



The Indian Card Clothing Company Ltd.  
57<sup>th</sup> Annual Report 2010-11

## SUMMARY OF FIVE YEAR DATA

(Rs. in Lac)

Sr. No.	Particulars	Year Ended				
		31.03.2011	31.3.2010	31.3.2009	31.3.2008	31.3.2007
	<b>PROFIT AND LOSS ACCOUNT</b>					
<b>1.</b>	<b>Sales</b>					
	Metallic Card Clothing	3,699.71	3303.56	2472.43	3124.14	3078.47
	Woollen	480.87	600.92	518.78	473.81	593.33
	Others	650.92	644.55	737.38	727.83	772.77
	Trading Goods	81.43	63.88	52.16	71.79	59.88
	Servicing Income	55.42	45.71	36.02	45.44	48.18
	<b>Total</b>	<b>4,968.35</b>	<b>4658.62</b>	<b>3816.77</b>	<b>4443.01</b>	<b>4552.63</b>
	Includes Exports	1,086.93	1069.18	658.44	1070.16	912.75
<b>2.</b>	<b>Other Income</b>					
	Dividend and Interest	78.81	61.5	121.11	66.41	127.07
	Profit on sale of Investments	210.24	171.75	113.86	353.03	376.14
	Profit on sale of Assets	114.35	2.15	0.83	4.75	988.50
	Rent Received	477.47	418.51	364.84	343.36	279.17
	Others	50.37	97.14	112.23	58.26	50.62
	<b>Total</b>	<b>931.24</b>	<b>751.05</b>	<b>712.87</b>	<b>825.81</b>	<b>1821.50</b>
3.	Material Cost including stock change	1,887.55	1756.79	1539.72	1642.98	1549.56
4.	Staff Cost	1,617.12	1366.63	1290.62	1332.46	1129.12
5.	Other Expenses	1,470.28	1300.48	1209.04	1356.48	1503.84
6.	Depreciation	547.46	314.91	255.11	242.70	235.59
7.	Interest	119.10	81.11	20.37	2.16	1.13
<b>8.</b>	<b>Profit before tax</b>	<b>258.08</b>	<b>589.75</b>	<b>214.78</b>	<b>692.04</b>	<b>1954.89</b>
9.	Current and deferred tax	34.17	134.87	49.49	222.11	323.40
<b>10.</b>	<b>Profit after tax</b>	<b>223.91</b>	<b>454.88</b>	<b>165.29</b>	<b>469.93</b>	<b>1631.49</b>
11.	Earning per share Rs.	4.92	9.99	3.63	10.33	35.85
12.	Dividend per share Rs.	3.00	3.00	2.50	6.00	12.50
	<b>BALANCE SHEET</b>					
<b>13.</b>	<b>Fixed Assets</b>					
	Gross Block	10,160.95	9342.84	8518.73	7176.57	6533.67
	Depreciation	(3,647.84)	(3,143.45)	(2847.52)	(2619.31)	(2394.24)
	Net Block	6,513.11	6199.39	5671.21	4557.26	4139.43
14.	Investments	2,579.06	2505.67	2207.40	3026.52	2525.82
15.	Bank Deposits	4.78	4.76	2.76	2.53	2.41
16.	Other Current Assets	2,751.75	2624.82	2313.03	2582.94	2365.11
17.	Security Deposits	(1,165.26)	(817.64)	(835.19)	(835.69)	(258.82)
18.	Other Current Liabilities and Provisions	(1,580.63)	(1,344.89)	(1214.03)	(1521.39)	(981.25)
19.	Deferred tax	13.74	21.67	79.73	99.47	12.84
<b>20.</b>	<b>APPLICATION OF FUNDS</b>	<b>9,116.55</b>	<b>9193.78</b>	<b>8224.91</b>	<b>7911.64</b>	<b>7805.54</b>
21.	Share Capital	455.11	455.11	455.11	455.11	455.11
22.	Reserves and Surplus	7,823.58	7758.36	7462.68	7430.53	7350.43
23.	Loan Funds	837.86	980.31	307.12	26.00	-
<b>24.</b>	<b>SOURCES OF FUNDS</b>	<b>9,116.55</b>	<b>9193.78</b>	<b>8224.91</b>	<b>7911.64</b>	<b>7805.54</b>

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## DIRECTORS

K. K. TRIVEDI	Chairman Emeritus
PRASHANT K. TRIVEDI	Chairman
M. K. TRIVEDI	Managing Director
H. C. ASHER	Director
M. M. SHAH	Director
J. M. KOTHARY	Director
C. M. MANIAR	Director
SUDHIR MERCHANT	Director

## MANAGEMENT TEAM

M. K. Trivedi, Managing Director  
A. D. Dahotre, Vice President  
(Finance) and Company Secretary  
U. V. Bhawe, Vice President  
(Human Resources)  
H. Chandrashekar General Manager  
(Sales & Marketing)  
A. B. Pawar, General Manager  
(Production, Pimpri Works)  
Ajay Kumar, Plant Head  
(HP Works)

## REGISTERED OFFICE

Mumbai-Pune Road,  
Pimpri, Pune 411 018.  
Tel. : (020) 39858200  
Website : [www.cardindia.com](http://www.cardindia.com)  
e-mail : [accounts@cardindia.com](mailto:accounts@cardindia.com)

## REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Sharepro Services  
(India) Pvt. Ltd.  
13 AB Samhita Warehousing Complex,  
2nd Floor, Off. Andheri Kurla Road,  
Sakinaka, Andheri (East), Mumbai - 400 072.  
Tel : (022) 67720300, 67720348, 67720400  
Fax : (022) 28591568  
email : [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com)

## AUDITORS

M/s. B. K. Khare & Co.  
706/708, Sharda Chambers,  
New Marine Lines,  
Mumbai 400 020

## SOLICITORS

M/s. Crawford Bayley & Co.  
State Bank Building,  
N. G. Vaidya Marg,  
Mumbai 400 023.

## BANKERS

Corporation Bank  
HDFC Bank  
ICICI Bank

## ANNUAL GENERAL MEETING

12.00 noon, Thursday,

25th August, 2011 at the Registered Office

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### NOTICE

NOTICE is hereby given that the FIFTY-SEVENTH ANNUAL GENERAL MEETING of the Members of THE INDIAN CARD CLOTHING COMPANY LIMITED will be held at the Company's Registered Office at Mumbai-Pune Road, Pimpri, Pune 411 018, at 12 noon on Thursday, 25<sup>th</sup> August, 2011 to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider, and adopt the Audited Balance Sheet as at 31st March, 2011, and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare final dividend for the year ended on 31st March, 2011.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Registered Office:  
Mumbai-Pune Road  
Pimpri, Pune 411 018  
Pune, 24<sup>th</sup> May, 2011

By Order of the Board of Directors  
**A.D. Dahotre**  
Company Secretary

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 18th August, 2011 to 25th August, 2011 both days inclusive.
3. The final dividend on Equity Shares, as recommended by the Directors for the year ended 31st March, 2011, if declared at the meeting, will be paid within 30 days of the date of the Annual General Meeting to those members whose names appear on the Register of Members of the Company as on the date of the Annual General Meeting.
4. In terms of provisions of section 205A of the Companies Act, 1956, the amount of Rs.324,636/- of final dividend for year ended 31st March, 2003 and interim dividend for year ended 31st March, 2004 remaining unpaid or unclaimed for a period of seven years from the date of payment, was transferred to the Investor Education and Protection Fund of the Central Government. Members are requested to claim from the Company any unpaid dividend for subsequent period. As per Section 205C, no claim shall lie against the Company or the said fund in respect of amounts remaining unclaimed or unpaid for a period of seven years and transferred to the said fund.
5. Members are requested to bring the copy of their Annual Report and the Attendance slip at the Annual General Meeting.
6. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company Secretary, so as to reach at least seven days before the date of the meeting, so that the information required may be made available at the meeting. The members using electronic mail may send questions to e-mail address: [adahotre@cardindia.com](mailto:adahotre@cardindia.com).
7. Members holding shares in physical form may advise number and type of account, name of bank and branch to the Company Secretary so that the same can be printed on the dividend warrant in addition to the name to avoid possibility of misuse. Members holding shares in electronic form are requested to verify correctness of their bank particulars with their Depository Participant.
8. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as provided under Section 109A of the Companies Act, 1956, are requested to submit the details to the Company's Registrar and Share Transfer Agent.

