

# Annual Report

## CONTENTS

Sr. No.	Particulars	Page No.
1	Corporate Information	3
2	Notice	4
3	Management Discussion & Analysis	24
4	Report on Corporate Governance	28
5	Directors' Report	46
6	Auditors' Certificate on Corporate Governance	50
7	Auditors' Report on Financial Statement	51
8	Balance Sheet	56
9	Profit and Loss Account	57
10	Cash Flow Statement	58
11	Schedule Forming parts of Balance Sheet and Profit and Loss Account	60
12	Significant Accounting policies and notes on account	65
13	Attendance slip and Proxy Form	72



VISHAL COTSPIN LIMITED

# Annual Report

## **BOARD OF DIRECTORS (As on July 07, 2010)**

Mr. Deepak Chheda	Chairman and Managing Director
Mr. Shailesh Shah	Executive Director
Mr. Harish Nisar	Executive Director
Mr. Rohit Dedhia	Executive Director
Mr. Shyam Lilani	Non-Executive Independent Director
Mr. Kiran Mankodi	Non-Executive Independent Director
Mr. Yogesh Shah	Non-Executive Independent Director
Mr. Vatsal Shah	Non-Executive Independent Director

## **COMPANY SECRETARY**

Ms. Sarita Magar

## **CHIEF FINANCIAL OFFICER**

Mr. Mehul Nisar

## **AUDITORS**

M/s. Ashar & Co. Chartered Accountants

## **SOLICITORS & ADVOCATES**

M/s. Dudhat Pereira & Associates.

## **BANKERS**

Indian Overseas Bank  
Kotak Mahindra Bank Limited  
Deutsche Bank  
ICICI Bank Limited  
State Bank of Hyderabad

## **REGISTERED OFFICE**

Plot No. 636, 501, X'cube, Off New Link Road,  
Andheri (W), Mumbai - 400053.  
Tel: 022- 42310800. • Fax no: 022-2673 4144  
Email id: info@vishalcotspin.com

## **REGISTRARS & TRANSFER AGENTS**

Cameo Corporate Services Limited  
Subramanian Buildings, No. 1 Club House Road,  
Chennai- 600002 Phone: 044 – 28460390  
Email id: investor@cameoindia.com



# VISHAL COTSPIN LIMITED

## NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the members of VISHAL COTSPIN LIMITED will be held on Monday, August 02, 2010 at 9.15 a.m. at Ground Floor, X'Trium, Andheri – Kurla Road, Near Chakala Junction, Andheri (East), Mumbai 400 069 to transact the following businesses:-

### **ORDINARY BUSINESS :**

1. To consider and adopt the audited Balance Sheet as at March 31, 2010 and the Profit and Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Kiran Mankodi, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a director in place of Mr. Yogesh Shah, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a director in place of Mr. Vatsal Shah, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. M. M. Nissim & Co., Chartered Accountants, be appointed as Statutory Auditors of the Company in place of the retiring auditors M/s. Ashar & Co., Chartered Accountants to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such terms and remuneration as may be mutually agreed upon between the said Auditors and Board of Directors of the Company.”

### **SPECIAL BUSINESS :**

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

“RESOLVED THAT pursuant to the Section 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification/s or re enactment thereof for the time being in force), the Authorized Share capital of the company which is Rs.11,00,00,000/- (Rupees Eleven Crores only) divided into 35,00,000 (Thirty Five Lacs) Equity Shares of Rs.10/- each and 75,00,000 (Seventy Five Lacs) Cumulative Redeemable Preference Shares of Rs.10/- each be and is hereby reclassified as Rs.11,00,00,000/- (Rupees Eleven Crores only) divided into 40,00,000 (Forty Lacs) Equity Shares of Rs.10/- each and 70,00,000 (Seventy Lacs) Cumulative Redeemable Preference Shares of Rs.10/- each).

RESOLVED FURTHER THAT pursuant to Section 94(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 the authorized share capital of the Company be increased from existing Rs. 11,00,00,000/- (Rupees Eleven Crores Only) divided in to 40,00,000 (Forty Lacs) Equity Shares of Rs. 10/- each and 70,00,000 (Seventy Lacs) Cumulative Redeemable Preference Shares of Rs.10 each to Rs. 13,00,00,000/- (Rupees Thirteen Crores Only) divided into 60,00,000 (Sixty Lacs) Equity Shares of Rs. 10/- and 70,00,000 (Seventy Lacs) Cumulative Redeemable Preference Shares of Rs. 10/- each by creation of further 20,00,000 (Twenty Lacs) Equity Shares of Rs.10/- each.

# Annual Report

RESOLVED FURTHER THAT pursuant to provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956, and any relevant rules, the existing Clause No. V of the Memorandum of Association of the Company be deleted and substituted with the following clause:

V. The Authorized Share Capital of the Company is Rs. 13,00,00,000/- (Rupees Thirteen Crores Only) divided into (i) 60,00,000 (Sixty Lacs) Equity Shares of Rs. 10/- each; (ii) 70,00,000 (Seventy Lacs) Cumulative Redeemable Preference Shares of Rs. 10/- each.

The minimum paid up capital shall be Rs. 5,00,000/- (Rupees Five Lacs only)."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT, in modification to the resolution passed by the Members of the Company at their meeting held on January 27, 2010 and pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956 and the Articles of Association of the Company and subject to the approval of Central Government, wherever required and such consent(s), approval(s) and permission(s) as may be necessary in this regard, the members of the Company do and hereby approve, with effect from April 01, 2010 till the balance tenure the revision of remuneration of Mr. Deepak Chedda, Managing Director on the terms and conditions as set out below:

1. Period: With effect from 1st April, 2010 till the balance tenure.
2. Remuneration:
  - a. Salary: Rs. 2,00,000/- per month and may be given an annual increment as the Board or the Remuneration Committee as applicable decides from time to time subject to a maximum salary of Rs. 5,00,000/- per month provided that such increase shall not exceed Schedule XIII of the Companies Act, 1956.
  - b. Perquisites: The perquisites shall as follows:

In addition to the salary, the Managing Director shall also be entitled to perquisites like furnished accommodation electricity, water, furnishings, gratuity (subject to ceiling in Gratuity Act), medical reimbursement for self and family, leave travel concession, club fees (subject to maximum of one club but excluding life membership and admission fees), personal accident insurance, leave, long service award, free use of Company's car with driver, telephone at residence, in accordance with the rules of the Company. Perquisites shall be valued as per the Income Tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost. Use of car for official purpose and telephone at residence (including payment of local calls and long distance official calls) shall not be included in perquisites.
3. Minimum Remuneration:

In the event of loss or inadequacy of profits, the Managing Director shall be paid and entitled to remuneration – salary and perquisites as stated hereinabove in point no. 2 as minimum remuneration.
4. The aggregate of the remuneration and perquisites as mentioned in point no. 2 in any financial year exceeding the limits prescribed from time to time under Sections 198, 309, 310 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act or any statutory modifications or re-enactment thereof for the time being in force, shall be subject to approval of Central Government.



## VISHAL COTSPIN LIMITED

RESOLVED FURTHER THAT the Board be and is hereby authorized to make the necessary modifications in the Agreement entered into with Mr. Deepak Chheda on 1st February, 2010 and do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT, in modification to the resolution passed by the Members of the Company at their meeting held on January 27, 2010 and in pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956 and the Articles of Association of the Company and subject to the approval of Central Government, wherever required and such consent(s), approval(s) and permission(s) as may be necessary in this regard, the members of the Company do and hereby approve, with effect from April 01, 2010 till the balance tenure the revision of remuneration of Mr. Harish Nisar, Executive Director on the terms and conditions as set out below:

1. Period: With effect from 1st April, 2010 till the balance tenure.
2. Remuneration:
  - a) Salary: Rs. 62,500/- per month and may be given an annual increment as the Board or the Remuneration Committee as applicable decides from time to time subject to a maximum salary of Rs. 2,00,000/- per month provided that such increase shall not exceed Schedule XIII of the Companies Act, 1956.
  - b) Perquisites: The perquisites shall be as follows:

In addition to the salary, the whole time Director shall also be entitled to perquisites like furnished accommodation, electricity, water, furnishings, gratuity (subject to ceiling in Gratuity Act), medical reimbursement for self and family, leave travel concession, club fees (subject to maximum of one club but excluding life membership and admission fees), personal accident insurance, leave, long service award, free use of Company's car with driver, telephone at residence, in accordance with the rules of the Company. Perquisites shall be valued as per Income Tax rules, wherever applicable and, in the absence of any such rules, shall be valued at actual cost. Use of car for official purpose and telephone at residence (including payment of local calls and long distance official calls) shall not be included in perquisites.
3. Minimum Remuneration:

In the event of loss or inadequacy of profits, the whole- time Director shall be paid and be entitled to remuneration – salary and perquisites as stated hereinabove in point no. 2 as minimum remuneration.
4. The aggregate of the remuneration and perquisites as mentioned in point no. 2 in any financial year exceeding the limits prescribed from time to time under Sections 198, 309, 310 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act or any statutory modifications or re-enactment thereof for the time being in force, shall be subject to approval of Central Government.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make the necessary modifications in the Agreement entered into with Mr. Harish Nisar on 1st February, 2010 and do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

# Annual Report

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

“RESOLVED THAT in modification to the resolution passed by the Members of the Company at their meeting held on January 27, 2010 and pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956 and the Articles of Association of the Company and subject to the approval of Central Government, wherever required, and such consent(s), approval(s) and permission(s) as may be necessary in this regard, the members of the Company do and hereby approve, with effect from April 01, 2010 till the balance tenure the revision of remuneration of Mr. Rohit Dedhia, Chief Operating Officer (Executive Director) on the terms and conditions as set out below:

1. Period: With effect from 1st April, 2010 till the balance tenure.
2. Remuneration:
  - a. Salary: Rs. 62,500/- per month and may be given an annual increment as the Board or the Remuneration Committee, as applicable, decides from time to time subject to a maximum salary of Rs. 2,00,000/- per month provided that such increase shall not exceed Schedule XIII of the Companies Act, 1956.
  - b. Perquisites: The perquisites shall be as follows:

In addition to the salary, the whole time Director shall also be entitled to perquisites like furnished accommodation, electricity, water, furnishings, gratuity (subject to ceiling in Gratuity Act), medical reimbursement for self and family, leave travel concession, club fees (subject to maximum of one club but excluding life membership and admission fees), personal accident insurance, leave, long service award, free use of Company's car with driver, telephone at residence, in accordance with the rules of the Company. Perquisites shall be valued as per Income Tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost. Use of car for official purpose and telephone at residence (including payment of local calls and long distance official calls) shall not be included in perquisites.
3. Minimum Remuneration:

In the event of loss or inadequacy of profits, the whole- time Director shall be paid and entitled to remuneration – salary and perquisites as stated hereinabove in point no. 2 as minimum remuneration.
4. The aggregate of the remuneration and perquisites as mentioned in point no. 2 in any financial year exceeding the limits prescribed from time to time under Sections 198, 309, 310 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act or any statutory modifications or re-enactment thereof for the time being in force, shall be subject to approval of Central Government.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make the necessary modifications in the Agreement entered into with Mr. Rohit Dedhia on 1st February, 2010 and do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.”



## VISHAL COTSPIN LIMITED

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

“RESOLVED THAT in modification to the resolution passed by the Members of the Company at their meeting held on January 27, 2010 and pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956 and the Articles of Association of the Company and subject to the approval of Central Government, wherever required and such consent(s), approval(s) and permission(s) as may be necessary in this regard, the members of the Company do and hereby approve, with effect from April 01, 2010 till the balance tenure the revision of remuneration of Mr. Shailesh Shah, Executive Director on the terms and conditions as set out below:

1. Period: With effect from 1st April, 2010 till balance tenure.
2. Remuneration:
  - a. Salary: Rs. 25,000/- per month and may be given an annual increment as the Board or the Remuneration Committee as applicable decides from time to time subject to a maximum salary of Rs. 1,00,000/- per month provided that such increase shall not exceed Schedule XIII of the Companies Act, 1956.
  - b. Perquisites: The perquisites shall be as follows :

In addition to the salary, the whole time Director shall also be entitled to perquisites like furnished accommodation, electricity, water, furnishings, gratuity (subject to ceiling in Gratuity Act), medical reimbursement for self and family, leave travel concession, club fees (subject to maximum of one club but excluding life membership and admission fees), personal accident insurance, leave, long service award, free use of Company's car with driver, telephone at residence, in accordance with the rules of the Company. Perquisites shall be valued as per Income Tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost. Use of car for official purpose and telephone at residence (including payment of local calls and long distance official calls) shall not be included in perquisites.
3. Minimum Remuneration:

In the event of loss or inadequacy of profits, the whole- time Director shall be paid and entitled to remuneration – salary and perquisites as stated hereinabove in point no. 2 as minimum remuneration.
4. The aggregate of the remuneration and perquisites as mentioned in point no. 2 in any financial year exceeding the limits prescribed from time to time under Sections 198, 309, 310 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act or any statutory modifications or re-enactment thereof for the time being in force, shall be subject to approval of Central Government.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make the necessary modifications in the Agreement entered into with Mr. Shailesh Shah on 1st February, 2010 and do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.”



# Annual Report

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

"RESOLVED THAT in accordance with the provisions of Section 21 and other applicable provisions, if any, of the Companies Act, 1956 and applicable provisions of Memorandum of Association of the Company and subject to other statutory approval as may be required, consent of the members be and is hereby accorded to change the name of the Company to Rodium Realty Limited or such other name as may be approved by Ministry of Corporate Affairs.

