Ended 31ST MARCH, 2024		
	Unit	Quantity	Amount
Poly Fiber	KGS	956,596.60	46,430,795.43
Backing cloth	MTRS	504,337.31	8,245,888.66
Polyster Yarn	KGS	10,604.10	1,331,343.90
Mono Filament Yarn	KGS	1,292.31	149,080.71
Polyester Woven Fabric	MTRS	134,108.00	4,303,404.00
Cotton Waste	KGS	248,329.00	10,272,509.25
Pvc Flooring	KGS	51,940.30	3,965,871.50
Marble Powder	KGS	1,807,200.00	3,054,899.00
Jute Yarn	KGS	13,067.20	1,424,037.20
Paper	ROLLS	1,055.00	8,436,800.00
Paper Imported	MTRS	694,042.50	2,322,918.17
Burner	NA	NA	0.00
Sublimation Ink	KGS	9,400.00	1,744,801.00
Oil & Chemicals	KGS	285,749.00	18,438,841.00
Plastic Dana	KGS	55,015.66	7,010,926.50
Cotton Yarn	KGS	30,300.00	3,279,500.00
Mixture Blanket	KGS	3,131.00	158,819.25
Tufted Mono Fabric	KGS	4,757.58	689,912.37
Total			121,260,347.94

39 Details of consumption of imported and indigenous items:-

(Amount in Rupees)

Particulars	Year Ended 31ST MARCH , 2024	
	%	Amount
Imported	4.48	5,756,155.41
Indigenous	95.52	122,631,896.80
Total	100.00	128,388,052.21

40 Expenditure in Foreign Currency (on payment basis)

Particulars	Year Ended 31ST MARCH , 2024
Raw Material	5,756,155.41

41 Earnings in Foreign Currency -Nil

Amount remitted during the year in foreign currency on dividends and number of non-resident Shareholders - Nil.

42 Value of Imports Calculated on CIF basis by the Company during the financial year in respect of:

S.No.	Particulars	Amount
1	Raw Material & Stock-in-Trade	\$69,403.00
2	Capital Goods	\$50,070.00
3	Components & Spare Parts	Nil

42 A. Registration Details

Registration Number				32541		32541
State Code				5		5
Balance Sheet Date				31.03.2024		31.03.2023



43 B. Position Of Mobilisation & Development of Funds

Total Equity & Liabilities	79,698,239.08	104,156,166.45
Total Assets	79,698,239.08	104,156,166.45
Equity & Liabilities		
Paid Up Capital	42,005,000.00	42,005,000.00
Other Equity	26,498,006.31	25,833,592.80
Non Current Liabilities	1,603,492.63	1,861,723.90
Current Liabilities	9,591,740.14	34,455,849.75
Assets		
Net Fixed Assets	31,270,529.43	44,322,263.15
Non Current Assets other than Fixed Assets	2,466,768.83	1,877,503.82
Net Current Assets	45,960,940.82	57,956,399.48

44 C. Performance of Company

Revenue From Operations	166,248,525.00	132,135,887.60
Other Income	99,959.84	3,274,855.17
Total Expenditure	165,716,371.19	132,614,609.79
Profit before tax	632,113.65	2,796,132.98
Provision for Taxation		
-Current Tax	556,965.14	443,279.75
-Previous Year Tax	0.00	0.00
-Deferred Tax	-589,265.00	-180,408.14
Profit after Tax	664,413.52	2,533,261.38

45 D. Generic Name of the Principal Product of Co.

(As per monetary Terms)		N.A.
Item Code No.		Manufacturing & Trading of Textiles Goods
Product Description		