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## Directors' Report

Your Directors have pleasure in presenting the Company's Balance Sheet as at 31st March, 2011, together with the Profit and Loss Account for the year ended on that date.

## FINANCIAL RESULTS

	(Rupees in Lac)	
	Year Ended 31-03-2011	Year Ended 31-03-2010
Sales and Other Income	5899.59	5409.67
Profit before Interest, Depreciation and Tax	924.64	997.93
Interest	119.10	93.27
Depreciation	547.46	314.91
Profit Before Tax	258.08	589.75
Provision for Tax	34.17	134.87
Profit(loss) after Tax	223.91	454.88

## OPERATIONS-HIGHLIGHTS

Your Company's Sales and Servicing Income for the year was Rs.4968.35 lac as compared to Rs.4658.62 lac in 2009-10.

Sale of metallic card clothing increased by 12.00% during the year to Rs.3699.71 lac from Rs.3303.56 lac in the previous year. This reflected the general growth conditions in the textile industry. Sale of woollen card clothing decreased by 19.98% during the year to Rs.480.87 lac from Rs.600.92 lac in the previous year due to lower demand for products manufactured from shoddy yarn and difficulty in procurement of input material. Exports marginally increased by 1.67% to Rs.1086.93 lac during the year from Rs.1069.18 lac in the previous year in view of limitations on production capacity.

### New Manufacturing Facility at Nalagarh, Himachal Pradesh

Production of accura carriers was established at Nalagarh from the third quarter of the year. Various ranges of metallic card clothing are under development, though dispatch of metallic card clothing from Nalagarh factory was lower during the year.

### Realty

Civil construction of the commercial building of IT Park in Pimpri under a Development contract between your Company and Devi Construction Company was completed last year, although only part completion certificate from municipal corporation is issued. One floor of the building was let out from the end of 2010-11. During the year, the entire commercial building at Powai, Mumbai was fully occupied.

## DIVIDEND

Your Directors recommend final dividend of 30% for the year ended 31st March, 2011 (30% for the year ended 31st March, 2010).

## SUBSIDIARY COMPANIES

ICC International Agencies Ltd.(ICCIAL) recorded increase in income of 7.12% from Rs.351.06 lac in the previous year to Rs.376.06 lac in the current year. The subsidiary company recorded profit after tax of Rs.49.59 lac in the current year against previous year's profit after tax of Rs.45.25 lac. A higher profit after tax was mainly on account of better management of inventory of traded goods. ICCIAL declared 100% dividend for the year (nil in the previous year).

Garnett Wire Ltd.(GWL), a U.K. Company, in which your Company has 60% of the issued share capital, recorded higher turnover of 27.01% from PDS 874,829 to PDS 1111,145 resulting in profit after tax at PDS 8,716/- against loss of PDS 20,284/- in the previous year. Higher turnover for the year was on account of higher export sales of wire only. However, margins continued to remain under pressure in a difficult trading environment in Europe and USA being GWL's principal markets.

M/S. Shivraj Sugar and Allied Products Pvt. Ltd., subsidiary of the Company, has not started operations as yet.

## DIRECTORS

The present Directors who were appointed for a period of three years under Article 115 at the 56th Annual General Meeting held on 9th August, 2010 will continue to hold office.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that to the best of their knowledge and belief and according to the information and explanations made available to them:

1. in the preparation of the annual accounts, the applicable Accounting Standards have been followed;

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2. appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the year 1st April, 2010 to 31st March, 2011;
3. proper and sufficient care has been taken 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;
4. the annual accounts have been prepared on a going concern basis.

## CORPORATE GOVERNANCE

Your Company has complied with the guidelines on Corporate Governance under the Listing Agreement and a certificate from the Auditors of the Company as well as detailed report on Corporate Governance, approved by the Board of Directors of the Company is annexed to this report. A Management Discussion and Analysis Report also accompanies Report.

## TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT

Your Company continues to satisfy the requirements of ISO 9001 as certified by Bureau Veritas Quality International (BVQI) for Metallic and Flexible Card Clothing and Accura Fixed Flats. The certificate was renewed in November, 2008 for a further period of three years. In-house Research and Development Centre during its ninth year of operation continued to make a contribution to the development of newer and improved products and processes.

Information regarding technology absorption is given in Annexure I and forms part of the report.

## FOREIGN EXCHANGE EARNINGS AND OUT-GO

Total foreign exchange earnings	Rs. 1115.36 lac
Total foreign exchange out-go	Rs.531.36 lac

## INDUSTRIAL RELATIONS

Industrial relations in the Company continued to be cordial during the year under review. Your Directors look forward to continuing participation of employees in the Company's efforts to increase productivity and maintain the high quality of its products.

## PARTICULARS OF EMPLOYEES

With Notification No.289(E) dated 31st March, 2011 increasing limit to Rs.5 lac per month, information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is not applicable.

## CONSERVATION OF ENERGY

LED fittings for lighting in closed passages and energy saving starter for dust extraction plant and 100 KVA stabilizer for lighting installed during the year resulted in power saving. Maintenance of power factor at unity continued to entitle the Company to rebate in energy bill.

## AUDITORS

M/s B.K. Khare & Co., the present auditors of the Company, have signified their consent to continue in office.

For and On Behalf of the Board of Directors

Mumbai, 24th May, 2011

**P.K. TRIVEDI**  
Chairman

**ANNEXURE I TO DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

**RESEARCH AND DEVELOPMENT (R&D)**

1. Specific areas in which R & D carried out by the Company.	Service equipments for spinning mills.Fixed flats for very high production revolving flat cards. Revolving tops with variable take up for very high production cards.Improved metallic card clothing suitable for very high production cards.		
2. Benefits derived as a result of above R & D.	Introduction of new products to suit very high production revolving flat cards.		
3. Future Plan of Action	Improvement in manufacturing processes to produce products suitable for very high production revolving flat cards with improved quality and longevity.		
4. Expenditure on R & D :	Expenditure on R & D :		
a) Capital	a) Rs.Nil lac		
b) Recurring	b) Rs.70.62 lac		
c) Total	c) Rs.70.62 lac		
d) Total R & D expenditure as a percentage of total turnover.	d)1.45 %		
Technology Imported	Year of Import	Has technology been fully absorbed?	If not fully absorbed, area where this has not taken place, reasons there-for and future plans of action
Nil	Nil	Nil	Not applicable

**Management Discussion and Analysis**

**Industry Structure and Developments**

Currently, five major manufacturers dominate the card clothing industry for short staple fibre. Trutzschler Card Clothing GMBH (a subsidiary of Trutzschler GMBH), was created by acquiring the European and later, the American business assets of J.D. Hollingsworth on Wheels Inc. Graf + Cie AG, now owned by Rieter Textile Systems Division of Rieter Holdings Limited, has grown organically. These two companies have continued to maintain their prominence in the industry as the largest suppliers globally. Trutzschler supplies card clothing as original equipment supplier to cards manufactured by its parent company, while Graf supplies card clothing to Rieter cards.

Bekaert Carding Solutions, (BCS) based in Belgium with a predominantly Chinese manufacturing base, grew by acquiring several small and large card clothing manufacturers in Europe, including English Card Clothing, a division of Carclo Group plc, Sobelcard NV and Damgaard GMBH. Bekaert Carding Solutions, together with Lakshmi Card Clothing Limited ('LCC') and The Indian Card Clothing Co. Limited ('ICC') with roughly similar capacity, are the other three global players in the short-staple carding segment.

The long-staple carding segment is divided into either manufacturers of flexible card clothing or metallic card clothing. ICC, Biotti Fabbrica di Scardassi Srl and Arimo s.a.s are three of the major manufacturers of flexible card clothing. While Trutzschler, Graf, BCS and Garnett Wire Limited, a subsidiary of ICC, manufacture metallic card clothing for long staple fibre.

**Opportunities**

**Brand**

ICC has been associated with the domestic Indian spinning industry for over 55 years. It has a reputation of being a value for money supplier, delivering its products in time to meet customers' varied needs for card clothing. Efforts are being made to strengthen the brand in the wake of competition.

**Product Portfolio**

ICC is acknowledged to have a wide range of products for all high speed carding machines, which process

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natural or man made fibre. The company's development efforts have created improvements in the design and manufacturing processes thereby delivering greater benefits to its customers.

## Sales and Service Networks

The company has a wide network of sales offices at all major established and emerging textile centers enabling trained and experienced service engineers to respond to customers within a few hours. The company has service stations in Coimbatore and Madurai, and is proposing over the next few years to establish more service stations in other new emerging textile spinning centers.