RESOLVED FURTHER THAT upon fresh Certificate of Incorporation consequent to change of name of the Company being issued by the Registrar of Companies, the name Rodium Realty Limited or any other name as may be approved by Ministry of Corporate Affairs be inserted in place of the present name of the Company wherever appearing in the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

12. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in suppression of the Special Resolution passed by the Members at the Extra Ordinary General Meeting held on January 27, 2010 and subject to the approval of the Central Government, if required, and pursuant to the provisions of Section 314(1)(b) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the increase in the remuneration payable to Mr. Mehul Nisar, a relative of Mr. Harish Nisar, Executive Director, who is holding office or place of profit as a "Chief Financial Officer" on basis of remuneration and terms mentioned below:

- a) Remuneration shall not exceed Rs. 45,000/- Per Month and will be given suitable increment within the limit prescribed u/s 314(1)(b) of the Companies Act, 1956.
- b) During his tenure, he will be governed by the Rules and Regulations of the Company as may be applicable to the employees of the Company from time to time including change in designation and responsibilities.
- c) The revision of remuneration will be effective only after obtaining all necessary approvals in this regard.
- d) Effective Date: From 1st April 2010.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the resolution and to settle any questions, difficulties or doubts that may arise in this regard.

RESOLVED FURTHER THAT remuneration payable to the incumbents as aforesaid will be subject to such modification(s), if any, as the Central Government may suggest or require which the Directors are hereby authorised to accept on behalf of the Company and which may be acceptable to the incumbents and are not less favourable to the Company."



## VISHAL COTSPIN LIMITED

13. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314(1)(b) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to appoint Ms. Grima Dedhia, a relative of the Executive Director, as a Public Relation Consultant of the Company with effect from 1st April 2010 on remuneration and terms mentioned below:

- a) Professional Fees shall not exceed Rs. 25,000/- Per Month
- b) The revision of professional fees will be effective only after obtaining all necessary approvals in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the resolution and to settle any questions, difficulties or doubts that may arise in this regard.

RESOLVED FURTHER THAT remuneration payable to the incumbents as aforesaid will be subject to such modification(s), if any, as the Central Government may suggest or require which the Directors are hereby authorised to accept on behalf of the Company and which may be acceptable to the incumbents and are not less favourable to the Company."

14. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314(1)(b) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to appoint Ms. Krupa Chheda, a relative of the Managing Director as a Architectural / Design Consultant of the Company with effect from 1st April 2010 on remuneration and terms mentioned below:

- a) Professional fees shall not exceed Rs. 45,000/- Per Month.
- b) The revision of professional fees will be effective only after obtaining all necessary approvals in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the resolution and to settle any questions, difficulties or doubts that may arise in this regard.

RESOLVED FURTHER THAT remuneration payable to the incumbents as aforesaid will be subject to such modification(s) as the Central Government may suggest or require which the Directors are hereby authorised to accept on behalf of the Company and which may be acceptable to the incumbents and are not less favourable to the Company."

By order of the Board of Directors,

For **Vishal Cotspin Limited**,

**Director**

Date: July 07, 2010.

Place: Mumbai

# Annual Report

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to notify immediately any change in their addresses to the Company at the above address.
5. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
8. Members, who hold shares in dematerialized form, are requested to bring their client ID and DP ID nos. for easy identification of attendance at the meeting.
9. The Register of Members and Share Transfer books of the Company will remain closed from July 29, 2010 to August 02, 2010 (Both day inclusive)



# VISHAL COTSPIN LIMITED

## ANNEXURE FORMING PART OF THE NOTICE

(Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.)

### **ORDINARY BUSINESS:**

#### **Item no.5**

Present Auditor M/s. Ashar & Co. Chartered Accountants has expressed to the Board their unwillingness for reappointment, due to certain professional commitment. The Board has received consent letter from Chartered Accountants firm M/s M. M. Nissim & Co., Chartered Accountants to act as an auditor(s) of the Company from the conclusion of the 17th Annual General Meeting.

The Board of Directors recommend passing of the Ordinary resolution set out in Item no.5 of the Notice.

None of the Directors of the Company are, in any way, concerned or interested in the said resolution.

### **SPECIAL BUSINESS:**

#### **Item no.6**

The existing Authorised Share Capital of the Company aggregating to Rs.11,00,00,000 is divided into 35,00,000 Equity Share of Rs.10/- each aggregating to Rs.3.5 Crore and 75,00,000 Cumulative Redeemable Preference shares of Rs.10/- each aggregating to Rs. 7.5 Crore.

The growth plans envisaged by the Company may require raising of funds by issue of further share capital - Equity. The existing Authorised Share Capital of the Company is only Rs.11 crores divided into 35 Lacs Equity Shares of Rs.10 each and 75 Lacs preference shares of Rs.10 each. It is proposed to reclassify and subsequently increase the Authorized Share Capital of the Company to Rs.13 crores divided into 60 Lacs Equity Shares of Rs. 10/- each and 70 Lacs Cumulative Redeemable Preference Shares of Rs.10/- each to enable the Company to raise funds by way of further issue of shares.

As per the provisions of Section 16 and 94 of the Companies Act, 1956, the Authorised Share Capital of the Company cannot be increased except with the permission of the Shareholders in General Meeting.

The Board of Directors recommend passing of the Ordinary Resolution set out in Item No. 6 of the Notice.

All Directors of the Company may be deemed to be interested in the said resolution to the extent of shares, if any, held by them. Save as aforesaid, none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

#### **Item no.7**

At the Extra Ordinary General Meeting held on January 27, 2010, the Members of the Company had approved the terms and conditions of appointment of Mr. Deepak Chheda as Managing Director of the company for a period of three years w.e.f 14th November 2009.

Mr. Deepak Chheda is responsible for day to day operations of the Company under the overall superintendence, direction and control of the Board. Since the salary structure of the managerial personnel has undergone a major change in the Real Estate Industry, the Board and the Remuneration Committee considered it fit to revise the salary of the Managing Director. The remuneration committee approved the revised remuneration package for Mr. Chheda with effect from 1st April, 2010 at their meeting held on 7th July, 2010 which is set out below:

# Annual Report

## **Salary:**

Rs. 2,00,000/- per month with effect from 1st April, 2010 and may be given an annual increment as the Board or the Remuneration Committee as applicable decides from time to time subject to a maximum salary of Rs. 5,00,000/- per month provided that such increase shall not exceed Schedule XIII of the Companies Act, 1956.

## **Perquisites and Other Allowances:**

In addition to the salary, the Managing Director shall also be entitled to perquisites like furnished accommodation, electricity, water, furnishings, gratuity (subject to ceiling in Gratuity Act), medical reimbursement for self and family, leave travel concession, club fees (subject to maximum of one club but excluding life membership and admission fees), personal accident insurance, leave, long service award, free use of Company's car with driver, telephone at residence, in accordance with the rules of the Company. Perquisites shall be valued as per Income Tax rules, wherever applicable and, in the absence of any such rules, shall be valued at actual cost. Use of car for official purpose and telephone at residence (including payment of local calls and long distance official calls) shall not be included in perquisites.

## **Minimum Remuneration:**

In the event of loss or inadequacy of profits, the Managing Director shall be paid and entitled to remuneration – salary and perquisites as stated hereinabove as minimum remuneration.

## **Memorandum of Concern or Interest:**

None of the Directors of the Company other than Mr. Deepak Chheda are in any way concerned or interested in this resolution.

**Additional Information relevant to revision of remuneration of Managing Director forming part to the Explanatory statement as required under Schedule XIII of the Companies Act, 1956.**

## **I. General Information:**

### a) Nature of Industry:

The Company is in the business of real estate, construction, real estate consultancy and textiles.

### b) Date of commencement of Activity:

The Company has entered into real estate business pursuant to the resolution passed by the members in Extra Ordinary General Meeting.

### c) Financial Performance as per Audited Financial result for the year ended 31st March 2010.

<b>Particulars</b>	<b>Rs in Lacs</b>
Net Sales and other income	317.16
Profit before interest and depreciation	290.74
Interest & Finance charge	9.20
Depreciation	-
Profit Before Tax	281.54
Tax	44.78
Profit After Tax	236.76
Share capital	834.50
Net worth	201.74
Book Value per share in Rs.	6.21



## VISHAL COTSPIN LIMITED

### II. Information about Managing Director:-

a) Background Detail:

Mr. Deepak Chheda is M.Arch (Architect) and has wide experience in the field of Real estate, Architecture and construction business.

b) Past Remuneration:

The shareholders had approved a remuneration of Rs. 25,000/- to be paid to Mr. Chheda, however, he has waived his right to receive remuneration for the year 2009-10.

c) Job profile and Suitability:

Taking into consideration his qualification and experience in the relevant field, the Managing Director is best suited for the responsibilities currently assigned to him by the Board of Directors.

d) Remuneration proposed:

Salary: Rs. 2,00,000/- per month with effect from 1st April, 2010 and may be given an annual increment as the Board or the Remuneration Committee as applicable decides from time to time subject to a maximum salary of Rs. 5,00,000/- per month provided that such increase shall not exceed Schedule XIII of the Companies Act, 1956.

e) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Taking into consideration, the size of the Company, the profile of Managing Director and the responsibility shouldered by him and the industry benchmark, the remuneration proposed to be paid commensurate with the remuneration package paid to similar senior level directors in other Companies.

f) Pecuniary relations directly or indirectly with the Company or relationship with the Managerial Personnel, if any:

Beside the consultancy fees proposed to be payable to Ms. Krupa Chheda (Wife of Managing Director), Mr. Deepak Chheda does not have any other pecuniary relationship with the Company and its managerial personnel other than as already disclosed by the directors under the relevant provisions of the Companies Act, 1956.

### III. Other Information:-

a) Reason for inadequate profits:

The Company has inadequate profits; this was mainly due to commencement of new line of business by the Company and restructuring of Company.

b) Steps taken or proposed to be taken for improvement:

The Company has laid out growth strategy for the coming years and commenced work on various high end commercial and residential properties.

# Annual Report

## IV. Disclosure:-

This information in respect of remuneration including perquisites other details are provided in Corporate Governance Report.

The contents of this explanatory statement may be treated as the memorandum of abstract of variation, as stipulated under Section 302 of the Companies Act, 1956.

Directors recommend Special Resolution for your approval.

### Item no.8

At the Extra Ordinary General Meeting held on January 27, 2010, the Members of the Company had approved the terms and conditions of appointment of Mr. Harish Nisar as an Executive Director of the Company for a period of three years w.e.f 14th November, 2009.

Mr.Harish Nisar is responsible for liasoning with Government agencies, business development and other day to day affairs of the Company under the overall superintendence, direction and control of the Board. Since the salary structure of the managerial personnel has undergone a major change in the Real Estate Industry, the Board and the Remuneration Committee considered it fit to revise the salary of Executive Directors.

The Remuneration Committee approved the revised remuneration package for Mr. Nisar with effect from 1st April, 2010 at their meeting held on 7th July, 2010 which is set out below:

#### **Salary:**

Rs. 62,500/- per month with effect from 1st April, 2010 and may be given an annual increment as the Board or the Remuneration Committee as applicable decides from time to time subject to a maximum salary of Rs. 2,00,000/- per month provided that such increase shall not exceed Schedule XIII of the Companies Act, 1956.

#### **Perquisites and Other Allowance:**

In addition to the salary, the whole time Director shall also be entitled to perquisites like furnished accommodation, electricity, water, furnishings, gratuity (subject to ceiling in Gratuity Act), medical reimbursement for self and family, leave travel concession, club fees (subject to maximum of one club but excluding life membership and admission fees), personal accident insurance, leave, long service award, free use of Company's car with driver, telephone at residence, in accordance with the rules of the Company. Perquisites shall be valued as per the Income Tax rules, wherever applicable and, in the absence of any such rules, shall be valued at actual cost. Use of car for official purpose and telephone at residence (including payment of local calls and long distance official calls) shall not be included in perquisites.

#### **Minimum Remuneration:**

In the event of loss or inadequacy of profits, the whole- time Director shall be paid and entitled to remuneration – salary and perquisites as stated hereinabove as minimum remuneration.

#### **Memorandum of Concern or Interest:**

None of the Directors of the Company other than Mr. Harish Nisar is in any way concerned or interested in this resolution.

**Additional Information relevant to revision of remuneration of Executive Director forming part to the Explanatory statement as required under Schedule XIII of the Companies Act, 1956.**



# VISHAL COTSPIN LIMITED

## I General Information:-

a) Nature of Industry:

The Company is in the business of real estate, construction, real estate consultancy and textiles.

b) Date of commencement of Activity:

The Company has entered into real estate business pursuant to resolution passed by the members in Extra Ordinary General Meeting.

c) Financial Performance as per Audited Financial result for the year ended 31st March, 2010.

Particulars	Rs in Lacs
Net Sales and other income	317.16
Profit before interest and depreciation	290.74
Interest & Finance charge	9.20
Depreciation	-
Profit Before Tax	281.54
Tax	44.78
Profit After Tax	236.76
Share capital	834.50
Net worth	201.74
Book Value per share in Rs.	6.21

## II. Information about Executive Director:-

a) Background Detail:

Mr. Harish Nisar is B.Sc and has wide experience in the field of Real estate and construction business.

b) Past Remuneration:

The shareholders had approved a remuneration of Rs. 25,000/- to be paid to Mr. Nisar, however, he has waived his right to receive remuneration for the year 2009-10.

c) Job profile and Suitability:

Taking into consideration his qualification and experience in relevant field, the Executive Director is best suited for the responsibilities currently assigned to him by the Board of Directors.

d) Remuneration proposed:

Salary: Rs. 62,500/- per month with effect from 1st April, 2010 and may be given an annual increment as the Board or the Remuneration Committee as applicable decides from time to time subject to a maximum salary of Rs. 2,00,000/- per month provided that such increase shall not exceed Schedule XIII of the Companies Act, 1956.

e) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Taking into consideration, the size of the Company, the profile of Executive Director the responsibility shouldered on him and the industry benchmark, the remuneration proposed to be paid commensurate with the remuneration package paid to similar senior level directors in other Companies.



# Annual Report

- f) Pecuniary relations directly or indirectly with Company or relationship with the Managerial Personnel, if any :

Besides the Salary proposed to be payable to Mr. Mehul Nisar, Chief Financial Officer (Son of Executive Director), Mr. Harish Nisar does not have any other pecuniary relationship with the Company and its managerial personnel other than as already disclosed by the directors under the relevant provisions of the Companies Act, 1956.

### III. Other Information

- a) Reason for inadequate profits:

The Company has inadequate profits; this was mainly due to commencement of new line of business by the company and restructuring of the Company.