**For Dinesh Kumar Goel & Co.**

**Chartered Accountants**

**For Indo Cotspin Limited**

**(FCA MANOJ GOEL)**

**Partner**

**Membership No. 500485**

**Firm's Regn. No. 011027N**

**Place : Panipat**

**Date : 13.05.2024**

**UDIN : 24500485BKACNH7264**

**(Raj Pal Aggarwal)**

**Whole Time Director**

**DIN: 00456189**

**(Vijay Pal)**

**Chief Financial Officer**

**Pan: AAPP6485R**

**(Bal Kishan Aggarwal)**

**Managing Director**

**DIN: 00456219**

**Vikas Verma &  
Associates**

**(Trigun Sharma)**

**Company Secretary)**

**ACS No. 61140**

Notes to Accounts Forming Integral Part of the Balance Sheet As At 31st Mar,2024

**Note : 1 Property, Plant and Equipment**

(Amount in Rupees)												
S.No.	Particulars	Gross Block				Depreciation					Net Block	
		As On 01.04.2023	Addition During the Period	Deduction During the Period	As On 31.03.2024	As On 01.04.2023	Addition During the Period	Adjusted Against Reserves	Deduction During the Period	As On 31.03.2024	WDV as on 31.03.2024	WDV as on 31.03.2023
<b>I.</b>	<b><u>Tangible Assets</u></b>											
1	Land	4,548,411.00	0.00	0.00	4,548,411.00	0.00	0.00	0.00	0.00	0.00	4,548,411.00	4,548,411.00
2	Building	8,665,138.30	0.00	0.00	8,665,138.30	6,734,291.29	146,858.86	0.00	0.00	6,881,150.15	1,783,988.15	1,930,847.01
3	Plant & Machinery	43,956.00	0.00	0.00	43,956.00	43,956.00	0.00	0.00	0.00	43,956.00	0.00	0.00
4	Plant & Machinery (New)	48,503,537.62	3,915,347.30	9,008,892.91	43,409,992.01	19,088,117.21	5,752,241.24	0.00	0.00	24,840,358.45	18,569,633.56	29,415,420.41
5	Furniture & Fixtures	3,219,385.96	49,265.62	0.00	3,268,651.58	1,002,174.18	415,663.90	0.00	0.00	1,417,838.08	1,850,813.50	2,217,211.78
6	Vehicles	19,798,071.85	0.00	0.00	19,798,071.85	14,800,308.76	1,566,327.33	0.00	0.00	16,366,636.09	3,431,435.76	4,997,763.09
7	Computer	153,527.13	92,203.40	0.00	245,730.53	152,791.25	36,843.40	0.00	0.00	189,634.66	56,095.87	735.88
8	Fire Extinguishers	29,181.00	0.00	0.00	29,181.00	28,746.53	196.35	0.00	0.00	28,942.89	238.11	434.47
9	Office Equipments	243,388.93	0.00	0.00	243,388.93	88,752.64	28,065.85	0.00	0.00	116,818.49	126,570.44	154,636.29
10	Solar Panel	1,442,000.00	0.00	0.00	1,442,000.00	486,274.78	173,460.20	0.00	0.00	659,734.98	782,265.02	955,725.22
	<b>Total</b>	<b>86,646,597.79</b>	<b>4,056,816.32</b>	<b>9,008,892.91</b>	<b>81,694,521.20</b>	<b>42,425,412.64</b>	<b>8,119,657.13</b>	<b>-</b>	<b>-</b>	<b>50,545,069.77</b>	<b>31,149,451.43</b>	<b>44,221,185.15</b>

UDIN : 24500485BKACNH7264

(a) Fixed Assets are stated at cost less depreciation.

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2024**

<b>PARTICULARS</b>	<b>(Amount in Rupees)</b>	
	<b>Year Ended 31.03.2024</b>	<b>Year Ended 31.03.2023</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) after extraordinary items and tax	664,413.52	2,533,261.38
Add: Depreciation	8,119,657.13	6,129,588.00
Financial Cost	74,393.63	396,932.24
Provision for Current Taxation	556,965.14	443,279.75
Provision for Previous Year Taxation	-	-
Provision For Gratuity	70,000.00	70,000.00
Loss on Sale of Fixed Assets	8,892.91	-
Deferred Tax Liability	-589,265.00	-180,408.14
	<u>8,905,057.33</u>	<u>9,392,653.22</u>
Less: Profit on sale of Fixed Assets	-	351,844.40
Less: Profit/Interest on Mutual Funds	-	2,835,017.66
Less: Interest on FDR	71,720.20	30,715.41
Less: Dividend Received	-	-
Less: Profit on Sale Of PCJ Shares	-	-
Operating Profit before working capital changes	<u>8,833,337.13</u>	<u>6,175,075.75</u>
Less: Increase/(Decrease) in Current Assets		
Inventories	-5,136,179.60	-225,737.70
Trade receivables	-9,975,853.00	-3,346,842.63
Short-term loans and advances	-3,561,260.71	3,879,712.76
Other current assets	-271,526.69	240,254.53
Add: Increase/(Decrease) in Current Liabilities		
Trade payables	-16,018,272.00	-2,668,696.00
Other current liabilities	-8,959,523.00	7,574,902.00
Operating Profit After Working Capital Changes	<u>2,800,362.13</u>	<u>10,533,894.79</u>
Less: Net income tax (paid) / refunds	443,279.75	219,155.82
Previous Year Expenses	-	-
Net Cash from Operating Activities	<u>2,357,082.38</u>	<u>10,314,738.97</u>
<b>B. CASH FROM INVESTING ACTIVITIES</b>		
Purchase of Poplar Plants	-20,000.00	-22,970.00
Sale of Plant & Machinery	9,000,000.00	4,156,254.00
Interest on FDR	71,720.20	30,715.41
Sale of Vehicles	-	-
Sale of Mutual Funds	-	23,772,972.09
Purchase of Mutual Funds	-6,070,000.00	-
Sale of Shares	16,050.26	54,084.01
Purchase of shares	-122,722.68	-92,007.34
Purchase of FDR	-	-
Purchase of Furniture	-49,265.62	-2,199,874.65
Purchase of Office Equipment	-	-39,509.32
Purchase of Plant & Machinery	-3,915,347.30	-23,739,005.27
Purchase of Computer	-92,203.40	-
Purchase of Vehicles	-	-3,093,671.00
Net Cash from Investing Activities	<u>-1,181,768.54</u>	<u>-1,173,012.07</u>