## Growth of Spinning Industry

Demand of the Company's products is dependent on among other things, the number of carding machines installed in spinning mills and the consumption of fibre. The growth of the Indian domestic textile spinning industry at a rate of 10% annually over the last two years augurs well for the Company.

## **Threats**

### Competition

Being the second largest global textile spinning industry with growth rates exceeding 5% per annum, India has attracted all major global card clothing manufacturers from major manufacturers, mentioned above, to a variety of cheaper Chinese manufacturers for the re-clothing market. Who want to also serve customers of Trutzschler and Rieter cards also serve, the older generation of carding machines. The re-clothing market is now crowded and the Company is constantly required to ensure that its strategy to differentiate itself from the competition remains relevant.

### **Operations**

In line with the general revival of the textile industry in India and globally, the company's operations continued to improve in this fiscal year. Sales of the company's card clothing in the domestic and export markets for short staple increased. Sales of flexible card clothing suffered as the Company faced supply constraints for cushion foundation after the sale of the assets of Fytiscar, Belgium to Trutzschler India. There was an overall improvement in the sales and service income. Increased sales to textile mills, which use the latest generation cards improved sales and margins.

The company's new plant at Nalagarh continued to dispatch Accura stationary flats. The machines for manufacturing metallic card clothing having been commissioned in the previous financial year, production of a few metallic wires commenced this financial year.

A partial completion certificate of the Software Technology Park of India ('STPI) approved building was obtained in this fiscal year. One floor of the building was licensed in this fiscal year and efforts are underway to market rest of the office space allotted to the company. The Information Technology sector has begun to see some improvement in business. However most companies in that sector have not yet begun hiring space. Given the location and quality of the building, the company is confident of letting out the space within a short period.

### **Outlook**

Following the dramatic fall in the price of raw cotton in early April and subsequent fall in the price of cotton yarn, many textile spinning mills, who had covered their cotton requirement for the current financial year are facing severe losses on the sale of their yarn and the Company has experienced a slowing down in the flow of orders. Most textile mills are unable to say with any certainty how long this situation will continue.

The Company intends to continue to focus its attention in fiscal 2011-2012 on targeting mills with the latest generation of cards. Thrust on cost reduction will continue. The Company will also concentrate in bringing about improvements in productivity.

### **Internal Control Systems**

The Company has a proper and well-established accounting and auditing system covering all areas of operations. The Company has upgraded its ERP system by implementing Oracle Applications which is fully in use from April, 2007.



The Company has a costing system to help control costs and to take decisions on pricing.

A firm of auditors manned by technically and commercially qualified personnel carries out internal audit, which is followed up by discussions with each department and in the Audit Committee.

The manufacturing plant of the Company has ISO 9001 certification, which is renewed from time to time. The new plant will also be submitting its systems and processes for ISO 9001 certification this financial year.

## **Cautionary Statement**

The Management Discussion and Analysis Report contains forward looking statement based on data and information available with the Company and on its assumptions on the Company's economic situation and the global economic environment. Actual results might differ materially from those expressed or implied.

## **REPORT ON CORPORATE GOVERNANCE**

In terms of the Listing Agreement with Stock Exchanges, the Board of Directors presents a report on the compliance of the said requirements in the following paragraphs.

### **1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's Corporate Governance policy aims at ensuring transparency, accountability and integrity in all its operations and in its relations with all stakeholders (Investors, Customers, Employees, Suppliers and Government) with a view to increasing value for all of them.

### **2. BOARD OF DIRECTORS**

2.1 The Directors of the Company are persons of eminence having vast and varied experience in manufacturing, marketing, finance and corporate administration. The Board of Directors consists of seven non-executive Directors and one Managing Director. Mr. H.C. Asher, Mr. M.M. Shah, Mr. J.M. Kothary, Mr. C.M. Maniar and Mr. Sudhir Merchant are independent Directors who constitute more than one-third of the total strength of the Board.

2.2 The Board of Directors meets as often as required at interval of not more than four months and once in a calendar quarter. During the year, five meetings of the Board of Directors were held on 10th May, 14th June, 9th August, 27th October in the year 2010 and on 25th January in the year 2011.

2.3 Particulars of Directorship of Board, membership and office of Chairman of Board Committees across all companies and attendance at the Board meetings of the Company are given below:

<b>Name of Director</b>	<b>Directorships (Indian Public Companies)</b>	<b>Board Committee Membership</b>	<b>Chairman of Board Committees</b>	<b>Board Meetings Attended</b>	<b>AGM Attended</b>
Mr. K. K. Trivedi Chairman Emeritus	3	-	-	2	No
Mr. Prashant K. Trivedi Chairman	2	-	-	5	Yes
Mr. M.K. Trivedi Managing Director	4	1	-	5	Yes
Mr. H.C. Asher	9	9	3	5	Yes
Mr. M.M. Shah	4	2	1	3	No
Mr. J.M. Kothary	5	2	2	5	Yes
Mr. C.M. Maniar	15	9	1	5	No
Mr. Sudhir Merchant	4	1	-	5	Yes

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### 2.4 Particulars of Remuneration of Directors for the year ended 31<sup>st</sup> March, 2011:

Rs.Lac

Name of Director	Commission	Sitting fees	Salary	Perquisites	Contributions to PF, etc.
Mr. K. K. Trivedi Chairman Emeritus	-	0.30	-	-	-
Mr. Prashant K. Trivedi Chairman	-	0.75	-	-	-
Mr. M. K. Trivedi Managing Director	-	-	30.00	14.47	6.04
Mr. H. C. Asher Director	0.53	1.45	-	-	-
Mr. M. M. Shah Director	0.27	0.45	-	-	-
Mr. J. M. Kothary Director	0.51	1.45	-	-	-
Mr. C. M. Maniar Director	0.14	0.75	-	-	-
Mr. Sudhir Merchant Director	0.45	1.35	-	-	-

### 3. AUDIT COMMITTEE

Audit Committee met on 10th May, 9th August, 27th October in the year 2010 and on 25th January in the year 2011 to review annual and quarterly financial results and to review internal control systems, reports of internal auditor and operational aspects. The composition and particulars of meetings attended by members of the Committee are given below:

Name of the Director	No. of Meetings attended
Mr. J. M. Kothary Chairman & Independent Director	4
Mr. H. C. Asher Independent Director	4
Mr. Sudhir Merchant Independent Director	4

The terms of reference of the Audit Committee are as set out in the Listing Agreement with the Stock Exchanges. The Managing Director was invited to attend and attended all meetings of the Committee. The Statutory Auditors were also present at the time of review of financial results. Internal auditors were present at the time of review of internal control systems, reports of internal auditors and operational aspects.

### 4. REMUNERATION COMMITTEE

The Remuneration Committee did not meet during the year.

### 5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Committee met on 10th May, 09th August, 27th October in the year 2010 and on 25th January in the year 2011. The constitution and particulars of meetings attended by members of the Committee are given below:

Name of the Director	No. of Meetings attended
Mr. J.M. Kothary Chairman & Independent Director	4
Mr. H.C. Asher Independent Director	4
Mr. M.K. Trivedi Managing Director	4

# THE INDIAN CARD CLOTHING COMPANY LIMITED

Company Secretary, Mr. A. D. Dahotre is the Compliance Officer.

Number of complaints received from shareholders in the nature of non-receipts of a) dividend warrants b) share certificates after transfer c) annual report:27. All the complaints were resolved to the satisfaction of shareholders. Share transfers are not pending beyond 30 days.

## 6. GENERAL BODY MEETINGS

Last three Annual General Meetings of the Company were held as given below :

Date	Time	Venue
9 <sup>th</sup> August, 2010	12 noon	Registered office of the Company
14 <sup>th</sup> August, 2009	12 noon	Registered office of the Company
12 <sup>th</sup> August, 2008	12 noon	Registered office of the Company.

No special resolutions were put through postal ballot in the last AGM.

## 7. DISCLOSURES

There were no materially significant transactions with promoters, directors or the management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large. Other related party transactions have been disclosed at Note No. 17 of Schedule No. 11 to the Balance Sheet.

The Company has complied with the necessary requirements and no penalties or strictures were imposed on the Company by any Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

All the directors and senior management personnel have affirmed compliance with the Corporate Code of Conduct laid down by the Board of Directors of the Company.