- b) Steps taken or proposed to be taken for improvement:

The Company has laid out growth strategy for the coming years and commenced work on various high end commercial and residential properties.

### V. Disclosure

This information in respect of remuneration including perquisites other details are provided in Corporate Governance Report.

The contents of this explanatory statement may be treated as the memorandum of abstract of variation, as stipulated under Section 302 of the Companies Act, 1956.

Directors recommend Special Resolution for your approval.

### Item no.9

At the Extra Ordinary General Meeting held on January 27, 2010, the Members of the Company had approved the terms and conditions of appointment of Mr. Rohit Dedhia as a Chief Operating Officer (COO-Executive Director) of the Company for a period of three years w.e.f November 14, 2009.

Mr. Rohit Dedhia is responsible for project execution and other operational aspect of the Company under the overall superintendence, direction and control of the Board. Since the salary structure of the managerial personnel has undergone a major change in the Real Estate Industry, the Board and the Remuneration Committee considered it fit to revise salary of an Executive Director.

The remuneration committee approved the revised remuneration package for Mr. Dedhia with effect from 1st April, 2010 at their meeting held on 7th July, 2010 which is set out below:

#### **Salary:**

Rs. 62,500/- per month with effect from 1st April, 2010 and may be given an annual increment as the Board or the Remuneration Committee as applicable decides from time to time subject to a maximum salary of Rs. 2,00,000/- per month provided that such increase shall not exceed Schedule XIII of the Companies Act, 1956.



# VISHAL COTSPIN LIMITED

## Perquisites and Other Allowances:

In addition to the salary, the whole time Director shall also be entitled to perquisites like furnished accommodation, electricity, water, furnishings, gratuity (subject to ceiling in Gratuity Act), medical reimbursement for self and family, leave travel concession, club fees (subject to maximum of one club but excluding life membership and admission fees), personal accident insurance, leave, long service award, free use of Company's car with driver, telephone at residence, in accordance with the rules of the Company. Perquisites shall be valued as per Income Tax rules, wherever applicable and, in the absence of any such rules, shall be valued at actual cost. Use of car for official purpose and telephone at residence (including payment of local calls and long distance official calls) shall not be included in perquisites.

## Minimum Remuneration:

In the event of loss or inadequacy of profits, the whole- time Director shall be paid and entitled to remuneration – salary and perquisites as stated hereinabove as minimum remuneration.

## Memorandum of Concern or Interest:

None of the Directors of the Company other than Mr. Rohit Dedhia is in any way concerned or interested in this resolution.

## Additional Information relevant to revision of remuneration of Executive Director forming part to the Explanatory statement as required under Schedule XIII of the Companies Act, 1956.

### I General Information:-

a) Nature of Industry:

The Company is in the business of real estate, construction, real estate consultancy and textiles.

b) Date of commencement of Activity:

The company has entered into real estate business pursuant to the resolution passed by the members in the Extra Ordinary General Meeting.

c) Financial Performance as per Audited Financial result for the year ended 31st March, 2010.

Particulars	Rs in Lacs
Net Sales and other income	317.16
Profit before interest and depreciation	290.74
Interest & Finance charge	9.20
Depreciation	-
Profit Before Tax	281.54
Tax	44.78
Profit After Tax	236.76
Share capital	834.50
Net worth	201.74
Book Value per share in Rs.	6.21

# Annual Report

## II. Information about Executive Director:-

### a) Background Detail:

Mr. Rohit Dedhia is a Commerce Graduate and has wide experience in the field of Real estate, Marketing, Purchase and Procurement Management.

### b) Past Remuneration:

The shareholders had approved a remuneration of Rs. 25,000/- to be paid to Mr. Dedhia, however, he has waived his right to receive remuneration for the year 2009-10.

### c) Job profile and Suitability :

Taking into consideration his qualification and experience in relevant field, the Executive Director is best suited for the responsibilities currently assigned to him by the Board of Directors.

### d) Remuneration proposed:

Salary: Rs. 62,500/- per month with effect from 1st April, 2010 and may be given an annual increment as the Board or the Remuneration Committee as applicable decides from time to time subject to a maximum salary of Rs. 2,00,000/- per month provided that such increase shall not exceed Schedule XIII of the Companies Act, 1956.

### e) Comparative remuneration profile with respect to industry, size of the Company, profile of the person and position:

Taking into consideration, the size of the Company, the profile of Executive Director, the responsibility shouldered by him and the industry benchmark, the remuneration proposed to be paid commensurate with the remuneration package paid to similar senior level directors in other Companies.

### f) Pecuniary relations directly or indirectly with the Company or relationship with the Managerial Personnel, if any:

Besides the remuneration proposed to be payable to Ms. Grima Dedhia (Daughter of Executive Director), Mr. Rohit Dedhia does not have any other pecuniary relationship with the Company and its managerial personnel other than as already disclosed by the directors under the relevant provisions of the Companies Act, 1956.

## III. Other Information

### a) Reason for inadequate profits:

The Company has inadequate profits; this was mainly due to commencement of new line of business by the Company and restructuring of the Company.

### b) Steps taken or proposed to be taken for improvement:

The Company has laid out growth strategy for the coming years and commenced work on various high end commercial and residential properties.



# VISHAL COTSPIN LIMITED

## IV. Disclosure

This information in respect of remuneration including perquisites other details are provided in Corporate Governance Report.

The contents of this explanatory statement may be treated as the memorandum of abstract of variation, as stipulated under Section 302 of the Companies Act, 1956.

Directors recommend Special Resolution for your approval.

### Item no.10

At the Extra Ordinary General Meeting held on January 27, 2010, the Members of the Company had approved the terms and conditions of appointment of Mr. Shailesh Shah as an Executive Director of the Company for a period of three years w.e.f 14th November, 2009.

Mr. Shailesh Shah is responsible for business development and related day to day operations of the Company under the overall superintendence, direction and control of the Board. Since the salary structure of the managerial personnel has undergone a major change in the Real Estate Industry, the Board and the Remuneration Committee considered it fit to revise the salary of an Executive Director.

The remuneration committee approved the revised remuneration package for Mr. Shah with effect from 1st April, 2010 at their meeting held on 7th July, 2010 which is set out below.

#### **Salary:**

Rs. 25,000/- per month with effect from 1st April, 2010 and may be given an annual increment as the Board or the Remuneration Committee as applicable decides from time to time subject to a maximum salary of Rs. 1,00,000/- per month provided that such increase shall not exceed Schedule XIII of the Companies Act, 1956.

#### **Perquisites and Other Allowance:**

In addition to the salary, the whole time Director shall also be entitled to perquisites like furnished accommodation, electricity, water, furnishings, gratuity (subject to ceiling in Gratuity Act), medical reimbursement for self and family, leave travel concession, club fees (subject to maximum of one club but excluding life membership and admission fees), personal accident insurance, leave, long service award, free use of Company's car with driver, telephone at residence, in accordance with the rules of the Company. Perquisites shall be valued as per Income Tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost. Use of car for official purpose and telephone at residence (including payment of local calls and long distance official calls) shall not be included in perquisites.

#### **Minimum Remuneration:**

In the event of loss or inadequacy of profits, the whole- time Director shall be paid and entitled to remuneration – salary and perquisites as stated hereinabove as minimum remuneration.

#### **Memorandum of Concern or Interest:**

None of the Directors of the Company other than Mr. Shailesh Shah is in any way concerned or interested in this resolution.

#### **Additional Information relevant to revision of remuneration of Executive Director forming part to the Explanatory statement as required under Schedule XIII of the Companies Act, 1956.**

# Annual Report

## I General Information:-

### a) Nature of Industry :

The Company is in the business of real estate, construction, real estate consultancy and textiles.

### b) Date of commencement of Activity :

The Company has entered into real estate business pursuant to the resolution passed by the members in the Extra-Ordinary General Meeting.

### c) Financial Performance as per Audited Financial result for the year ended 31st March, 2010.

Particulars	Rs in Lacs
Net Sales and other income	317.16
Profit before interest and depreciation	290.74
Interest & Finance charge	9.20
Depreciation	-
Profit Before Tax	281.54
Tax	44.78
Profit After Tax	236.76
Share capital	834.50
Net worth	201.74
Book Value per share in Rs.	6.21

## II. Information about Executive Director:-

### a) Background Detail:

Mr. Shailesh Shah is a Commerce Graduate and Chartered Accountant and has wide experience in the field of real estate, retail and garment industry.

### b) Past Remuneration:

The shareholders had approved a remuneration of Rs. 25,000/- to be paid to Mr. Shah, however, he has waived his right to receive remuneration for the year 2009-10.

### c) Job profile and Suitability:

Taking into consideration his qualification and experience in relevant field, the Executive Director is best suited for the responsibilities currently assigned to him by the Board of Directors.

### d) Remuneration proposed:

Salary: Rs. 25,000/- per month with effect from 1st April, 2010 and may be given an annual increment as the Board or the Remuneration Committee as applicable decides from time to time subject to a maximum salary of Rs. 1,00,000/- per month provided that such increase shall not exceed Schedule XIII of the Companies Act, 1956.



## VISHAL COTSPIN LIMITED

- e) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Taking into consideration, the size of the Company, the profile of Executive Director the responsibility shouldered by him and the industry benchmark, the remuneration proposed to be paid commensurate with the remuneration package paid to similar senior level directors in other Companies.

- f) Pecuniary relations directly or indirectly with Company or relationship with the Managerial Personnel, if any:

None, other than as already disclosed by the directors under the relevant provisions of the Companies Act, 1956.

### III. Other Information

- a) Reason for inadequate profits:

The Company has inadequate profits; this was mainly due to commencement of new line of business by the Company and restructuring of Company.

- b) Steps taken or proposed to be taken for improvement:

The Company has laid out growth strategy for the coming years and commenced work on various developing lucrative and high end commercial and residential property.

### IV. Disclosure

This information in respect of remuneration including perquisites other details are provided in Corporate Governance Report.

The contents of this explanatory statement may be treated as the memorandum of abstract of variation, as stipulated under Section 302 of the Companies Act, 1956.

Directors recommend Special Resolution for your approval.

### Item no.11

The Company has discontinued its existing business of cotton spinning since last two years and is now exploring possibilities of venturing into area where there exists potential opportunities. The Company has ventured into real estate business in the last quarter of 2009-10. The revenue from this business segment has accounted for more than 50% of the total turnover of the Company for the financial year 2009-10. Hence it is proposed to change the name of the Company to reflect the main activity.

Board of Directors believes that the new name will represent the business carried on by the Company in a better way.

Director's proposed new name as Rodium Realty Ltd or such other name as may be suggested by the Ministry of Corporate Affairs.

According to Section 31 of the Companies Act, 1956 change in name of the Company requires shareholders approval by a special resolution.

None of the Director is interested in the resolution.

Directors recommend Special Resolution for your approval.

# Annual Report

## Item no.12

Section 314(1B) of the Companies Act, 1956, inter alia provides that no relative of Director, shall hold office, or continue to hold office or place of profit in the Company, which carries total monthly remuneration of not less than Rs.50,000/- except with prior consent of the members by a Special Resolution and approval of the Central Government.

At the Extra Ordinary General Meeting of the Company held on January 27, 2010, members had approved appointment of Mr. Mehul Nisar as a Chief Financial Officer of the Company, son of Mr. Harish Nisar, Executive Director of the Company, for holding office or continuing to hold office of profit with effect from 1st December, 2009.

Taking into consideration experience and involvement of Mr. Mehul Nisar in the field of Finance and Accounts the Board of Directors at its meeting held on July 07, 2010 proposed to revise the remuneration payable to Mr. Mehul Nisar as salary of Rs.45,000/- per month and will be given increment as per scale of the Company.

None of the Directors of the Company are, in any way, concerned or interested in the said resolution, except Mr. Harish Nisar.

Directors recommend Special Resolution for your approval.

## Item no.13

Ms. Grima Dedhia, daughter of Mr. Rohit Dedhia, Director of the Company is proposed to be appointed as a Public Relationship Consultant of the Company. Ms. Grima Dedhia is well experienced in the matter of public relationship.

As per the provisions of Section 314(1)(b) of the Companies Act, 1956 the appointment of a Relative of a Director drawing a monthly remuneration shall not be made except with the approval of shareholders by a special resolution passed at the General Meeting of the Company.

None of the Directors of the Company are, in any way, concerned or interested in the said resolution, except Mr. Rohit Dedhia.

Directors recommend Special Resolution for your approval.

## Item no.14

Ms. Krupa Chheda, wife of Mr. Deepak Chheda, Managing Director of the Company is proposed to be appointed as a Design Consultant of the Company. Ms. Krupa Chheda, GD. Arch is professional architect and design consultant and has vast experience in the matter of Architecture and Interior Designing.

As per the provisions of Section 314(1)(b) of the Companies Act, 1956 the appointment of a Relative of a Director drawing a monthly remuneration shall not be made except with the approval of shareholders by a special resolution passed at the General Meeting of the Company.

None of the Directors of the Company are, in any way, concerned or interested in the said resolution, except Mr. Deepak Chheda.



# VISHAL COTSPIN LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by Securities and Exchange Board of India (SEBI) and Generally Accepted Accounting Principles (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

### The Indian Economy

During the tough times from mid-2008 onwards, the Indian economy has shown phenomenal resilience and has achieved the growth rate of 6.5% in 2009 and is expected to continue its high growth performance in the coming years. This performance is aided by certain key characteristics of the Indian Economy:

- Strong sustainable domestic demand from the rural and the urban economies.
- Conservative fiscal policies followed by the regulators.
- Government focus on infrastructure spending.
- Ability to attract capital into the country.

### Overview of the Business

The year 2009-10 was very significant for your Company as it witnessed many important and strategic changes, the most significant being the change in the promoters/ management of the Company. The new promoter group will endeavor to achieve strong orientation on quality, professionalism, organizational values and improved stakeholder relationships.

You are aware that the Company has been facing daunting challenges in its main business of cotton spinning since the last few years. The Indian textile industry had been plagued by obsolescence, labour problems, raw material uncertainties and lack of modernization. The other major constraints faced by your Company include:

- Availability of quality cotton at reasonable prices;
- Manufacturing of cotton yarn without market orientation by other manufacturers;
- Appreciation of Indian rupee vis-a-vis US dollar; and
- Increase in rate of interest by lending banks.