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from Share Capital	-	-
Net Cash from Financing Activities	-	-
Proceeds from Car Loan	-	1,100,000.00
Net Proceeds from Working Capital Loan	-	-
Less: Repayment of Loans	328,231.27	230,361.40
Less: Repayment of Car Loan	-	-
Less: Financial Charges	74,393.63	396,932.24
Net Cash Flow from Financing Activities	<u>-402,624.90</u>	<u>472,706.36</u>
<b>Net increase in Cash &amp; Cash Equivalents</b>	772,688.92	9,614,433.26
<b>Cash &amp; Cash Equivalents at the Beginning of the Year</b>	<u>16,975,769.01</u>	<u>7,361,335.75</u>
<b>Cash &amp; Cash Equivalents at the End of the Year</b>	<u>17,748,457.93</u>	<u>16,975,769.01</u>

## Notes :

- 1 The above results were reviewed by an Audit Committee and thereafter taken on record by the Board of Directors in their meeting on 13th May,2024 after review by an Audit Committee. An unmodified opinion has been issued and the same is being filed with the stock exchange along with the above results
- 2 The above results for the quarter and year ended on 31st March , 2024 have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind AS), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 3 The figures for the previous period have been regrouped / rearranged / reclassified wherever necessary.
- 4 These Results are also updated on the company's website URL <https://www.indocotspin.com/>

UDIN : 24500485BKACNH7264

For Dinesh Kumar Goel &amp; Co.

Chartered Accountants

For Indo Cotspin Limited

(FCA MANOJ GOEL)

Partner

Membership No. 500485

Firm's Regn. No. 011027N

Place : Panipat

Date : 13.05.2024

UDIN : 24500485BKACNH7264

(Raj Pal Aggarwal)

Whole Time Director

DIN: 00456189

(Vijay Pal)

Chief Financial Officer

Pan: AAPPP6485R

(Bal Kishan Aggarwal)

Managing Director

DIN: 00456219

Vikas Verma &  
Associates

(Trigun Sharma)

Company Secretary)

ACS No. 61140

## NOTES TO ACCOUNTS ON STANDALONE FINANCIAL STATEMENTS

**1. Background of the Company:**

Indo Cotspin Limited having its registered office at DELHI MILE STONE 78 K.M. VILLAGE JHATTIPUR, POST BOX NO. 3, SAMALKHA , PANIPAT-132103 and corporate office DELHI MILE STONE 78 K.M. VILLAGE JHATTIPUR, POST BOX NO. 3, SAMALKHA , PANIPAT-132103, was incorporated on 08<sup>th</sup> Feb 1995, under Companies Act, 2013.

The corporate identification number of the company is **L17111HR1995PLC032541**. The Company is engaged in Manufacturing, of textile products and related products.

**2. Statement of Material Accounting Policies**

**2.1 Basis of Preparation of Financial Statements:**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (“the 2013 Act”) and the relevant provisions of the 1956 Act / 2013 Act, as applicable. The financial statements of the Company are prepared under the historical cost convention using the accrual method of accounting. The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year. All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in Schedule III to the 2013 Act.

**2.2 Use of Estimates:**

The presentation of the financial statements, in conformity with Indian GAAP, requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable, future results could differ, the differences between the actual results and the estimates are recognised in the period in which the results are known / materialise.

**2.3 Property, plant and equipment (PPE)**

Tangible assets are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Capital expenditure incurred on rented properties is classified as ‘Leasehold improvements’ under property, plant and equipment.