CEO, the Managing Director and CFO, the Company Secretary, have made the necessary certification to the Board of Directors of the Company.

## 8. COMMUNICATION TO SHAREHOLDERS

Quarterly, half yearly and annual results and information relating to convening of general meetings are filed with the Stock Exchanges and are published in Indian Express and Loksatta newspapers, one each in English and local language, as required under the Listing Agreement. Financial results, dates of Board and Annual General Meeting are published on website of the Company at [www.cardindia.com](http://www.cardindia.com). Management Discussion and Analysis is part of the Annual Report.

## 9. GENERAL SHAREHOLDER INFORMATION

### FINANCIAL CALENDAR:

AGM date, time and venue	Thursday at 12 Noon, 25th August, 2011 at the Registered Office
Board Meeting for consideration of accounts and recommendation of dividend	24th May, 2011
Posting of Annual Reports	By 1st August, 2011
Book closure dates	18th to 25th August, 2011
Last date for receipt of proxy forms	23rd August, 2011
Dividend payment date	By 23th September, 2011
Board Meetings for consideration of Quarterly audited results	Within forty-five days from the end of quarter.

## 57<sup>th</sup> ANNUAL REPORT 2010-2011

Listing on Stock Exchanges: Shares of the Company are listed on Bombay Stock Exchange (Stock Code: 509692), National Stock Exchange (Stock Code: INDIANCARD).

Monthly high and low quotation and volume of shares traded in the last financial year along with the sensex and nifty.

Month	NSE		Shares Traded	NIFTY	
	High	Low		High	Low
April-10	187.00	146.00	142,622	6284.10	5937.10
May-10	172.00	126.20	42,099	6338.50	5690.35
June-10	154.00	120.00	32,671	6147.30	5721.15
July-10	184.80	152.95	63,848	5399.65	5160.90
August-10	174.00	128.90	62,674	5278.70	4786.45
September-10	154.00	131.10	23,547	5366.75	4961.05
October-10	152.00	141.30	18,722	5477.50	5225.60
November-10	168.75	143.00	50,266	5549.80	5348.90
December-10	179.00	146.00	66,474	6073.50	5403.05
January-11	143.95	112.00	13,675	6181.05	5416.65
February-11	124.55	97.00	15,439	5599.25	5177.70
March-11	119.75	104.00	14,048	5872.00	5348.20

Source : Downloaded from NSE site, [www.nseindia.com](http://www.nseindia.com)

Month	BSE		Shares Traded	SENSEX	
	High	Low		High	Low
April-10	182.90	151.00	43,350	18047.86	17276.80
May-10	178.00	128.00	53,661	17536.86	15960.15
June-10	154.45	130.10	37,396	17919.62	16318.39
July-10	152.00	141.00	45,809	18237.56	17395.58
August-10	167.00	142.75	93,230	18475.27	17819.99
September-10	176.75	147.50	47,371	20267.98	18027.12
October-10	185.10	145.60	103,240	20854.55	19768.96
November-10	170.00	123.50	28,523	21108.64	18954.82
December-10	150.00	124.00	14,495	20552.03	19074.57
January-11	145.35	112.00	18,726	20664.8	18038.48
February-11	127.85	94.30	28,205	18690.97	17295.62
March-11	118.00	101.10	47,147	19575.16	17792.17

Source: Downloaded from BSE site, [www.bseindia.com](http://www.bseindia.com).

Job of Registrar and Transfer Agents is carried out by M/s Sharepro Services, Mumbai. Transfer and dematerialisation of shares are processed by M/s Sharepro Services and are approved by Shareholders'/Investors' Grievance Committee. As per scheme of the Stock Exchange, Shareholders are given a period of 30 days for demat option. Average time taken for transfer of shares is three weeks.

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## Distribution of Shareholding :

Category	Shareholders		Shares of Rs.10	
	Number	Percent	Number	Percent
Upto 500	11054	95.81	926397	20.36
501 to 1000	264	2.29	208278	4.57
1001 to 2000	112	0.97	166069	3.65
2001 to 3000	45	0.39	114301	2.51
3001 to 4000	16	0.14	57185	1.26
4001 to 5000	9	0.08	41750	0.92
5001 to 10000	23	0.20	160038	3.51
10001 and above	14	0.12	2877102	63.22
Total	11537	100.00	4551120	100.00

Dematerialisation of shares and liquidity: Company's shares have been notified by SEBI for transactions in demat mode for all type of investors. 38.14% of shares are held in demat mode by the shareholders. Outstanding GDRs/ADRs/ Warrants/ convertible instruments: Nil.

Plant location: (a) Mumbai-Pune Road, Pimpri, Pune 411018.  
(b) Nalagarh Ropar Road, Manjholi 174101 (HP)

Address for correspondence: Mumbai-Pune Road, Pimpri, Pune 411018.

## AUDITORS' CERTIFICATE

To the Members of

The Indian Card Clothing Company Limited

1. We have examined the compliance of conditions of Corporate Governance by The Indian Card Clothing Company Limited, for the year ended on 31 March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that in respect of investor grievances during the year ended 31<sup>st</sup> March 2011 no grievances are pending for a period exceeding one month against the Company as per the records maintained by the Share Transfer and Shareholders' Grievance Committee.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For B. K. KHARE & CO.**  
Chartered Accountants

**Devdatta Mainkar**  
Partner

Place : Pune  
Date : 24<sup>th</sup> May, 2011

Membership No. 109795  
Firm Registration No.: 105102W

## Auditors' Report

### To the Members of The Indian Card Clothing Company Limited

1. We have audited the attached Balance Sheet of The Indian Card Clothing Company Limited as at 31st March 2011, the Profit and Loss Account and 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 have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India, in terms of section 227 (4A), of the Companies Act, 1956 of India ("the Act"), and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
  - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. 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 Section 211 (3C) of the Act;
  - e. On the basis of the written representations received from the Directors, as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011, from being appointed as Director in terms of clause (g) of sub section (1) of Section 274 of the Act; and
  - f. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, together with the Notes thereon and attached thereto, give, in the prescribed manner, the information required by the Act, and also give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
    - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
    - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **B. K. Khare & Company**  
Chartered Accountants  
Firm Registration No.: 105102W

**Devdatta Mainkar**  
Partner  
Membership No. 109795

Place: Mumbai  
Date: May 24, 2011

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date)

- 1) (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
(ii) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies reported on such verification have been properly dealt in the accounts.  
(iii) In our opinion, the disposal of fixed assets during the year does not affect the going concern assumption.
- 2) The Management has conducted physical verification of inventory at reasonable intervals. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and the discrepancies noticed on physical verification between the physical stock and the book records were not material.
- 3) The Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clause (b), (c), (d), (e), (f) and (g) of sub-para (iii) of para 4 of the Order is not applicable.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
- 5) a) On the basis of our examination of the books of account, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) In our opinion, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to market prices prevailing at the relevant time as evaluated on the basis of quotations obtained from parties/ prices charged by the Company in case of similar transactions during the year and considering that having regard to certain items purchased/sold are of a special nature in respect of which suitable alternative sources do not exist for obtaining comparative quotations in general.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956, and the rules framed thereunder.
- 7) The Company has an internal audit system, which in our opinion is commensurate with the size of the Company and nature of its business.
- 8) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, in respect of the activities carried on by the Company.
- 9) (i) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty were outstanding, at the year end for a period of more than six months from the date they became payable.

- (ii) According to the information and explanations given to us, there are no dues of Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty or Cess outstanding on account of any dispute, other than disputed Income Tax demand as under:

<b>Sr. No.</b>	<b>Assessment Year</b>	<b>Nature of Dues</b>	<b>Amount Rs. in lacs</b>	<b>Forum where case is pending</b>
1	2005-06	Penalty	40.07	Commissioner of Income Tax (Appeals)

- 10) The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current year and in the immediately preceding financial year.
- 11) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not defaulted in repayment of dues to banks.
- 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 and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ societies.
- 14) In our opinion, the Company has maintained proper records of the transactions and contracts of the investments dealt in by the Company and timely entries have been made therein. The investments made by the Company are held in its own name except to the extent of the exemption under section 49 of the Act.
- 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, the terms and conditions whereof are prejudicial to the interest of the Company.
- 16) In our opinion, the term loan obtained during the year, prima facie, have been applied for the purpose for which the loans were raised.
- 17) According to the information and explanations given to us on an overall examination of the Balance Sheet and Cash Flows of the Company, we report that the Company has not utilized funds raised on short-term basis for long term investment.
- 18) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act, during the year.
- 19) The Company did not issue any debentures during the year.
- 20) The Company has not raised any money by public issue during the year.
- 21) Based on the audit procedures performed 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 year.