To overcome these challenges and to enhance shareholder value, the new promoter group has decided to diversify the Company's activities in other areas of business where they see potential opportunities. With this intention, the Company altered the main objects of the Company by your approval in the Extra-Ordinary General Meeting held on 27th January, 2010. While there was no activity in the cotton spinning business within the Company, the management has decided to venture into Real Estate business as it foresees immense growth potential in this field. As a first step in this direction, your Company became a Partner in M/s. Rodium Properties ("Rodium"). Rodium is a prominent real estate player focusing on premium residential and commercial spaces with focus on quality of construction, transparent and rational documentation, time bound implementation and innovative architectural solutions. During the year under review, your Company has earned total revenue of Rs. 62.24 lacs from real estate consultancy fees. Your Company also received Rs. 248.73 lacs as its share of profits from Rodium. The Company achieved the Net Profit after Tax of Rs. 236.75 lacs.



# Annual Report

After the year end, the other partners of Rodium retired from the firm resulting in Rodium Properties becoming a proprietorship division of your Company.

## Financial Position

### Sources of Funds

#### 1. Share Capital

At present, we have two classes of shares, viz. equity shares and preference shares. Our authorized share capital is Rs. 11.00 crores, divided into 35 lacs equity shares of Rs. 10/- each and 75 lacs redeemable preference shares of Rs. 10/- each. The issued, subscribed and paid up capital as at March 31, 2010 was Rs. 8.34 crores.

#### 2. Reserves and Surplus

##### a. Capital Reserve

The balance as at March 31, 2010 amounted to Rs. 3.96 crores (Rs. 3.96 crores as at March 31, 2009).

##### b. Share Capital Subsidy

The balance as at March 31, 2010 amounted to Rs. 0.25 crores (Rs. 0.25 crores as at March 31, 2009).

##### c. Shareholders' Funds

The total Shareholders' Funds increased to Rs. 6.92 crores as at March 31, 2010 from Rs. 4.79 crores as at the end of the previous year (after adjusting the debit balance in the Profit and Loss Account).

#### 3. Unsecured Loans

The aggregate Unsecured Loans have increased to Rs. 2.00 crores as at March 31, 2010 from Rs. 0.37 crores as at the end of the previous year. The Unsecured Loans have been obtained from the Company's new promoter directors.

## Application of Funds

#### 1. Investments

During the year, the Company became a partner in M/s. Rodium Properties and contributed Rs. 2 crores towards its share of capital. The capital account balance at the year end was Rs. 4.49 crores after accounting for its share of profit of Rs. 2.49 crores from the said firm.

#### 2. Deferred Tax Asset

As at March 31, 2010, the deferred tax asset of Rs. 3.49 crores was recognized (Rs. 3.93 crores as at March 31, 2009). We assess the likelihood that our deferred tax asset will be recovered from future taxable income and believe that it is more probable than not that we will realize the benefits of these deductible timing tax differences.

#### 3. Sundry Debtors

The sundry debtors amounted to Rs. 0.95 crores as at March 31, 2010, compared to Rs. 0.33 crores as at March 31, 2009. These debts are considered good and realizable.

#### 4. Cash and Cash Equivalents

Cash and Cash Equivalents include balance of cash in hand and the balances in current/ fixed deposit/ margin accounts maintained with various banks. The balance as at 31st March, 2010 stood at Rs. 0.08 crores, compared to Rs. 0.33 crores as at March 31, 2009.



## VISHAL COTSPIN LIMITED

5. Loans and Advances  
The balance of Loans and Advances as at 31st March, 2010 stood at Rs. 0.18 crores, compared to Rs. 1.36 crores as at March 31, 2009.
6. Current Liabilities and Provisions  
The balance of Current Liabilities and Provisions as at 31st March, 2010 stood at Rs. 0.26 crores, compared to Rs. 0.69 crores as at March 31, 2009.

### Results of operations

1. Total Revenue  
The Company has achieved total revenue of Rs. 3.17 crores for the year ended 31st March, 2010 as against Rs. 0.50 crores for the year ended March 31, 2009. The total revenue consists of real estate consultancy fees of Rs. 0.62 crores, share of profit from M/s. Rodium Properties Rs. 2.49 crores and Rs. 0.06 by way of other income.
2. Total Expenditure  
The Company incurred a total expenditure of Rs. 0.36 crores for the year ended 31st March, 2010 as against Rs. 0.66 crores for the previous year ended 31st March, 2009.
3. Profit/ (Loss) Before Tax  
The Company achieved Profit Before Tax of Rs. 2.82 crores for the year under review as against the loss of Rs. 0.45 crores for the previous year.
4. Provision for Tax  
Since the Company has carry forward losses in the books hence no provision has been made for tax liability.
5. Earnings Per Share (EPS)  
Our basic EPS for the year is Rs. 5.72 as compared to Rs. (1.38) for the corresponding previous year. There has been no change in the outstanding shares used in computing basic EPS.

### Future Outlook

With the Rodium Division under its wings from April, 2010 as aforesaid, the Company has taken firm steps to enhance and grow in the realty segment with focus on:

- Realty and Property Development,
- Property Management, and
- Design Management.

The Indian Real Estate market, particularly the residential asset class, is showing signs of robust recovery in line with the revival of the Indian economy. Our economy is being driven by its strong fundamentals, demographic features and structural robustness including:

- Young population comprises of over 60% of Indians
- High growth of urbanization
- Nuclearisation of families
- Rise in household disposable incomes
- Improved outlook on urban infrastructure development
- Increased penetration of home financing for end customers.

# Annual Report

With the growth momentum back on track, the availability of capital to real estate sector is also on a rise. These trends have been reinforced by the growth in the Indian economy, which has stimulated demand for land and developed real estate. Demand for residential, commercial and retail real estate is rising throughout India, accompanied by increased demand for improved infrastructure.

## Opportunities :

The Indian real estate industry is currently estimated to be valued at \$48 billion, with a CAGR of 30%. In the residential category, broad categories include low cost/ mid market/ premium housing. The luxury segment is growing annually between 25% and 30%. Almost 80% of the real estate developed in India is residential space. Over the next 10 to 15 years, 80 to 90 million housing dwelling units will have to be constructed to meet the growing demand.

The Government of India has announced stimulus package coupled with the Reserve Bank of India's move allowing banks to provide special treatment to the real estate sector. The Foreign Investment Promotion Board (FIPB) is likely to announce a new FDI policy during the current year which will simplify the existing norms to attract foreign investment in India. Public and private sector banks have announced special packages for home loan borrowers across various categories.

## Risks and Concerns

This section contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these statements as a result of certain factors.

India's real estate sector is improving, as seen by better liquidity and improved demand in the residential segment. The expected growth in 2010 is likely to be driven by government support, improved access to debt and capital markets and the continued recovery of real estate demand.

However, there are certain challenges and risks that need to be actively monitored and mitigation steps to be taken as and when required. These challenges can be summarized as follows:

- Material cost increases leading to higher construction costs
- Increase in interest rates with a potential risk of lower demand
- Increasing labour cost and shortage of skilled and technically qualified manpower
- Land prices still continue to be high due to the lack of any clear land policy
- Lack of desirable progress in development of infrastructure specifically in the areas of roads, water and sewage systems, power, etc.
- Implementation of new Direct Tax Code, GST and other newer regulations to control the industry by the Government.

## Cautionary Statement

Some of the statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a down trend in industry, significant changes in political and economic environment in India and abroad, tax laws, import duties, litigation and labour relations.



# VISHAL COTSPIN LIMITED

## REPORT ON CORPORATE GOVERNANCE

### Company's philosophy on Corporate Governance:

The role of corporate governance has never been more vital. The recent events in the corporate world in India and abroad have brought a number of serious issues in the spotlight. The role of the Board of Directors, role of Independent Directors, accountability of the Auditors, the roles of promoters and management, sufficiency of the level of disclosures and transparency, etc have gained importance.

Your Company believes in following Best Practices of Corporate Governance and will continue to work towards strengthening of the confidence of all its stakeholders. It shall promote and inculcate highest standards of Corporate Governance within the organisation and continue to harness principles of transparency, integrity and accountability.

Your Company is in compliance with all the regulations stipulated by Securities and Exchange Board of India (SEBI) in the Listing Agreement. This chapter, along with chapters on Management Discussion and Analysis and Additional Shareholders' Information, is in compliance with Clause 49 of the Listing Agreement.

### Board Composition and Particulars of Directors

We have a well-defined process in place for placing vital and sufficient information before the Board. Any matters requiring discussion or decision or approval of the Board or Committee are communicated to the Company Secretary well in advance, so that the same could be included in the Agenda of the respective meetings. All items mentioned under Clause 49 of the Listing Agreement are covered to the fullest extent. Presentations covering the new projects, on-going projects Sales, Finance, Compliance, Human Resource and Risk Management practices are made to the Board from time to time. The Board meets at least once in a quarter and the maximum time gap between any two meetings is not more than four months.

### Board Composition:

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The present Composition of Board of Directors' is in compliance with the Clause 49 of the Listing Agreement.

Composition of Board and category of Directors are as follows:

Category	Name of the Directors
Executive Directors	1. Mr. Deepak Chheda (Chairman and Managing Director) 2. Mr. Harish Nisar 3. Mr. Rohit Dedhia 4. Mr. Shailesh Shah
Non Executive Directors	1. Mr. Shyam Lilani 2. Mr. Yogesh Shah 3. Mr. Vatsal Shah 4. Mr. Kiran Mankodi

## Annual Report

### Brief Profile of Directors appointed during the year including directors being re appointed.

Executive Directors	Mr. Deepak Chheda	Mr. Harish Nisar	Mr. Rohit Dedhia	Mr. Shailesh Shah
Brief Profile	Mr. Deepak Chheda, 45 years, is Masters of Architecture from California Polytechnic State University, San Luis, Ibispo, CA, U.S.A. He is the Chief Promoter, Main Strategist. He has over 23 years of rich experience in the field of Architecture, Engineering and Construction. He also has expertise in CAAD Systems, Environmental Control Systems and Project Management.	Mr. Harish Nisar, 55 years, is a Science Graduate from Mumbai University. He has over 20 years of experience in manufacturing and business for industrial safety products. He is also involved in redevelopment of properties for around 15 years.	Mr. Rohit Dedhia, 44 years, is a Commerce Graduate from Mumbai University. He has over 15 years experience in Project execution and Operations	Mr. Shailesh Shah, 43 years is a member of the Institute of the Chartered Accountants of India. He has over 15 years of experience in the Garment Industry. He has also diversified into real estate projects.
Date of joining the Board	November 14, 2009	November 14, 2009	November 14, 2009	November 14, 2009
Directorship and Committee Memberships in other Companies	1	Nil	Nil	1
No. of Shares held in their own name	9,29,351	3,09,784	3,09,784	5,87,521



## VISHAL COTSPIN LIMITED

### Brief Profile of Directors appointed during the year including directors being re appointed.

<b>Non-Executive Directors</b>	<b>Mr. Shyam Lilani</b>	<b>Mr. Yogesh Shah</b>	<b>Mr. Vatsal Shah</b>	<b>Mr. Kiran Mankodi</b>
Brief Profile	Mr. Shyam Lilani, 65 years of age. He is a Bachelors of Arts, Honors LLB, Solicitor's Exam Bombay Incorporation Law Society. He is a reputed lawyer and Solicitor with a valuable and e n o r m o u s experience in the Law matters.	Mr. Yogesh Shah, 50 years of age. He is a member of the Institute of the C h a r t e r e d Accountants of India. He is practicing as a C h a r t e r e d Accountant since 1984 and has an experience of around 25 years in the field of statutory and regulatory audit, treasury services, environmental audits, accounting and regulatory advice new authorizations.	Mr. Vatsal Shah, 44 years of age. He is a C o m m e r c e Graduate and Bachelor of Law from Mumbai University. He is practicing as lawyer since 1988 and has an experience of around 22 years in the field of Civil and Company Law matters.	Mr. Kiran Mankodi, 32 years, He is Member of the Institute of C o m p a n y Secretaries of India and Bachelor of Law from Mumbai University. He has experience in the field of legal, company law matters, financial/ c o r p o r a t e restructuring and banking related matters.
Date of joining the Board	December 24, 2009	4th August, 2009	4th August, 2009	4th August, 2009
Directorship and Committee Memberships in other Companies	Nil	Nil	1	Nil
No. of Shares held in their own name	Nil	Nil	Nil	Nil

# Annual Report

## **Board Meetings, Board Committee Meetings and Procedures**

### **Institutionalised decision making process:**

The Board of Directors' is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic decisions of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Chairman and Managing Director are assisted by the Executive Directors/ Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board has constituted four standing Committees, namely Audit Committee, Remuneration Committee, Management Committee and Shareholders'/ Investors' Grievance Committee. The Board is authorized to constitute additional functional Committees, from time to time, depending on the business needs. The internal guidelines for the Board/ Board Committee meetings facilitate the decision making process at the meetings of the Board/ Committees in an informed and efficient manner. The following sections deal with the practice of these guidelines followed at Vishal Cotspin Limited.

### **Recording Minutes of proceedings at Board and Committee meetings:**

The Company Secretary regularly records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/ Committee for their comments. The minutes are entered in the Minutes Book within 30 days from conclusion of the meeting.

### **Post Meeting Follow-up Mechanism:**

The Guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the decisions taken by the Board and Committees thereof. The important decisions taken at the Board/ Committee meetings are communicated to the departments/ divisions concerned promptly. Action taken report on the decisions taken in the previous meeting(s) is placed at the immediately succeeding meeting of the Board/ Committee for noting by the Board/ Committee.