Subsequent costs related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met. Items of Property, Plant and Equipment that have been retired from active use and are held for disposal are stated at the lower of their net carrying amount and net realisable value and are shown separately in the financial statements under the head ‘Other current assets’. Any write-down in this regard is recognised immediately in the Statement of Profit and Loss. An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

Depreciation on tangible asset is recognised on a straight-line basis based on a useful life of the assets prescribed in Schedule II to the Act. If the management’s estimates of the useful life of an asset at the time of acquisition of assets or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate owing to their risk of higher obsolesce / wear & tear. The useful life of the assets has been reassessed based on the number of years for which the assets have already been put to use and the estimated minimum balance period for which the assets can be used in the Company. The estimated life of property, plant and equipment has been determined as follows:

Estimated useful life has been tabulated below:

Nature of Assets	Useful Life (In years)
Building	30
Building (Temporary Structure)	3
Computer	3
Electric Installations	10
Office Equipment	5
Furniture & Fixture	10
Plant And Machinery	15

#### 2.4 Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed fifteen years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. The estimated useful lives of intangible assets are as follows:

Nature of Assets	Useful Life (In years)
Software	3

#### 2.5 Impairment

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

#### 2.6 Investment

Investments are classified between long term and current categories as per the Accounting Standards issued by Institute of Chartered Accountants of India.

Long term investments are stated at cost. Provision for diminution in the value of investments, if any, is made if the decline in value is of permanent nature. Current investments are valued at lower of cost or market value.

As a conservative and prudent policy, the Company does not provide for increase in the book value of individual investment held by it on the date of Balance Sheet.

**2.7 Inventories**

The figure of closing stock is taken on the basis of physical count of stock by the management at the end of the year.

Inventories are valued at lower of historical cost and net realizable value.

Cost of inventories have been computed to include all costs of purchases, cost of conversion, all non-refundable duties & taxes and other costs incurred in bringing the inventories to their present location and condition.

Stock-in-trade are based on weighted average cost basis.

Obsolete, slow moving and defective inventories are valued at net realizable value i.e. scrap rate.

Goods in transit are stated at actual cost incurred up to the date of Balance Sheet.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale. Necessary adjustment for shortage / excess stock is given based on the available evidence and past experience of the Company.

**2.8 Revenue Recognition**

**Revenue from sale of product**

Revenue is recognized in respect of sales on dispatch of product to the customers. Quality rebates, claims and other discounts, if any, are disclosed separately.

**Other revenue**

Interest on bank deposits is recognized on the time proportion basis taking into account the amounts invested and the rate of interest as applicable.

**2.9 Employee Benefits**

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is calculated at the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to the Statement of Profit and Loss in the year in which such gains or losses are determined.

Employee benefits in the form of Provident Fund and Employee State Insurance Scheme are defined contribution plans and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds

Short-term employee benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Liability in respect of compensated absences becoming due or expected to be availed within one year from the date is recognised on the basis undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

## **2.10 Foreign currency transactions**

### **Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### **Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

### **Exchange differences**

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise other than of the capitalisation of exchange differences which is referred to in PPE above.

## **2.11 Taxation**

The tax expense comprises of current tax and deferred tax. Current tax is the amount of income tax determined to be payable in respect of taxable income for a period as per the provisions of Income Tax Act, 1961. Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each balance sheet date and recognised/derecognized only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

## **2.12 Contingent liabilities and provisions**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

A disclosure is made for a contingent liability when there is a:

- a) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;
- b) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- c) present obligation, where a reliable estimate cannot be made.

A provision is recognised when the Company has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not disclosed to their present value and



are determined based on best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and are adjusted to reflect the current best estimates.

**2.13 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**2.14 Cash, Cash Equivalents and Bank Balances**

Cash, Cash Equivalents and Bank Balances for the purpose of Cash Flow Statement comprise Cash at Bank, Cash in Hand, Cheques / Drafts in Hand, Deposits with Bank within 12 months maturity and other permissible instruments as per Accounting Standard AS-3.

**2.15 Borrowing Cost:**

Borrowing Cost attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**2.16 Segment Information:**

Based on the principles for determination of segments given in Accounting Standard 17 "Segment Reporting" issued by accounting standard notified by Companies (Accounting Standard) Rules, 2008, the Company is mainly engaged in the activity surrounded with main business of the Company hence there is no reportable segment.

**2.17 Prior Period Expenditure:**

The change in estimate due to error or omission in earlier period is treated as prior period items. The items in respect of which liability has arisen/crystallized in the current year, though pertaining to earlier year is not treated as prior period expenditure.

**2.18 Extra Ordinary Items:**

The income or expenses that arise from event or transactions which are clearly distinct from the ordinary activities of the Company and are not recurring in nature are treated as extra ordinary items. The extra ordinary items are disclosed in the statement of profit and loss as a part of net profit or loss for the period in a manner so as the impact of the same on current profit can be perceived.