For **B. K. Khare & Company**  
Chartered Accountants  
Firm Registration No.: 105102W

**Devdatta Mainkar**  
Partner  
Membership No. 109795

Place : Mumbai  
Date : May 24, 2011



# THE INDIAN CARD CLOTHING COMPANY LIMITED

## Balance Sheet as at 31st March, 2011

	Schedule	Rs.lac	As at 31-Mar-11 Rs. lac	As at 31-Mar-10 Rs. lac
<b>SOURCES OF FUNDS</b>				
<b>1. SHAREHOLDERS' FUNDS</b>				
Share Capital.....	1	455.11		455.11
Reserves and Surplus.....	2	<u>7823.58</u>		<u>7758.36</u>
			<b>8278.69</b>	<u>8213.47</u>
<b>2. Secured Loans.....</b>	<b>3</b>		<b>837.86</b>	980.31
TOTAL			<u><b>9116.55</b></u>	<u>9193.78</u>
<b>APPLICATION OF FUNDS</b>				
<b>1. FIXED ASSETS.....</b>				
Gross Block.....	4	9130.01		7425.15
Less Depreciation.....		<u>3647.84</u>		<u>3143.45</u>
Net Block.....		<u>5482.17</u>		4281.70
Capital work-in-progress and advances.....		<u>1030.94</u>		1917.69
			<b>6513.11</b>	6199.39
<b>2. INVESTMENTS.....</b>	<b>5</b>		<b>2579.06</b>	2505.67
<b>3. DEFERRED TAX ASSET.....</b>			<b>13.74</b>	21.67
<b>4. CURRENT ASSETS, LOANS AND ADVANCES.....</b>	<b>6</b>			
Inventories.....		1128.45		1023.98
Sundry Debtors.....		817.07		862.57
Cash and Bank Balances.....		89.68		40.05
Loans and Advances.....		721.17		702.98
Other Current Assets - Assets Held for disposal.....		<u>0.16</u>		0.00
		<u>2756.53</u>		2629.58
Less :				
<b>CURRENT LIABILITIES AND PROVISIONS.....</b>	<b>7</b>			
Liabilities.....		2440.65		1859.55
Provisions.....		<u>305.24</u>		<u>302.98</u>
		<u>2745.89</u>		<u>2162.53</u>
NET CURRENT ASSETS			<b>10.64</b>	467.05
TOTAL			<u><b>9116.55</b></u>	<u>9193.78</u>
<b>SIGNIFICANT ACCOUNTING POLICIES.....</b>	10			
<b>NOTES ON ACCOUNTS</b>	11			

As per our report attached

**B. K. KHARE & CO.**

Chartered Accountants  
FRN-105102W  
By the hand of

**DEVDATTA MAINKAR**

Partner  
M. No. 109795  
Mumbai, 24 May, 2011

**A.D.DAHOTRE**

Chief Financial Officer  
and Company Secretary

**PRASHANT K. TRIVEDI**

**M.K.TRIVEDI**

**HEMRAJ C. ASHER**

**M.M.SHAH**

**J.M.KOTHARY**

**C.M.MANIAR**

**SUDHIR MERCHANT**

Mumbai, 24 May, 2011

Chairman

Managing Director

Director

Director

Director

Director

Director

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## Profit and Loss Account for the year ended 31st March, 2011

	Schedule	Rs.lac	Year Ended 31-Mar-11 Rs.lac	Year Ended 31-Mar-10 Rs.lac
<b>INCOME :</b>				
Sales.....		5308.89		4924.24
Less : Excise Duty.....		395.96		311.33
Net Sales.....		4912.93		4612.91
Servicing.....		55.42		45.71
Other Income.....	8	931.24		751.05
			5899.59	5409.67
<b>EXPENDITURE :</b>				
Materials,Manufacturing and Other Expenses.....	9	4974.95		4432.44
Interest on Term Loan.....		105.94		78.84
Interest Others.....		13.16		14.43
Depreciation.....		547.46		314.91
		5641.51		4840.62
Less : Expenses Capitalised.....		0.00		20.70
			5641.51	4819.92
<b>Profit before tax.....</b>			<b>258.08</b>	<b>589.75</b>
<b>Provision for</b>				
Current tax.....			42.41	96.59
MAT credit entitlement.....			(16.17)	(19.78)
Deferred tax charge.....			7.93	58.06
<b>Profit after tax.....</b>			<b>223.91</b>	<b>454.88</b>
Balance brought forward.....			5420.66	5170.99
			5644.57	5625.87
<b>APPROPRIATIONS :</b>				
General Reserve.....			25.00	46.00
Dividend.....				
Final - Proposed.....			136.53	136.53
Interim.....				
Tax on dividend.....			22.15	22.68
			183.69	205.21
Balance carried to Balance Sheet.....			5,460.88	5420.66
Earning per share (Rs. per equity share of Rs.10/-).....				
Basic/diluted.....			4.92	9.99
Average number of equity shares.....			4551120	4551120
<b>SIGNIFICANT ACCOUNTING POLICIES.....</b>	10			
<b>NOTES ON ACCOUNTS.....</b>	11			

As per our report attached

**B. K. KHARE & CO.**

Chartered Accountants  
FRN-105102W  
By the hand of

**DEVDATTA MAINKAR**

Partner  
M. No. 109795  
Mumbai, 24 May, 2011

**A.D.DAHOTRE**

Chief Financial Officer  
and Company Secretary

**PRASHANT K. TRIVEDI**

**M.K.TRIVEDI**

**HEMRAJ C. ASHER**

**M.M.SHAH**

**J.M.KOTHARY**

**C.M.MANIAR**

**SUDHIR MERCHANT**

Mumbai, 24 May, 2011

Chairman

Managing Director

Director

Director

Director

Director

Director

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## Cash Flow Statement for the year ended 31st March, 2011

	As at 31-Mar-11 Rs. lac	As at 31-Mar-10 Rs. lac
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax and extraordinary items.....	258.08	589.75
Depreciation.....	547.46	314.91
Foreign Exchange gain/(loss).....	(0.99)	(12.13)
Interest/Dividend Income.....	(78.81)	(61.50)
(Profit)/Loss on sale of Fixed Assets.....	(114.35)	(2.15)
(Profit)/Loss on sale of Investments.....	(210.24)	(171.75)
Provision for leave encashment.....	2.78	8.47
Provision for Gratuity.....	0.00	(56.03)
Provision for bad/doubtful debts/Advances written back.....	3.92	(5.68)
Interest paid.....	119.10	93.27
	<u>268.87</u>	<u>107.41</u>
<b>Operating Profit before Working Capital changes.....</b>	<b>526.94</b>	<b>697.16</b>
Trade and other receivables.....	(21.23)	(57.81)
Inventories.....	(104.47)	(214.42)
Trade payables.....	233.49	152.32
Direct Taxes paid.....	19.22	(101.27)
	<u>127.01</u>	<u>(221.18)</u>
<b>Net Cash generated from /(used in) operating activities.....</b>	<b>653.95</b>	<b>475.98</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets.....	(897.20)	(847.88)
Sale of Fixed Assets.....	150.37	6.94
Purchase of Investments.....	(181.60)	(1173.00)
Proceeds from Sale of Investments.....	318.45	1046.49
Interest/Dividend received.....	78.81	61.50
<b>Net cash from/ (used in) investing activities.....</b>	<b>(531.17)</b>	<b>(905.95)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short Term Borrowings.....	(20.54)	(80.86)
Long Term Borrowings.....	(121.91)	754.05
Security Deposits.....	347.62	(17.55)
Dividend paid.....	(136.53)	(113.78)
Tax on dividend.....	(22.68)	(19.34)
Interest paid.....	(119.10)	(93.27)
<b>Net Cash from/ (used in) financing activities.....</b>	<b>(73.14)</b>	<b>429.25</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C).....</b>	<b>49.63</b>	<b>(0.72)</b>
Cash and Cash equivalents		
Beginning of year :		
Cash and Bank balances.....	40.05	40.77
	<u>40.05</u>	<u>40.77</u>
End of year :		
Cash and Bank balances.....	89.68	40.05
	<u>89.68</u>	<u>40.05</u>
<b>Increase (decrease) in cash and cash equivalents.....</b>	<b>49.63</b>	<b>(0.72)</b>

### Notes on Cash Flow Statement :

- Above statement has been prepared following the indirect method as set out in Accounting Standard 3 "Cash Flow Statements"
- Cash and cash equivalents represent cash and bank balances and bank overdrafts.
- Previous year's figures have been regrouped wherever necessary to conform to current year's grouping.