### **Compliance:**

The Company Secretary while preparing the Agenda, Notes on Agenda, Minutes, etc. of the meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956 read with the Rules issued thereunder and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

### **Number of Board Meetings held and the dates on which held**

Ten Board meetings were held during the year, as against the minimum requirement of four meetings. The Company has held at least one Board meeting in every three months and the maximum time gap between any two meetings was not more than four months. The details of the Board meetings are as under:



## VISHAL COTSPIN LIMITED

Sr. No.	Date	Board Strength	No. of Directors Present
1.	April 22, 2009	4	4
2.	June 22, 2009	4	4
3.	July 24, 2009	4	4
4.	August 4, 2009	4	4
5.	September 29, 2009	7	3
6.	October 30, 2009	7	3
7.	November 14, 2009	9	3
8.	December 24, 2009	9	7
9.	January 30, 2010	9	8
10.	March 29, 2010	8	8

**Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanships/ Memberships of Committees of each Director in various companies**

Name of the Director	Attendance of Meetings during 2009-10		No. of other Directorship (s)	No. of Membership(s)/ Chairmanship(s) of Board Committees in Other Companies
	Board Meetings	Last AGM		
Deepak Chheda	5	No	1	NIL
Shailesh Shah	5	No	1	NIL
Harish Nisar	5	No	NIL	NIL
Rohit Dedhia	5	No	NIL	NIL
Kiran Mankodi	8	No	NIL	NIL
Yogesh Shah	8	No	NIL	NIL
Shyam Lilani	4	No	NIL	NIL
Vatsal Shah	8	No	1	NIL

Due to change in management none of Directors could attend previous AGM.



# Annual Report

## Board Committees

Details of the Committees of the Board and other related information are provided hereunder:

### Audit Committee:

#### Composition

- Yogesh Shah (Chairman)
- Kiran Mankodi
- Deepak Chheda

#### Objective

The Audit Committee of the Company is constituted in line with the provision of Clause 49 of the Listing Agreement of the Stock Exchange read with Section 292A of the Companies Act, 1956.

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors, the performance of internal auditors and the Company's risk management policies. The Audit Committee meets at least four times in a year and not more than four months should elapse between two meetings. The quorum is either two members or one third of the members of the Audit Committee whichever is higher, but minimum of two independent members should be present.

#### Terms of Reference

The terms of reference/ powers of the Audit Committee are as under:

- **Powers of the Audit Committee**
  - To investigate any activity within its terms of reference.
  - To seek information from any employee.
  - To obtain professional legal or expert advice.
  - To secure attendance of outsiders with relevant expertise, if it considers necessary.
- **Role of the Audit Committee**
  - Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are accurate, sufficient and credible.
  - Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, internal auditor fixing of the audit fees and approving payments for any other services.
  - Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:



## VISHAL COTSPIN LIMITED

- a. Matters required being included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of the Section 217 of the Companies Act, 1956.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries and significant adjustments made in the financial statements arising out of audit findings.
  - d. Compliance with listing and other legal requirements relating to financial statements.
  - e. Disclosure of any related party transactions.
  - f. Qualifications in the draft audit report, if any.
- Reviewing, with the management, the quarterly, half-year, nine months and annual financial statements, stand alone as well as consolidated before submission to the board for approval.
  - Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
  - Reviewing the adequacy of internal audit systems and internal audit department, staffing, reporting structure coverage and frequency of internal audit.
  - Discussion with internal auditors any significant findings and follow up there on.
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
  - Reviewing reports furnished by the internal auditors and statutory auditors and ensuring suitable follow-up thereon.
  - Reviewing the appointment and the terms of remuneration of Chief Internal Auditor of the Company.
  - Reviewing the Company's financial and risk management policies
  - Reviewing with the management and the statutory auditors anticipated changes in the Accounting Standards
  - To review the functioning of the Whistle Blower mechanism, in case the same exists.
  - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### **Explanation:**

- (i) The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.
- (ii) If the Company has set up an Audit Committee pursuant to provision of the Companies Act, 1956 the said audit committee shall have such additional functions/ features as is contained in this clause.

### **Meetings:**

4 Meetings of the Audit Committee were held during the year ended March 31, 2010.

### **Attendance of each Member at the Audit Committee Meetings held during the year**

# Annual Report

<b>Name of the Committee Member</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Yogesh Shah	4	3
Kiran Mankodi	4	3
Deepak Chheda	4	2

Chief Financial Officer attended the Audit Committee Meetings held during the year.

## Shareholders'/ Investors' Grievance Committee:

### Composition

- Yogesh Shah (Chairman)
- Kiran Mankodi
- Deepak Chheda

### Terms of Reference

The Committee, inter-alia, approves issue of duplicate share certificates and oversees and reviews all matters connected with transfer of securities of the Company. The Committee also looks into redressal of shareholders'/ investors' complaints related to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend, etc. The Committee oversees performance of the Registrar and Transfer Agents of the Company, and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

### Meetings

7 Meetings of the Shareholders'/ Investors' Grievance Committee were held during the year ended March 31, 2010.

### Attendance of each Member at the Shareholders'/ Investors' Grievance Committee Meetings held during the year

<b>Name of the Committee Member</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Yogesh Shah	7	7
Kiran Mankodi	7	7
Deepak Chheda	7	4



# VISHAL COTSPIN LIMITED

## Company Secretary

Ms. Sarita Magar, Company Secretary, complies with the requirements of SEBI Regulations and Listing Agreements with the Stock Exchange.

## Investor Grievance Redressal

There were no complaints received during the year under review.

## Remuneration Committee:

### Composition

- Kiran Mankodi (Chairman)
- Yogesh Shah
- Vatsal Shah

### Terms of Reference

The Remuneration Committee has been constituted to recommend/ review remuneration of the Managing Director and Whole-time Directors, based on their performance and defined assessment criteria.

### Meetings

Two Meetings of the Remuneration Committee were held during the year ended March 31, 2010.

<b>Name of the Committee Member</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Kiran Mankodi	2	2
Yogesh Shah	2	2
Vatsal Shah	2	2

### Remuneration policy, details of remuneration and other terms of appointment of Directors

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing Industry practice.

### No Remuneration paid to the Chairman and Managing Director and the Whole-time Directors during 2009-10:

The tenure of office of the aforesaid Managing Director and Whole-time Directors is for a period of 3 years from their respective date of appointments.

# Annual Report

## Management Committee:

### Composition

- Yogesh Shah (Chairman)
- Kiran Mankodi
- Deepak Chheda

### Terms of Reference

The Management Committee has been constituted to consider the business items which need the approval urgently and holding the meeting of Board of Directors would not be possible.

### Meetings

No meetings of the Management Committee were held during the year ended March 31, 2010.

### Code of Ethics for Directors and Senior Management

The Code of Ethics for Directors and Senior Management ('the Code'), as adopted by the Board, is a comprehensive Code applicable to all Directors and Management Personnel. The Code while laying down, in detail, the standards of business conduct, ethics and governance, centers on the following theme:

"The Company's Board members and senior management personnel are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in spirit."

A copy of the Code has been put on the Company's website. .

The Code has been circulated to all the members of the Board and senior management personnel and the compliance of the same is affirmed by them annually.

A declaration signed by the Chairman and Managing Director of the Company is given below:

I hereby solemnly affirm that I have, in letter and spirit and to the best of my knowledge and belief, complied with the provisions of CODE OF ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT during the financial year ended March 31, 2010.

Deepak Chheda  
Chairman and Managing Director



# VISHAL COTSPIN LIMITED

## General Body Meetings

### Annual General Meeting:

Annual General Meetings of the Company during the preceding 3 years were held at:

#### 2008-09

No. 17, 1st Floor, 1st Cross, 5th 'A' Block, Koramangal, Bengaluru- 560095.

#### 2007-08

S-916, Manipal Centre, South Block, 47, Dickenson Road, Bengaluru - 560042.

#### 2006-07

S-916, Manipal Centre, South Block, 47, Dickenson Road, Bengaluru - 560042.

### Date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolution(s) passed thereat are as follows:

#### 2008-09

Date and Time: August 1, 2009, 10.00 a.m.

Special Resolutions passed: Nil

#### 2007-08

Date and Time: May 22, 2008, 10.00 a.m.

Special Resolutions passed: Nil

#### 2006-07

Date and Time: September 29, 2007, 10.00 a.m.

Special Resolutions passed: Nil

### Extra-Ordinary General Meeting:

An Extra-Ordinary General Meeting of the members of the Company was held on 27th January, 2010 at 10.30 a.m. at 104, 1st Floor, 2nd Main, 4th Cross, Gavipuram Extention, Basavanagudi, Bengaluru - 560 019. at the said meeting following resolutions were passed.

### Ordinary Resolutions :

- 1) To approve the borrowing limit for the Company.
- 2) To appoint auditor to fill casual vacancy by resignation of statutory auditor.
- 3) To approve the appointment of Independent Directors.
- 4) To approve the appointment of Additional Directors.
- 5) To appoint and approve remuneration of Managing Director.
- 6) To appoint and approve remuneration of Executive Directors.

### Special Resolutions :

- 1) To alter Articles of Association.
- 2) To approve further issue of shares.
- 3) To approve appointment of the Chief Financial Officer.
- 4) To carry on the business specified in the Memorandum of Association.

# Annual Report

## Special Resolutions passed through Postal Ballot:

The Company issued a notice to the shareholders dated December 26, 2009 under Section 192A of the Companies Act, 1956 (Companies Passing of the Resolution by Postal Ballot) Rules, 2001) and appointed Shri Bhavesh Desai of M/s Bhavesh Desai & Associates, Company Secretaries, Mumbai, as the Scrutinizer for the Postal Ballot in respect of the following resolutions, and the shareholders of the Company approved the resolutions passed through the Postal Ballot with requisite majority. The result of the Postal Ballot was declared on January 29, 2010:

	Resolution No. a		Resolution No. b		Resolution No. c	
	No. of Postal Ballot forms	No. of shares	No. of Postal Ballot forms	No. of shares	No. of Postal Ballot forms	No. of shares
Total Postal Ballots received	32	23,96,890	32	23,96,890	32	23,96,890
Number of valid Postal Ballot forms received	27	23,06,140	27	23,06,140	27	23,06,140
Number of invalid Postal Ballot forms received	5	90,750	5	90,750	5	90,750
Votes in favour of the resolution	27	23,06,140	27	23,06,140	27	23,06,140
Votes against the resolution	Nil	N.A.	Nil	N.A.	Nil	N.A.

The following 3 Special Resolutions were passed through Postal Ballot on January 29, 2010:

Sr. No.	Section	Business
a.	17	For shifting of Registered Office from the State of Karnataka to the State of Maharashtra
b.	16 and 17	For amendment in main Object Clause of Memorandum of Association of the Company
c.	372A	For approving limits of Inter-Corporate Loans and Investments



## VISHAL COTSPIN LIMITED

### **Disclosures on materially significant related party**

Your Company has not entered into any transaction of a material nature except transactions with related parties which are furnished under Schedule 'M' of the Notes to the Accounts as stipulated under Accounting Standard 18 (AS-18), with the Promoters, Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large. All transactions were carried out on an arms length basis and were not prejudicial to the interest of the Company.

### **Disclosure of Accounting Treatment**

The Company follows Accounting Standards prescribed by the Companies Accounting Standard Rules, 2006 and relevant provisions of the Companies Act, 1956 and in preparation of financial statements, the Company has not adopted a treatment different from that prescribed in the Accounting Standard(s).

### **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority, on any matter related to capital markets, during the last three years**

- SEBI Consent order: The Company has paid amount of Rs.4,30,000/- towards settlement charges as per the consent order passed by the SEBI for non-compliance for the period prior to the current financial year's under Regulations 6(2), 6(4), 8(3) & 7(3) of the SEBI (SAST) Regulations 1997.
- The Company has paid a sum of Rs.97,500/- for compounding of offence pertaining to the period prior to the current financial year relating to related parties transaction as per the provisions of Section 297 of Companies Act, 1956.

### **Means of Communication**

#### **Quarterly Results:**

Quarterly Results are published in 'Business Standard' and 'Hosadigantha' and are displayed on the Company's website [www.vishalcotspin.com](http://www.vishalcotspin.com)

#### **News Releases, Presentations, etc:**

Official news releases etc. are displayed on the Company's website [www.vishalcotspin.com](http://www.vishalcotspin.com). Official Media Releases are sent to the Stock Exchanges.

#### **Website:**

The Company's website [www.vishalcotspin.com](http://www.vishalcotspin.com) contains a separate dedicated section 'Investor Corner' where information useful to shareholders is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.

#### **Annual Report:**

Annual Report containing, inter-alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto.



# Annual Report

## Designated Exclusive email ID:

The Company has designated the following email-ids exclusively for investor servicing:

- (a) For queries on Annual Report – info@vishalcotspin.com
- (b) For queries in respect of shares in physical mode - kandhimathi@cameoindia.com

## General Shareholder Information

### Company Registration Details

The Company is registered in the State of Maharashtra, India.

### Annual General Meeting (Day, Date, Time and Venue)

**Date** : Monday, August 2, 2010  
**Time** : 9.15 a.m.  
**Venue** : 291, X'Trium, Ground Floor, Andheri – Kurla Road, Near Chakala Junction, Andheri (East), Mumbai - 400 069.

### Date of Book Closure

July 29, 2010 to August 02, 2010.

### Listing on Stock Exchanges

#### Equity Shares

Bombay Stock Exchange Limited, (BSE),  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400 001.

**Scrip Code** : 531822

**Scrip ID** : VISHA

**ISIN** : INE513E01024

### Payment of Listing Fees

Annual listing fee for the year 2010-11 (as applicable) has been paid by the Company to BSE.

### Payment of Custodial Fees

Annual custodial fee of CDSL and NSDL for the year 2010-11 (as applicable) has been paid by the Company.