As per our report attached

**B. K. KHARE & CO.**

FRN-105102W

Chartered Accountants

By the hand of

**DEVDATTA MAINKAR**

Partner

M. No. 109795

Mumbai, 24 May, 2011

**A.D.DAHOTRE**

Chief Financial Officer

and Company Secretary

Mumbai, 24 May, 2011

**PRASHANT K. TRIVEDI**

Chairman

**M.K.TRIVEDI**

Managing Director

**HEMRAJ C. ASHER**

Director

**M.M.SHAH**

Director

**J.M.KOTHARY**

Director

**C.M.MANIAR**

Director

**SUDHIR MERCHANT**

Director

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## Schedules forming part of the Accounts : 31st March, 2011

### SCHEDULE 1

<b>SHARE CAPITAL</b>	<b>Rs. lac</b>	<b>As at 31-Mar-11 Rs. lac</b>	<b>As at 31-Mar-10 Rs. lac</b>
<b>Authorised</b>			
50,00,000 Equity Shares of Rs.10 each..... (previous year 50,00,000 Equity Shares of Rs.10 each)		<u>500.00</u>	<u>500.00</u>
<b>Issued and Subscribed</b>			
45,51,120 Equity Shares of Rs.10 each fully paid up.....		<u>455.11</u>	<u>455.11</u>
Of the above shares :			
(a) 26,10,066 Equity Shares are held by the holding Company - Multi Act Industrial Enterprises Ltd., Mauritius			
(b) 26,20,800 Equity Shares were allotted as fully paid Bonus shares by capitalisation of General Reserve			

### SCHEDULE 2

#### RESERVES AND SURPLUS

<b>Share Premium Account</b> .....		<b>910.22</b>	910.22
<b>General Reserve</b>			
As per last Balance Sheet.....	<b>1427.48</b>		1381.48
Add : Transfer from Current Year Profit.....	<u>25.00</u>		<u>46.00</u>
		<b>1452.48</b>	1427.48
Profit and Loss Account.....		<b>5460.88</b>	5420.66
		<u><b>7823.58</b></u>	<u>7758.36</u>

### SCHEDULE 3

#### SECURED LOANS

Term Loan.....		<b>807.88</b>	929.79
Secured by charge on Land, Building and plant and Machinery of Himachal Pradesh Factory ( Rs.200.00 Lacs due with-in a year, previous year Rs.200 lac )			
Bank overdraft.....		<b>29.98</b>	50.52
Secured by hypothecation of inventory and book-debts.....		<u><b>837.86</b></u>	<u>980.31</u>

### SCHEDULE 4 : FIXED ASSETS

ASSETS	Rate of Depre.	Cost as at 1-04-2010	Addition	Deduction	Cost as at 31-03-2011	Depreciation				Rs. Lac	
						up to 31-03-2010	For the year 2010-11	Deduction	up to 31-03-2011	Net Book Value as at 31-03-2011	Net Book Value as at 31-03-2010
Land (freehold).....	-	801.31	-	-	801.31	0.00	-	-	0.00	801.31	801.31
Buildings.....	10.00	2998.33	1517.58	79.09	4436.82	694.15	301.94	43.07	953.01	3483.81	2304.18
Plant and Machinery.....	20.87	2360.98	121.95	-	2482.93	1707.82	150.64	-	1858.45	624.48	653.16
Electrical Installations.....	13.91	468.54	53.21	-	521.75	157.21	45.93	-	203.14	318.61	311.33
Air-conditioning Plant and Machinery.....	13.91	145.26	1.69	-	146.95	61.20	11.89	-	73.09	73.86	84.06
Furniture and Fittings.....	18.10	110.59	10.99	-	121.58	82.67	5.91	-	88.59	32.99	27.92
Office Equipments & Computers.....	13.91 & 60	325.16	16.08	-	341.24	287.58	8.43	-	296.01	45.23	37.58
Vehicles.....	25.89	214.98	62.45	-	277.43	152.82	22.72	-	175.55	101.88	62.16
		7425.15	1783.95	79.09	9130.01	3143.45	547.46	43.07	3647.84	5482.17	
Previous year		4784.15	2664.77	23.77	7425.15	2847.52	314.91	18.98	3143.45		4281.70
Capital Work-in-progress including capital advances										1030.94	1917.69
Buildings include the cost of 5 shares Rs.100 each and 10 shares of Rs.50 each in co-operative societies. ( Previous year 5 shares of Rs.100 each and 10 shares of Rs.50 each )										6513.11	6199.39

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## Schedules forming part of the Accounts : 31st March, 2011

### SCHEDULE 5

	Face Value (Rs)	As at 31-Mar-11 Numbers	As at 31-Mar-10 Numbers	As at 31-Mar-11 Rs. lac	As at 31-Mar-10 Rs. lac
<b>INVESTMENTS</b>					
<b>Long Term Investments-Unquoted :</b>					
<b>In Equity Shares</b>					
<b>Subsidiary Companies</b>					
Garnett Wire Ltd.(in British pounds).....	1	210000	210000	136.39	136.39
ICC International Agencies Ltd.....	10	500000	500000	31.28	31.28
Shivraj Sugar and Allied Products P Ltd.....	100	940	940	0.23	0.23
		<b>Sub total (A)</b>		<b>167.90</b>	<b>167.90</b>
Orbis Capital Limited.....	10	1544000	0	200.00	0.00
<b>In Units - Money Market</b>					
Floating Fund					
HDFC FMP 12 Month.....	10	0	0	500.00	0.00
JM FMP 15 Months.....	10	0	0	0.00	0.00
		<b>Sub total (B)</b>		<b>500.00</b>	<b>0.00</b>
<b>IN VENTURE CAPITAL FUNDS</b>					
HDFC Property Fund - HDFC India Real Estate Fund.....	1000	44274	49659	442.63	496.59
		<b>Sub total (C)</b>		<b>442.63</b>	<b>496.59</b>
<b>Current Investments</b>					
<b>In Equity Shares - Quoted :</b>					
Bharati Tele Ltd. ....	5	10000	10000	29.05	29.05
Bimetal Bearings Ltd. ....	10	4350	4350	12.30	12.30
Colgate-Palmolive (India) Ltd. ....	10	5000	5000	6.93	6.93
Corporation Bank Ltd. ....	10	0	5000	0.00	11.56
Hindustan Uni-Lever.....	1	5000	5000	11.53	11.53
India Nippon Electricals Ltd. ....	10	0	4500	0.00	8.18
MPS Ltd. ....	10	4800	4800	9.74	9.74
Bosch Limited.....	10	2000	2000	78.94	78.94
Nestle India Ltd. ....	10	0	5000	0.00	28.95
Panasonic Batteries Ltd. ....	10	5000	60000	3.01	36.11
Plastiblends India Ltd. ....	10	10000	25000	11.17	27.92
Voith Paper Fabi Ltd. ....	10	20057	20057	39.74	39.74
VST Industries Ltd. ....	10	0	10000	0.00	37.03
		<b>Sub total (D)</b>		<b>202.41</b>	<b>337.98</b>
<b>Aggregate market value of Equity Shares</b>				<b>500.26</b>	<b>512.31</b>
<b>In Units - Money Market - Unquoted</b>					
JM Money Manager	10	-	3,289,688	0.00	329.15
JM Income Fund	10	70,432	70,432	20.00	20.00
HDFC - Short Term	10	583,747	583,747	100.00	100.00
HDFC - Cash Management Daily Dividend	10	9,431,550	10,507,196	946.12	1,054.05
		<b>Sub total (E)</b>		<b>1,066.12</b>	<b>1,503.20</b>
<b>Total cost of investments</b>				<b>2579.06</b>	<b>2505.67</b>

**Schedules forming part of the Accounts : 31st March, 2011**

**SCHEDULE 6**

	Rs.lac	As at 31-Mar-11 Rs. lac	As at 31-Mar-10 Rs. lac
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
<b>A. Inventories</b>			
Raw materials including packing materials.....		<b>402.82</b>	373.58
Work -in- progress.....		<b>410.48</b>	377.43
Finished goods.....		<b>205.25</b>	185.06
Trading goods.....		<b>18.18</b>	8.20
Stores and spare parts.....		<b>91.72</b>	79.71
		<u><b>1128.45</b></u>	<u>1023.98</u>
<b>B. Sundry Debtors (Unsecured)</b>			
Debts outstanding for a period exceeding six months			
Considered doubtful.....	<b>24.17</b>		20.35
Considered good.....	<b>22.86</b>		89.92
Other Debts :			
Considered good.....	<b>794.21</b>		772.65
	<u><b>841.24</b></u>		<u>882.92</u>
Less : Provision for doubtful debts.....	<b>24.17</b>		20.35
		<b>817.07</b>	<u>862.57</u>
<b>C. Cash and Bank Balances</b>			
Cash on hand.....	<b>0.75</b>		0.33
Balances with scheduled banks			
Current Account.....	<b>50.66</b>		1.21
Unclaimed Dividend Account.....	<b>33.49</b>		33.75
Term Deposit Account.....	<b>4.78</b>		4.76
(including interest accrued thereon)			
	<u><b>88.93</b></u>		<u>39.72</u>
		<u><b>89.68</b></u>	<u>40.05</u>
<b>D. Loans and Advances</b>			
(Unsecured considered good, unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received			
Considered good.....	<b>469.62</b>		394.32
Considered doubtful.....	<b>5.99</b>		5.89
	<u><b>475.61</b></u>		<u>400.21</u>
Less : Provision for doubtful advances.....	<b>5.99</b>		5.89
	<u><b>469.62</b></u>		<u>394.32</u>
Balance with Excise Authorities.....	<b>81.92</b>		109.75
MAT Credit Entitlement	<b>35.95</b>		19.78
Advance payment of tax.....	<b>133.68</b>		179.13
		<u><b>721.17</b></u>	<u>702.98</u>
		<u><b>2756.37</b></u>	<u>2629.58</u>

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## Schedules forming part of the Accounts : 31st March, 2011

### SCHEDULE 7

	Rs.lac	As at 31-Mar-11 Rs. lac	As at 31-Mar-10 Rs. lac
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
<b>A. Current Liabilities</b>			
Sundry Creditors.....			
Due to Micro and Small Enterprises.....	7.08		8.84
Due to others.....	1,136.54		922.05
Advance payments from customers.....	98.28		77.26
Security Deposits.....	1,165.26		817.64
Investor Education and Protection Fund to be credited on respective due dates :.....			
-Unclaimed dividend.....	33.49		33.75
		2,440.65	1859.54
<b>B. Provisions</b>			
Provision for compensated absences.....	146.56		143.78
Proposed dividend.....	136.53		136.53
Tax on dividend.....	22.15		22.68
		305.24	302.99
		2745.89	2162.53

### SCHEDULE 8

	Rs.lac	Year ended 31-Mar-11 Rs. lac	Year ended 31-Mar-10 Rs. lac
<b>OTHER INCOME</b>			
Dividend - Current Investments.....		77.01	57.93
Interest on bonds, deposits and others..... (tax deducted at source Rs. 0.31 lac, previous year Rs.0.21 lac)		1.80	3.57
Rent received.....		139.52	120.70
Service charges received.....		337.95	297.81
Profit on sale of assets (net).....		114.35	2.15
Profit on sale of investments (net).....			
- Long Term.....		27.38	65.70
- Current.....		182.86	106.05
Excess Provision writteb-back.....		29.24	61.51
Miscellaneous income.....		21.13	35.63
		931.24	751.05

Schedules forming part of the Accounts : 31st March, 2011

**SCHEDULE 9**

	Rs.lac	Year ended 31-Mar-11 Rs. lac	Year ended 31-Mar-10 Rs. lac
<b>MATERIALS, MANUFACTURING AND OTHER EXPENSES</b>			
Raw materials including packing materials consumed.....		1897.64	1835.38
Purchase of trading goods.....		54.44	29.92
Provision for excise duty on finished goods.....		(1.31)	12.25
Add/(less) : Decrease / (Increase) in stocks :			
Add : Opening stock -.....			
Work-in-progress.....	377.43		285.31
Finished goods.....	185.06		149.09
Trading goods.....	8.20		15.53
	<u>570.69</u>		<u>449.93</u>
Less : Closing stock -			
Work-in-progress.....	410.48		377.43
Finished goods.....	205.25		185.06
Trading goods.....	18.18		8.20
	<u>633.91</u>		<u>570.69</u>
		<u>(63.22)</u>	<u>(120.76)</u>
		1887.55	1756.79
Stores and spare parts consumed.....		94.39	69.35
Power and fuel.....		298.47	280.06
Rent.....		34.08	48.22
Insurance.....		5.09	4.34
Rates and Taxes.....		86.74	98.95
Repairs : Building.....	60.06		46.80
Plant and Machinery.....	134.42		104.15
		194.48	150.95
Salaries, wages and bonus.....	1375.10		1156.51
Contribution to provident and other funds.....	102.68		144.10
Workmen and staff welfare expenses.....	117.18		84.58
Insurance Personal and Accident.....	19.38		20.04
Provision for gratuity and leave and retirement benefit...	2.78		(30.06)
		1617.12	1375.17
Freight and Clearing Charges.....		43.61	41.31
Travelling.....		115.51	102.81
Communication expenses.....		24.93	24.34
Commission on sales.....		147.40	131.67
Customer Compensation claims.....		7.92	9.63
Provision for Doubt-ful debts / advances.....		3.92	9.64
Computer and Software maintenance.....		20.00	11.44
Investment advisory fees.....		24.69	38.21
Legal and professional fees.....		168.76	112.18
Auditors' remuneration :			
Audit fees.....	3.75		3.75
Other services.....	0.00		0.40
Reimbursement of expenses.....	0.16		0.15
		3.91	4.30
Provision for impairment of assets.....		3.09	0.00
Commission and sitting fees to non-whole-time Directors		8.40	9.00
Exchange loss (net).....		0.99	12.13
Other expenses.....		183.90	141.95
		<u>4974.95</u>	<u>4432.44</u>



## Schedules forming part of the Accounts : 31st March, 2011

### **SCHEDULE 10**

#### **SIGNIFICANT ACCOUNTING POLICIES**

- 1) **Basis of Preparation of Financial Statements** : The financial statements have been prepared under historical cost convention on accrual basis and comply with accounting standards referred to in section 211(3C) and other relevant provisions of the Companies Act, 1956.
- 2) **Use of Estimates** : The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognised in the period in which the results are known or materialised.
- 3) **Fixed Assets** : Fixed assets are stated at cost ( net of refundable taxes or levies ) and include any other attributable cost for bringing the assets to working condition for their intended use. The cost of self-constructed fixed assets are capitalised at the expenditure including an appropriate share of overheads incurred directly for the specific asset.
- 4) **Depreciation** : Depreciation on fixed assets is provided by the written down value method in the manner and at the rates prescribed in schedule XIV to the Companies Act, 1956, except in case of data processing equipments, which is depreciated at a higher rate of 60% as compared to 40% specified in Schedule XIV.
- 5) **Asset Impairment** : Provision of impairment loss is recognised to the extent by which the carrying amount of an asset exceed its recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is determined on the basis of the present value of estimated future cash flows expected to rise from the continuing use of an asset and from its disposal at the end of its useful life.
- 6) **Investments** : Investments classified as long term investments are carried at cost. However provision for diminution is made to recognise a decline, other than temporary in nature, in the carrying amount of such long- term investments. Investments classified as current investments are carried at lower of cost and fair value, computed category-wise.
- 7) **Inventories** : Inventories are valued at lower of net realisable value and cost, arrived at on the basis of weighted average cost comprising all cost of purchase, cost of conversion, other costs and where applicable excise duty, in bringing inventories to their present location and condition. Obsolescence is provided on the basis of standard norms.
- 8) **Employee Benefits**

**Long-Term Benefits**

**Provident Fund** : Liability on account of the company's obligation under the employee's provident fund, a defined contribution plan is charged to profit and loss account on the basis of actual liability basis calculated as a percentage of salary. Any shortfall in the agreed the rate of return is provided for.

**Superannuation Fund** : Liability on account of the company's obligation under the employee's superannuation fund, a defined contribution plan is charged to profit and loss account on the basis of actual liability basis calculated as a percentage of salary.

**Gratuity** : Liability on account of company's obligation under the employee gratuity plan, a defined benefit plan, is provided on the basis of actuarial valuation.