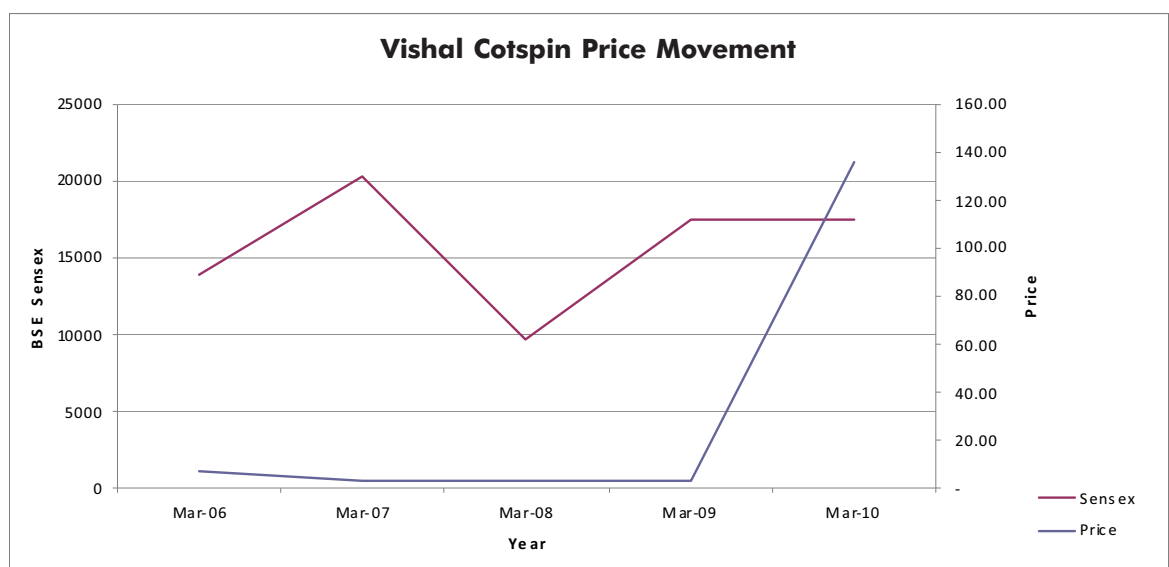
# VISHAL COTSPIN LIMITED

## Stock Market Price Data

Month	Bombay Stock Exchange (BSE) (In Rs. Per share)	
	Month's High Price	Month's Low Price
April, 2009	N.A*	N.A*
May, 2009	N.A*	N.A*
June, 2009	N.A*	N.A*
July, 2009	N.A*	N.A*
August, 2009	2.90	2.90
September, 2009	3.04	3.04
October, 2009	3.19	3.19
November, 2009	3.19	3.19
December, 2009	3.50	3.34
January, 2010	4.24	3.67
February, 2010	8.30	4.45
March, 2010	17.15	8.71

\* Company's shares were not traded

## Share Price Performance in comparison to broad based index – BSE Sensex as on March 31, 2010



# Annual Report

## Registrars and Transfer Agents

Cameo Corporate Services Limited  
 Subramanian Buildings,  
 No. 1 Club House Road,  
 Chennai- 600002  
 Phone: 044 – 28460390  
 Email id: investor@cameoindia.com  
 Website: www.cameoindia.com

## Share Transfer System

Shares lodged for transfer at the Registrar's address are normally processed and approved on a fortnightly basis. All requests for dematerialization of shares are processed and the confirmation is given to the Depositories within 15 days. Grievances received from members and other miscellaneous correspondences on change of address, bank/ ECS mandates, etc. are processed by the Registrars within 30 days.

Share Transfers and other communications regarding Share Certificates, change of address, Demat and other matters, please write to or contact Share Transfer Agent of the Company at Cameo Corporate Services Limited.

## Distribution of Shareholding as on March 31, 2010

Category Code	Category of Shareholder	No. of Shareholders	Total number of Shares	As a Percentage of (A+ B + C)
(A)	Shareholding of Promoter and Promoter Group			
(a)	Indian	4	21,36,440	65.78
(b)	Foreign	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>4</b>	<b>21,36,440</b>	<b>65.78</b>
(B)	Public Shareholding			
(a)	Institutions	1	1,25,000	3.85
(b)	Non-Institutions	691	9,86,460	30.37
	<b>Total Public Shareholding</b>	<b>692</b>	<b>11,11,460</b>	<b>34.22</b>
(C)	Shares held by Custodians and against which Depositories Receipts have been issued	-	-	-
	<b>Total (A + B + C)</b>	<b>696</b>	<b>32,47,900</b>	<b>100.00</b>



## VISHAL COTSPIN LIMITED

### Shareholding Pattern by size as on March 31, 2010

Sr. No.	Category	Holders	% of Total Holders	Shares	% of Total Shares
1.	1 – 100	39	5.60	2860	0.09
2.	101 – 500	431	61.93	124800	3.84
3.	501 – 1000	56	8.05	37350	1.159
4.	1001 – 2000	100	14.37	129700	3.99
5.	2001 – 3000	22	3.16	55610	1.71
6.	3001 – 4000	9	1.29	33790	1.04
7.	4001 – 5000	6	0.86	28550	0.88
8.	5001 – 10000	11	1.58	87100	2.68
9.	10001 – and above	22	3.16	2748140	84.61

### Build up of Equity Capital

Sr. No.	Particulars	Allotment Date	No. of Shares
1.	Subscribers to Memorandum	May 12, 1993	70
2.	Promoters, friends, relatives and associates	March 24, 1994	8,04,000
3.	Promoters, friends, relatives and associates	November 15, 1994	6,92,000
4.	Promoters, friends, relatives and associates	January 17, 1995	2,14,500
5.	Promoters, friends, relatives and associates	March 30, 1995	4,80,630
6.	Promoters, friends, relatives and associates	August 31, 1995	2,92,700
7.	Promoters, friends, relatives and associates	August 31, 1995	6,32,000
8.	Public and Promoters	May 29, 1996	38,65,300
9.	Shares forfeited	January 31, 2004	(4,85,400)
10.	50% reduction in equity shares	December 20, 2006	(32,47,900)
	Total Equity as on March 31, 2010		32,47,900

### Corporate Benefits to Investors

#### Bonus Issues of Fully Paid-up Equity Shares

Not Applicable

#### Dividend Declared for the last 10 Years

No dividend has been declared in the last ten years

# Annual Report

## Dematerialization of Shares

Electronic/Physical	%
NSDL	0.98
CDSL	73.52
Physical	25.50
Total	100.00

## Transfer of unpaid/ unclaimed amounts to Investor Education and Protection Fund

During the year under review, the Company has no unpaid/ unclaimed amounts to be transferred to Investor Education and Protection Fund.

## Compliance Certificate of the Auditors

Certificate from the Auditor of the Company, M/s. Ashar & Co. Chartered Accountants confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is attached to the Directors' Report forming part of this Annual Report.

This Certificate has also been forwarded to the Stock Exchanges where the securities of the Company are listed.

## Adoption of Mandatory and Non-Mandatory Requirements of Clause 49

The Company has complied with all mandatory requirements and has adopted following non mandatory requirements of Clause 49.

## Remuneration Committee

The Company has constituted Remuneration Committee to recommend/ review remuneration of the Managing Director and Whole-time Directors based on their performance and defined assessment criteria.

## CEO and CFO Certification

The Chairman and Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41.

By order of the Board of Directors,

For **Vishal Cotspin Limited**

## Director

Date: July 07, 2010.

Place: Mumbai



# VISHAL COTSPIN LIMITED

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 17th Annual Report and the Audited Statements of Account of your Company for the year ended March 31, 2010.

### Financial Results

The financial performance of the Company, for the year ended March 31, 2010 is summarised below:

(Rs. in Lacs)

Particulars	2009-10		2008-09	
Profit/(Loss) Before Depreciation, Interest and Tax		290.74		(12.81)
Less: Interest	9.20		2.87	
Depreciation	-		29.10	
Profit/(Loss) before Tax		281.54		(44.78)
Less: Provision for Current Taxation		-		-
Provision for Fringe Benefit Tax		-		0.09
Provision for Deferred Tax		44.78		-
Profit/(Loss) after Tax		236.75		(44.87)
Add: Balance in Profit and Loss Account		(800.92)		(787.49)
Excess provision for tax for earlier years		-		0.25
Extra-ordinary Item		-		31.69
Amount Available for Appropriation		(564.17)		(800.92)

### Review of Operations

The year under review was a transformational year for the Company. Your Directors have diversified the Company's activities in other areas of business where they see potential opportunities. As a step in this direction, your Company was admitted as a Partner in Rodium Properties. Rodium Properties is a prominent real estate player. During the year under review, your Company has earned total revenue of Rs. 62.24 lacs as real estate consultancy fees. Your Company also received Rs. 248.73 lacs its share of profits from the partnership firm. The Company achieved a Profit after Tax of Rs. 236.75 lacs.

### Dividend

In view of the need to conserve resources for growth, your Directors do not recommend any dividend for the current financial year.

### Significant Developments

During the year, the promoter shareholding was acquired by Mr. Deepak Chheda, Mr. Harish Nisar, Mr. Rohit Dedhia and Mr. Shailesh Shah. The open offer to acquire equity shares pursuant the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 was duly completed.

# Annual Report

During the year, the Company become a partner in Rodium Properties, a partnership firm. After the close of the current financial year, the Company has taken over all the assets and liabilities of the firm as a going concern. For the sake of administrative convenience, the registered office of the Company has been shifted from the State of Karnataka to the State of Maharashtra.

During the year under review, the Company has also amended its Main Object of the Memorandum of Association of the Company with a view to carry on business of real estate pursuant to the General Meeting resolution passed on January 27, 2010.

## Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement is presented in a separate section forming part of the Directors' Report.

## Auditors and Auditors' Report

M/s. Ashar & Co., Chartered Accountants, Statutory Auditors of the Company who hold office until the conclusion of the ensuing Annual General Meeting have expressed their unwillingness to continue as the Company's Statutory Auditor. Hence it is proposed to appoint M/s M. M. Nissim & Co., Chartered Accountants as the Statutory Auditors. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for appointment within the meaning of Section 226 of the said Act. The necessary resolution in this regard for your approval is contained in the Notice of the forthcoming Annual General Meeting.

## Directors

During the year under review following Directors have resigned as directors:

Sr. No.	Name	Date of Resignation
1.	Mr. R. P. Shantakumar	7th August, 2009
2.	Mr. S. Venkatakrishna	7th August, 2009
3.	Mr. Ramanujdas Boob	14th November, 2009
4.	Mr. Balkishan Boob	29th March, 2010

The Board places on record its sincere appreciation for the services rendered by Mr. Shantakumar, Mr. Venkatakrishna, Mr. Ramanujdas Boob and Mr. Balkishan Boob to the Company.

## Public Deposits

Your Company has not accepted any deposits from public or employees during the year under review.

## Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance. The Directors adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India and have implemented all the stipulations prescribed. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Directors' Report.



## VISHAL COTSPIN LIMITED

The requisite Certificate from the Auditors of the Company, M/s. Ashar & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

### **Conservation of Energy, Research and Development, Technology Absorption, Foreign exchange Earnings and Outgo**

In terms of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the particulars of conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, are set out as an annexure to this Report.

### **Disclosure of Employees**

There are no employees within the purview of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

### **Directors' Responsibility Statement**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the year ended March 31, 2010, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

### **Acknowledgement**

Your Directors would like to express their appreciation for assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

For and on behalf of the Board of Directors

Deepak Chheda  
Chairman and Managing Director

Date: July 07, 2010  
Place : Mumbai



# Annual Report

## ANNEXURE A

### A. CONSERVATION OF ENERGY

Not applicable

### B. TECHNOLOGY ABSORPTION

Not applicable

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

<b>Particulars</b>	<b>Year ended 2009-10</b>	<b>Year ended 2008-09</b>
Total foreign exchange earned	Nil	Nil
Total foreign exchange used	Nil	Nil

By order of the Board of Directors,  
For Vishal Cotspin Limited

Managing Director

Date: July 07, 2010

Place: Mumbai



# VISHAL COTSPIN LIMITED

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members,  
Vishal Cotspin Limited

We have examined the compliance of conditions of Corporate Governance by Vishal Cotspin Limited for the year ended 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

1. As informed by the management, there are no Investor Grievances pending for the period exceeding one month against the Company on the records maintained by the Shareholders/ Investor Grievances Committee.
2. The loan amounting to Rs. 1,26,68,550 granted in contravention to Section 295 of the Companies Act, 1956 in the previous year has been received in full.

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

**For Ashar & Co.**

Chartered Accountants

Firm Registration No. 129159W

**Yogesh Ashar**

Partner

Membership No. 046259

Date: July 07, 2010

Place: Mumbai

# Annual Report

## AUDITORS' REPORT

To

The Members of Vishal Cotspin Limited

1. We have audited the attached Balance Sheet of Vishal Cotspin Limited ('the Company') as at March 31, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - ii. 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;
  - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and



## VISHAL COTSPIN LIMITED

- vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the Notes thereon and attached thereto give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2010;
- b) in the case of the profit and loss account, of the profit for the year ended on that date; and
- c) in the case of cash flow statement, of the cash flows for the year ended on that date.

**For Ashar & Co.**  
**Chartered Accountants**  
**Firm Registration No. 129159W**

**Yogesh Ashar**  
**Partner**  
**Membership No. 046259**

**Date: July 07, 2010**  
**Place: Mumbai**

# Annual Report

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our Report to the Members of Vishal Cotspin Limited on the accounts for the year ended March 31, 2010)

1. The Company does not have any fixed assets and therefore, the provisions of clause 4 (i) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
2. The Company does not have any inventory, nor has undertaken any purchase or sales of any goods and therefore, the provisions of clause 4(ii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
3. (a) The Company had granted interest free loan to a private company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 125.24 lakhs and the year end balance of loans granted to such parties was Nil.  
  
(b) The rate of interest and terms of loan given are, prima facie, prejudicial to the interest of the Company.  
  
(c) According to the information and explanations given to us, there were no specific covenants with regard to the repayment of the loan. The said loan has been repaid during the year under consideration.  
  
(d) The Company has taken loans from five parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 201.25 lakhs and the year end balance of loans taken from such parties is Rs. 200.25 lakhs.  
  
(e) The rates of interest and terms of the loan taken are not, prima facie, prejudicial to the interest of the Company.  
  
(f) According to the information and explanations given to us, there are no specific covenants with regard to the repayment of loans taken.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.



## VISHAL COTSPIN LIMITED

- (b) There are no transactions made exceeding value of Rs. 0.50 million entered into during the financial year.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975.
  7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
  8. To the best of our knowledge and as explained to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for the products dealt by the Company during the year under review.
  9. According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues towards provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, excise duty, wealth-tax, service tax, customs duty, cess and other material statutory dues to the extent applicable to it with the appropriate authorities during the year. As explained to us, no undisputed amount payable were in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
  10. The Company has not incurred cash loss during the year but had incurred cash loss during the immediate previous year. The accumulated losses as at the end of the financial year are more than 50% of its net worth.
  11. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to its banks or to any financial institution during the financial year.
  12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
  13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
  14. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.

## Annual Report

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. As informed to us, the Company has not raised any term loan during the financial year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the Company has not issued any debentures during the year.
20. As informed to us, the Company has not raised any money through public issue.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For Ashar & Co.**  
**Chartered Accountants**  
**Firm Registration No. 129159W**

**Yogesh Ashar**  
**Partner**  
**Membership No. 046259**

**Date: July 07, 2010**  
**Place: Mumbai**



# VISHAL COTSPIN LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2010

	Schedule	As at 31/03/2010 Rupees	As at 31/03/2009 Rupees
<b>SOURCES OF FUNDS :</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Capital	1	83,449,750	83,449,750
Share Application			2,417,000
Reserves and Surplus	2	<u>42,141,436</u>	<u>42,141,436</u>
		125,591,186	128,008,186
<b>LOAN FUNDS</b>			
Unsecured Loans	3	<u>20,025,000</u>	<u>3,720,167</u>
		20,025,000	3,720,167
	Total	<u>145,616,186</u>	<u>131,728,353</u>
<b>APPLICATION OF FUNDS:</b>			
<b>FIXED ASSETS</b>	4	-	-
<b>INVESTMENTS</b>	5	44,883,391	10,500
<b>DEFERRED TAX ASSET</b>		34,862,431	39,340,890
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Sundry Debtors	6	9,454,565	3,276,000
Cash and Bank Balances		814,441	2,317,226
Loans and Advances		<u>1,815,784</u>	<u>13,628,502</u>
		12,084,790	19,221,728
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	7	2,625,190	6,927,597
Provisions		<u>6,030</u>	<u>9,308</u>
		2,631,220	6,936,905
Net Current Assets		9,453,570	12,284,823
Profit and Loss Account		<u>56,416,794</u>	<u>80,092,140</u>
	Total	<u>145,616,186</u>	<u>131,728,353</u>
<b>Significant Accounting Policies and Notes on Accounts</b>			
	12		

This is the Balance Sheet referred to in our report of even date.

**For Ashar & Co.**

Chartered Accountants  
Firm Registration No. 129159W

**Yogesh Ashar**

Partner  
Membership No. 046259

Date : 7th July, 2010  
Place : Mumbai

For and Behalf of the Board of Directors

**Deepak K. Chheda** Chairman & Managing Director

**Harish Nisar** Director

**Mehul Nisar** CFO

**Sarita Magar** Company Secretary

Date : 7th July, 2010  
Place : Mumbai



# Annual Report

## PROFIT & LOSS ACCOUNT

	Schedule	For the year ended 31/03/2010 Rupees	For the year ended 31/03/2009 Rupees
<b>INCOME</b>			
Inome from Operations		<b>6,224,000</b>	588,200
Share of Profit from Partnership Firm		<b>24,872,891</b>	-
		<b>31,096,891</b>	588,200
Other Income	8	<b>618,710</b>	4,433,197
		<b>31,715,601</b>	<b>5,021,397</b>
<b>EXPENDITURE</b>			
Manufacturing, Administrative and Other Expenses	9	<b>2,641,727</b>	6,167,659
Selling and Distribution Expenses	10	-	134,386
Interest and Finance Charges	11	<b>920,069</b>	287,415
		<b>3,561,796</b>	<b>6,589,460</b>
<b>PROFIT/ (LOSS) BEFORE DEPRECIATION</b> (1,568,063)			<b>28,153,805</b>
Depreciation		-	2,910,373
<b>PROFIT/ (LOSS) BEFORE TAX</b>		<b>28,153,805</b>	(4,478,436)
Provision for Tax			
Current Tax		-	-
Deferred Tax		<b>4,478,459</b>	-
Fringe Benefit Tax		-	9,308
		<b>4,478,459</b>	<b>9,308</b>
<b>PROFIT/ (LOSS) AFTER TAX BEFORE EXTRAORDINARY ITEMS</b>		<b>23,675,346</b>	(4,487,744)
Taxation adjustment of earlier years	-	-	(24,875)
Extra-Ordinary Items		-	3,169,272
<b>PROFIT/(LOSS) AFTER TAX AFTER EXTRAORDINARY ITEMS</b>		<b>23,675,346</b>	(1,343,347)
Add: Balance brought forward from previous year		<b>(80,092,140)</b>	<b>(78,748,793)</b>
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>(56,416,794)</b>	<b>(80,092,140)</b>
Basic and Diluted Earnings Per Equity Share (in Rs.) Before Extraordinary Items		<b>5.72</b>	<b>(1.38)</b>
Basic and Diluted Earnings Per Equity Share (in Rs.) After Extraordinary Items		<b>5.72</b>	<b>(0.41)</b>
Significant Accounting Policies and Notes on accounts	12		

This is the Balance Sheet referred to in our report of even date.

### For Ashar & Co.

Chartered Accountants  
Firm Registration No. 129159W

### Yogesh Ashar

Partner  
Membership No. 046259

Date : 7th July, 2010  
Place : Mumbai

For and Behalf of the Board of Directors

**Deepak K. Chheda** Chairman & Managing Director

**Harish Nisar** Director

**Mehul Nisar** CFO

**Sarita Magar** Company Secretary

Date : 7th July, 2010  
Place : Mumbai



# VISHAL COTSPIN LIMITED

## CASHFLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2010.

	For the Year ended 31/03/2010 Rs.	For the Year ended 31/03/2009 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT/ (LOSS) BEFORE TAX</b>	<b>28,153,805</b>	<b>(4,478,436)</b>
Adjustments for :		
Depreciation	-	2,910,373
Share of Profit in the Firm	<b>(24,872,891)</b>	
(Profit)/ Loss on Sale of Fixed Assets	-	(188,339)
Interest (net)	<b>368,254</b>	<b>61,787</b>
	<hr/>	<hr/>
OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGES	<b>3,649,168</b>	<b>(1,694,614)</b>
Adjustments for :		
Trade and other receivables	<b>5,634,153</b>	5,288,087
Inventories	-	3,429,130
Trade Payable	<b>(4,302,407)</b>	<b>(23,085,739)</b>
	<hr/>	<hr/>
	<b>1,331,746</b>	<b>(14,368,522)</b>
	<hr/>	<hr/>
CASH GENERATED FROM OPERATIONS	<b>4,980,914</b>	<b>(16,063,137)</b>
Direct Taxes paid	<b>(3,278)</b>	<b>(34,183)</b>
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	<b>4,977,636</b>	<b>(16,097,320)</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	(1,182,992)
Sale of Fixed Assets	-	85,667,198
Investment in Partnership Firm	<b>(20,000,000)</b>	-
Interest received	<b>516,086</b>	<b>178,328</b>
	<hr/>	<hr/>
NET CASH FROM INVESTING ACTIVITIES	<b>(19,483,914)</b>	<b>84,662,534</b>
	<hr/> <hr/>	<hr/> <hr/>

## Annual Report

### C. CASH FLOW FROM FINANCING ACTIVITIES

Refund of Share Application	(2,417,000)	(4,550,000)
Repayment of Loans to Financial Institutions	-	(3,241,000)
Other Borrowings (net of repayments)	16,304,833	(59,806,827)
Interest paid	<u>(884,340)</u>	<u>(240,115)</u>
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b><u>13,003,493</u></b>	<b><u>(67,837,942)</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,502,785)</b>	<b>727,272</b>
<b>CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2009</b>	<b>2,317,226</b>	<b>1,589,953</b>
<b>CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2010</b>	<b>814,441</b>	<b>2,317,226</b>

The Cash Flow Statement has been prepared under the "Indirect method" as set out in Accounting Standard (AS) - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

---

This is the Balance Sheet referred to in our report of even date.

**For Ashar & Co.**

Chartered Accountants  
Firm Registration No. 129159W

**Yogesh Ashar**

Partner  
Membership No. 046259

Date : 7th July, 2010  
Place : Mumbai

For and Behalf of the Board of Directors

**Deepak K. Chheda** Chairman & Managing Director

**Harish Nisar** Director

**Mehul Nisar** CFO

**Sarita Magar** Company Secretary

Date : 7th July, 2010  
Place : Mumbai



# VISHAL COTSPIN LIMITED

## SCHEDULES FORMING PART OF ACCOUNTS

Particulars	As at 31/03/2010 Rupees	As at 31/03/2009 Rupees
-------------	-------------------------------	-------------------------------

### SCHEDULE - 1

#### SHARE CAPITAL

##### Authorised :

35,00,000 (Previous Year 35,00,000) Equity Shares of Rs 10/- each	35,000,000	35,000,000
75,00,000 (Previous Year 75,00,000) Cumulative Redeemable Preference Shares of Rs 10/- each	75,000,000	75,000,000
	<u>110,000,000</u>	<u>110,000,000</u>

##### Issued and Subscribed

32,47,900 (Previous Year 32,47,900) Equity Shares of Rs. 10/- each, fully paid up	32,479,000	32,479,000
Equity Shares Forfeited (Amount originally paid up)	1,970,750	1,970,750
70,00,000 9% Cumulative Redeemable Preference Shares of Rs 10/- each, Rs 7/- paid up (redeemable at any time within 20 years from the date of issue i.e 31st March, 2008)	49,000,000	49,000,000
<b>Total</b>	<u>83,449,750</u>	<u>83,449,750</u>

### SCHEDULE - 2

#### RESERVES AND SURPLUS

##### Capital Reserve

As per last account	39,641,436	39,641,436
State Capital Subsidy	2,500,000	2,500,000
<b>Total</b>	<u>42,141,436</u>	<u>42,141,436</u>

### SCHEDULE - 3

#### UNSECURED LOANS

From Directors	20,025,000	-
From Others	-	3,720,167
<b>Total</b>	<u>20,025,000</u>	<u>3,720,167</u>

**SCHEDULE - 4  
FIXED ASSETS**

PARTICULARS	GROSS BLOCK - (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01-Apr-09 Rs.	Additions Rs.	Sale/ Adjustments Rs.	As at 31-Mar-10 Rs.	Up To 31-Mar-09 Rs.	For the Year Rs.	Sale/ Adjustments Rs.	Up To 31-Mar-10 Rs.	As at 31-Mar-10 Rs.	As at 31-Mar-09 Rs.
Fixed Assets	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	-	-	-
PREVIOUS YEAR	175,618,449	1,182,992	176,801,441	-	91,581,481	2,910,373	94,491,855	-	-	-



# VISHAL COTSPIN LIMITED

## SCHEDULES FORMING PART OF ACCOUNTS

Particulars	As at 31/03/2010 Rupees	As at 31/03/2009 Rupees
-------------	-------------------------------	-------------------------------

### SCHEDULE - 5

#### INVESTMENTS

Long term Trade, Unquoted		
Capital of Partnership Firm - M/s. Rodium Properties	44,872,891	-
Government and Other Securities:		
National Saving Certificates	10,500	10,500
<b>Total</b>	<u>44,883,391</u>	<u>10,500</u>

### SCHEDULE - 6

#### CURRENT ASSETS, LOANS AND ADVANCES

A. Current Assets		
Sundry Debtors: (Unsecured, considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months	3,276,000	-
Other debts	6,178,565	3,276,000
	<u>9,454,565</u>	<u>3,276,000</u>
Cash and Bank Balances:		
Cash on hand	37,865	280,507
With Scheduled Banks:		
In Current Account	406,941	1,586,325
In Fixed Deposits (under lien)	369,635	450,394
	<u>814,441</u>	<u>2,317,226</u>
<b>Total- A</b>	<u>10,269,006</u>	<u>5,593,226</u>
B. Loans and Advances :		
(Unsecured, considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	1,424,048	13,236,766
Deposits	391,736	391,736
	<u>1,815,784</u>	<u>13,628,502</u>
<b>Total - B</b>	<u>1,815,784</u>	<u>13,628,502</u>
<b>Total - A + B</b>	<u>12,084,790</u>	<u>19,221,728</u>

# Annual Report

## SCHEDULE 7

### CURRENT LIABILITIES AND PROVISIONS

A. Current Liabilities		
Sundry creditors		
- Due to Small Scale Industrial Undertakings	-	-
- Others	903,607	3,887,441
	<u>903,607</u>	<u>3,887,441</u>
Other Liabilities	1,721,583	3,040,156
	<u>1,721,583</u>	<u>3,040,156</u>
<b>Total - A</b>	<b><u>2,625,190</u></b>	<b><u>6,927,597</u></b>
B. Provisions:		
Provision for Taxation (net of advance payments)	6,030	9,308
	<u>6,030</u>	<u>9,308</u>
<b>Total - B</b>	<b><u>6,030</u></b>	<b><u>9,308</u></b>
<b>Total - A + B</b>	<b><u>2,631,220</u></b>	<b><u>6,936,905</u></b>

Note: There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

## SCHEDULE - 8

For the year ended 31/03/2010      For the year ended 31/03/2009

### OTHER INCOME

Interest received (gross)		
On deposits with banks (TDS Rs. 10,184, Previous Year Rs. Nil)	101,839	37,872
Others (TDS Rs. Nil, Previous Year Rs. 31518)	414,247	140,456
Profit on sale of Assets	-	188,339
Sundry balances written back (net)	102,624	3,745,658
Liabilities no longer required, written back	-	320,872
	<u>-</u>	<u>320,872</u>
<b>Total</b>	<b><u>618,710</u></b>	<b><u>4,433,197</u></b>

## SCHEDULE - 9

### MANUFACTURING, ADMINISTRATIVE AND OTHER EXPENSES

Stores and Spares Consumed	-	9,766
Power and Fuel	-	1,233,738
Salaries, Wages and Other Allowances	45,000	1,172,804
Insurance	-	202,262
Repairs and Maintenance		
- Plant and Machinery	-	4,855
- Building	-	-



## VISHAL COTSPIN LIMITED

- Vehicles	-	16,279
- Others	6,458	51,357
	<u>6,458</u>	<u>72,491</u>
Travelling and Conveyance Expenses	177,778	30,565
Rates and Taxes	-	264,371
Rent	12,000	360,000
Telephone and Postage	16,578	39,464
Printing and Stationary	48,213	51,835
Auditors' Remuneration (Refer Note No. 6 in Schedule 12)	96,030	68,346
Legal and Professional Expenses	435,756	314,935
Watch and Ward Expenses	-	90,342
Listing Fees	22,430	10,000
Advertisement Expenses	107,959	166,410
Prior Period Expenses	112,861	7,430
Employee Provident Fund dues of earlier years	999,232	
Bad Debts Written Off	-	926,331
Directors' Sitting Fees	-	10,000
Loss on sale of stores and spares	-	974,930
Miscellaneous Expenses	561,432	161,639
	<u>561,432</u>	<u>161,639</u>
<b>Total</b>	<u><b>2,641,727</b></u>	<u><b>6,167,659</b></u>

### **SCHEDULE - 10**

#### **SELLING AND DISTRIBUTION EXPENSES**

Packing Material	-	6,902
Discount allowed and other selling expenses	-	127,484
	<u>-</u>	<u>134,386</u>
<b>Total</b>	<u><b>-</b></u>	<u><b>134,386</b></u>

### **SCHEDULE - 11**

#### **INTEREST AND FINANCE CHARGES**

Interest on loans, deposits, etc. to:

On Fixed Loans	-	240,115
Others	884,340	-
	<u>884,340</u>	<u>240,115</u>
Finance charges	35,729	47,300
	<u>35,729</u>	<u>47,300</u>
<b>Total</b>	<u><b>920,069</b></u>	<u><b>287,415</b></u>



# Annual Report

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

## SCHEDULE 12 : NOTES ON ACCOUNTS

### 1) Significant Accounting Policies

- i. The financial statements have been prepared to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules 2006, (as amended) and the relevant provisions of the Companies Act, 1956 ("the Act"). The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with accounting principles generally accepted in India. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
- ii. Investments that are readily realisable and intended to be held for not more than a year are classified as "current investments". All other investments are classified as "long-term investments". Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost, provision for diminution in value being made to recognise a decline other than temporary.
- iii. The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/ external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- iv. The Company's share in profits from a firm where the Company is a Partner, is recognised on the basis of such firm's audited accounts, as per terms of the partnership deed.
- v. Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- vi. Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.

Deferred Tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date. Deferred Tax assets are recognised to the extent there is reasonable certainty that these assets can be realised in future.

- vii. Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



## VISHAL COTSPIN LIMITED

viii. Accounting Policies, which are not specifically referred to, are consistent with generally accepted accounting practices.

2) **No remuneration has been paid to Managing Director and the Executive Directors and hence, details under Schedule XIII of the Companies Act, 1956 are not furnished.**

3) a) Based on the information available with the Company, no creditors have been identified as micro, small or medium enterprises within the meaning of Micro and Small Enterprises Development Act, 2006. Necessary disclosures under the said act can only be considered once the relevant information to identify the suppliers who are covered under the said act is received from such parties/ suppliers.

b) Particulars of amounts due to SSI units, if any, could not be ascertained and disclosed in the Balance Sheet as necessary information is not received from the creditors.

4) **Contingent Liabilities not provided for:**

i) Income tax liabilities for interest and penalty that may arise on account of late/ non-payment of TDS under the Income Tax Act, 1961 - Not ascertainable

ii) No provision has been made for any interest and/ or penalty on the provident fund arrears relating to the period from September, 1997 to March, 2001 under the provisions of the EPF Scheme, 1952, Employees Pension Scheme 1995 and Employee Deposit Linked Insurance Scheme, 1976 in respect of trainees stipend. The quantum of interest and/or penalty is not ascertained.

iii) No dividend on Cumulative Redeemable Preference Shares has been paid due to unavailability of distributable profits for the previous year and the current year. The dividend payable for the two years is amounting to Rs. 88.20 Lacs (excluding the Dividend Distribution Tax payable if any).

5) **Auditors' Remuneration includes:**

	<b>For the Year ended 31st March, 2010</b>	<b>For the Year ended 31st March, 2009</b>
Audit Fees	40,000	22,060
Tax Audit Fees	25,000	11,030
Other Fees (Including Quarterly Review)	30,000	11,761
Reimbursement of Expenses	Nil	23,495
Total	85,000	68,346

# Annual Report

## 6) Quantitative Information (Manufacturing of Yarn)

	<b>Year Ended 31.03.2010</b>	<b>Year Ended 31.03.2009</b>
a) Licensed Capacity	Not Applicable	Not Applicable
b) Installed Capacity	Nil	Nil
c) Actual Production	Nil	Nil
d) Finished Goods	Nil	Nil
e) Raw material Sales	Nil	Nil
f) Consumption of Raw Materials 100% Indigenous.	Nil	Nil
g) Stores Consumed (100% Indigenous)	Nil	9,766
h) Conversion Charges Received	Nil	5,88,200
i) CIF Value of Imports	Nil	Nil
j) Earnings in Foreign Exchange	Nil	Nil
k) Expenditure in Foreign Exchange	Nil	Nil

8) The Company has during the year under review operated in the Construction Services and as the operations are within the country, risks and returns do not differ significantly. The Company has not operated in the Textile Intermediary Products (Cotton Yarn), which was operated in the previous year. In view of the above, segment wise disclosures, either primary or secondary, as per AS 17 are not required to be made during the year.

9) Pursuant to the provisions of AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has recognized deferred tax asset/ liabilities as under:

<b>Particulars</b>	<b>Year Ended 31.03.2010</b>	<b>Year ended 31.03.2009</b>
Carried Forward Losses / Depreciation	3,48,62,431	3,93,40,890

10) Related Party disclosures: (As identified by the Management and relied upon by the Auditors)

### Associates

- (i) Vinod Marketing (P) Ltd, Madanapalle Spinning Mills Ltd, Bhagwan Cotton Ginners (P) Ltd (Upto 31st October, 2009), Sigma Fiscals Private Limited, Rodium Properties, Rodium Realty, CNA Architects, Rodium Designs, Uniwood Systems, Naman Construction Private Limited, D.C. Designs, M/s Amrut Dhara Enterprises, M/s Amrut Dhara Construction Company, Balaji Petroleum, First Stone, Amrut Industries, Silver Hosiery, S.D.S. Enterprises Private Limited.



## VISHAL COTSPIN LIMITED

- (ii) Key Management Personnel  
 Deepak Chheda  
 Harish Nisar  
 Rohit Dedhia  
 Shailesh Shah  
 Mehul Nisar  
 Balkrishna Boob (ceased to be director on 29.03.2010)  
 Ramanujdas Boob (ceased to be director on 14.11.2009)

### Transactions with Related Parties

Particulars	Year Ended 31-03-2010		Year Ended 31-03-2009	
	Associate	Key Management Personnel	Associate	Key Management Personnel
Conversion Charges Received			5,88,200	
Sales of Stores Spares			24,54,200	
Sales of Machinery			2,70,80,750	
Loans and Advances Given / Returned	(1,25,23,550)		1,25,23,550	
Interest Paid	1,000	7,83,340		
Investment in Capital of Partnership Firm	2,00,00,000			
Share of Profit received from Partnership Firm	24,872,891			
Interest received on Capital with Partnership Firm	4,14,247			
Unsecured Loans Received	1,00,000	2,00,25,000		

### Balances with Related Parties

Particulars	Year Ended 31-03-2010		Year Ended 31-03-2009	
	Associate	Key Management Personnel	Associate	Key Management Personnel
Sundry Debtors	Nil	wh	32,76,000	
Loans and Advances	Nil		1,25,23,550	
Capital Balance in Partnership Firm	44,872,891		2,70,80,750	
Loans and Advances Given / Returned			1,25,23,550	
Unsecured Loans		2,00,25,000		
Interest Payable		7,05,006		

## Annual Report

Sundry debtors comprise of balance outstanding as on March 31, 2010 from a Vinod Marketing Private Limited, which is no longer an associate from October 31, 2009.

11) Details of investments made in the Capital of Rodium Properties (a Partnership Firm) as at March 31, 2010 are as under:

Name of the Partner	Partners' Capital	Profit Sharing Ratio [%]
Deepak Chheda	63,143,681	26.10
Sigma Fiscals Private Limited	61,582,628	13.05
Harish Nisar	33,674,118	6.53
Mehul Nisar	23,084,081	6.52
Rohit Dedhia	26,206,945	6.53
Keshavji Dedhia	24,313,689	6.52
Shailesh Shah	14,335,135	9.90
Dinesh Shah	24,980,363	4.95
Tejas Shah	24,870,008	4.95
Anil Shah	24,380,363	4.95
The Company	44,872,891	10.00
Total	365,443,902	100.00

The Partners' Capital includes profits and interest on capital accrued for the year ended March 31, 2010. The said firm has been dissolved and all the assets and liabilities of the firm on a going concern basis have been taken over by the Company effective April 1, 2010.

### 12) Earnings per Share (as per AS 20)

Particulars	Year ended 31st March, 2010	Year ended 31st March, 2009
Profit / Loss after Tax as per Profit and Loss Account before Extraordinary items (Rs. In Lakhs)	236.75	(45.12)
Less : Preference Share Dividend including tax thereon	(50.91)	
Profit attributable to ordinary Shareholders	185.84	(45.12)
Weighted average number of equity shares outstanding	3247900	3247900
Basic and Diluted Earnings Per Share in Rs.	5.72	(1.39)
Face Value of Share	10	10



## VISHAL COTSPIN LIMITED

13) Previous year's figures have been rearranged/ regrouped/ recast, wherever necessary to make them comparable with the current year.

Signatures to Schedules 1 to 12

As per our Report of even date

**For Ashar & Co.**

Chartered Accountants

Firm Registration No. : 129159W

**Yogesh Ashar**

Partner

Membership No. 046259

Place : Mumbai

Date: July 07, 2010

For and on behalf of the Board of Directors  
**of Vishal Cotspin Limited**

**Deepak D. Chheda**

Chairman & Managing Director

**Harish Nisar**

Executive Director

**Mehul Nisar**

CFO

**Sarita Magar**

Company Secretary

Place : Mumbai

Date: July 07, 2010

# Annual Report

## Balance Sheet Abstract and Company's General Business Profile :

### I. Registration Details

Registration No.	: 1208	State Code	: 11
Balance Sheet Date	: 31st March, 2010		

### II. Capital Raised during the Year Rs.

Public Issue	: Nil	Right Issue	: Nil
Bonus Issue	: Nil	Private placement	: Nil

### III. Position of Mobilisation and Deployment of Funds

Total Liabilities	: 145,616,186
Total Assets	: 145,616,186

#### Sources of Funds

Paid-up Capital	: 83,449,750	Reserves and Surplus	: 42,141,436
Secured Loans	: -	Unsecured Loans	: 20,025,000

#### Application of Funds

Net Fixed Assets	: -	Investments	: 44,883,391
Deferred Taxation	: 34,862,431	Accumulated Losses	: 56,416,794
Net Current Assets	: 9,453,570	Miscellaneous Expenditure	: Nil

### IV. Performance of the Company

Total Income	: 31,715,601	Total Expenditure	: 3,561,796
Profit Before Tax	: 28,153,805	Profit After Tax	: 23,675,346
Dividend Rate (%)	: NA	Earnings per Share (Rs.)	: 5.72

### V. Generic Names of Principal Products/Services of the Company

(as per monetary terms)

Item code No.	Product description
Not Applicable	Not Applicable

This is the Balance Sheet referred to in our report of even date.

#### For Ashar & Co.

Chartered Accountants  
Firm Registration No. 129159W

#### Yogesh Ashar

Partner  
Membership No. 046259

Date : 7th July, 2010  
Place : Mumbai

For and Behalf of the Board of Directors

**Deepak K. Chheda** Chairman & Managing Director

**Harish Nisar** Director

**Mehul Nisar** CFO

**Sarita Magar** Company Secretary

Date : 7th July, 2010  
Place : Mumbai

## VISHAL COTSPIN LIMITED

### Registered & Corporate Office :

Plot No.636, 501, X'cube, Off New Link Road, Andheri (W),  
Mumbai - 400053. • Tel: 022- 4231 0800. • Fax no: 022 2673 4144  
Email id: info@vishalcotspin.com

### PROXY

I/We \_\_\_\_\_  
of \_\_\_\_\_ being a Member(s) of VISHAL COTSPIN LIMITED, hereby appoint  
Mr./Mrs. \_\_\_\_\_ of \_\_\_\_\_ or failing him/her  
Mr./Mrs. \_\_\_\_\_ of \_\_\_\_\_ as my/our Proxy  
to vote for me/us and on my/our behalf, at the 17th Annual General Meeting of the Company to be held  
on 2nd August,2010 at 291, X'Trium, Ground Floor, Andheri – Kurla Road, Near Chakala Junction,  
Andheri (East) Mumbai - 400069 and at any adjournment thereof.

Their respective signatures are as under :

As.witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2010

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_
- 3) \_\_\_\_\_



Signed by the said proxy \_\_\_\_\_

#### NOTE :

The Proxy form must be deposited so as to reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

---

## VISHAL COTSPIN LIMITED

### Registered & Corporate Office :

Plot No.636, 501, X'cube, Off New Link Road, Andheri (W),  
Mumbai - 400053. • Tel: 022- 4231 0800. • Fax no: 022 2673 4144  
Email id: info@vishalcotspin.com

### ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING PLACE

DP ID.:

CLIENT ID :

FOLIO NO.:

NO OF SHARES :

I/We hereby record my/our attendance at the 17th ANNUAL GENERAL MEETING held on 2nd August 2010 at ,and/or at any adjournment there of at 291, X'Trium, Ground Floor, Andheri – Kurla Road, Near Chakala Junction, Andheri (East) Mumbai - 400069.

NAME OF THE MEMBER/PROXY (IN BLOCK LETTERS) \_\_\_\_\_

SIGNATURE OF THE MEMBER/PROXY \_\_\_\_\_