Fair value of plan assets, being the fund balance on the balance sheet date with Life Insurance Corporation under group gratuity-cum-life assurance policy is recognised as asset.

Current service cost, interest cost and actuarial gains and losses are charged to profit and loss statement.

Past service cost/effect of any curtailment or settlement is charged/credited to the profit and loss statement, as applicable.

**Short-Term Benefits**

**Leave Encashment** : Liability on account of the company's obligation under the employee's leave policy is provided on actual basis in respect of leave earned but not availed based on the number of days of carry forward entitlement at each balance sheet date.

**Medical and Leave Travel Assistance benefits** : Liability on account of the company's obligation under the employee's medical reimbursement scheme and leave travel assistance is provided on actual basis.

**Bonus & Employee's Short Term Incentive Plan** : Liability on account of the company's obligation under the statutory regulations, agreement with trade union and employee incentive plan as applicable is provided on actual basis as per the relevant terms as determined.
- 9) **Provisions and Contingent Liabilities** : Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimates can be made of the amount of the obligation.

Contingent liabilities are disclosed by way of note to the financial statements, after careful evaluation by the management of the facts and legal aspects of the matter involved.

- 10) **Revenue Recognition** : Sales are accounted for on the basis of acknowledgements and are stated net of sales tax, freight, insurance and other charges recoverable from customers.

Income from leasing of buildings and related services is recognized at the rates prescribed over the tenure of the lease/service agreement.

Dividend on investments is recognised when the company's right to receive it is established.

- 11) **Borrowing Costs** : Borrowing costs attributable to the acquisition of fixed assets are capitalised till the date of substantial completion of the activities necessary to prepare the relevant asset for its intended use.

Other borrowing costs are charged to profit and loss statement in the year of incurrence.

- 12) **Foreign Currency Transactions** : Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transactions.

Assets ( other than fixed assets ) and liabilities denominated in foreign currency are translated at the closing exchange rates.

- 13) **Income Taxes** : Current tax is provided on the basis of estimated tax liability, computed as per applicable provisions of the Income Tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**Schedules forming part of the Accounts : 31st March, 2011**

**SCHEDULE 11**

**NOTES ON ACCOUNTS**

1. Capacities and Production :	Pimpri Plant		HP Plant	
	Installed capacity	Actual production	Installed capacity	Actual production
(certified by the Managing Director)				
Class of goods :				
(i) Flexible and metallic card clothing - sets	8,000 (8,000)	4,748 (4,482)	3,000 (3,000)	256 (7)
(ii) Woollen, worsted, cotton waste and asbestos card clothing and raising fillets and sheets - metres	450,000 (450,000)	131,759 (96,033)	- -	- -
(iii) Accura fixed flats - nos	28,800 (28,800)	13,535 (36,048)	72,000 (72,000)	37,792 (8,338)

- In respect of items (i) to (iii) above, Industrial Licensing is not applicable to Pimpri plant since the same is located in an Industrial area declared as such by the State Government prior to the date of Notification No.S.O.477(E) dated 25th July,1991 issued by the Government of India

2. Stocks and Sales :	Opening Stocks		Closing Stocks		Sales	
	Qty.	Value Rs.lac	Qty.	Value Rs.lac	Qty.	Value Rs.lac
Class of goods :						
Flexible and metallic card clothing sets.....	116 (67)	155.86 (124.26)	367 (116)	151.92 (155.86)	4753 (4433)	3699.71 (3303.56)
Woollen, worsted, cotton waste and asbestos card clothing and raising fillets and sheets-metres....	5049 (4692)	13.18 (9.65)	4623 (5049)	10.23 (13.18)	132185 (95676)	480.87 (600.92)
Accura fixed flats - nos.....	2780 (1873)	16.02 (15.17)	10,119 (2,780)	43.10 (16.02)	43988 (35141)	650.92 (644.55)
Trading goods.....		8.20 (15.54)		18.18 (8.20)		81.43 (63.88)
	10119	193.26 (164.62)		223.43 (193.26)		4912.93 (4612.91)

\* Quantity figures for card clothing sets and accura fixed flats have been stated with reference to principal items comprised in sale.

3. Raw materials including packing material consumed :	Qty	Rs.lac
Steel (wires and strips ) - tonnes.....	1,088 (1,164)	1,273.90 (1,127.88)
Industrial cloth and fabric - square metres.....	36922 (31015)	374.31 (341.76)
Others.....		249.43 (365.74)
		1897.64 (1835.38)

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## Schedules forming part of the Accounts : 31st March, 2011

### 4. Value of imported and indigenous raw materials including packing materials, stores and spare parts consumed and the percentage of each to the total consumption :

	Year ended 31-Mar-11 %	Year ended 31-Mar-10 Rs.lac
Imported.....	12.88 (18.24)	273.95 (366.36)
Indigenous.....	87.12 (81.76)	1852.50 (1642.52)
	100.00 (100.00)	2126.45 (2008.88)

### 5. Value of Imports on C.I.F. basis :

	Year ended 31-Mar-11 Rs.lac	Year ended 31-Mar-10 Rs.lac
Raw materials.....	225.66	332.90
Stores and spare parts.....	4.93	18.32
Capital goods.....	11.02	0.00
Trading goods.....	37.53	22.09

### 6. Expenditure in foreign currency :

Travelling, commission, technical consultation and others.....	186.97	145.85
7. i) Claims against the Company not acknowledged as debts.....	40.00	40.00
ii) Estimated amount of contracts remaining to be executed on capital account and not provided for ( net of advances).....	181.61	612.72
iii) Contingent liability in respect of taxation matters in appeal by the Department .....	15.19	55.27

### 8. Amount remitted in foreign currency on account of dividend to non-resident :

Year to which dividend relates	Number of Shareholders	Number of Shares	Year ended 31-Mar-11 Rs.lac	Year ended 31-Mar-10 Rs.lac
Final Dividend 2008-09.....	1	2110066	-	65.25
Final Dividend 2009-10.....	1	2110066	78.30	-

### 9. Earnings in foreign currency :

Exports realisation on F.O.B. basis.....	1,086.93	1069.18
Others (freight charges on exports).....	28.43	25.36

**Schedules forming part of the Accounts : 31st March, 2011**

**10. Employee Benefits: Post Retirement Benefit-Defined Contribution Plans Disclosure Retirement Benefits as required in Accounting Standard (AS 15) on 'Employees Benefits' are given below.**

<b>Particulars</b>	<b>Gratuity (Amount in Rs.)</b>	
	<b>31st March 2011</b>	<b>31st March 2010</b>
Current Service Cost.....	2,061,515	2,010,386
Interest Cost.....	3,946,017	3,840,963
Expected Return on the Plan Assets.....	(4,678,873)	(4,050,269)
Actuarial (Gain) / Loss recognized.....	(3,499,866)	(4,538,175)
Total Expenses.....	(2,171,207)	(2,737,095)
<b>a) Net Assets / Liabilities</b>		
Present Value of Defined Benefit obligation at the year end.....	49,903,771	49,325,209
Fair value of Plan Asset as at the year end.....	57,547,438	51,039,419
Net Liability at the year end.....	(7,643,667)	(1,714,210)
<b>b) Change in the Obligation</b>		
Present Value of Defined Benefit Obligation at the beginning of the year.....	49,325,209	48,012,035
Current Service Cost.....	2,061,515	2,010,386
Interest Cost.....	3,946,017	3,840,963
Actuarial (Gain) / Losses.....	(3,499,866)	(4,538,175)
Benefit Payment.....	-	-
Present Value of defined Benefit Obligation as at the end of the year.....	51,832,875	49,325,209
<b>c) Actuarial Assumptions</b>		
Discount Rate.....	8.00%	8.00%
Rate of Return on Plan Assets * *.....	8.62%	7.81%
Salary Escalation.....	5.00%	5.00%
<b>** = EXPECTED RETURN ON PLAN ASSETS / (OP PLAN ASSET + CLO PLAN ASSET) / 2</b>		
<b>d) Employees cost disclosed in Schedule 9</b>		
Gratuity.....	(21.71)	(27.37)
Leave Encashment.....	30.78	8.47
Provident Fund.....	70.39	68.87

**11. Sundry Creditors :**

Suppliers who are covered under MSMED Act,2006, have been identified to the extent of information available with the company. The principal balance due to Micro and small enterprises as at 31st March, 2011 is Rs. 7.08 lac. Further no interest has been paid or is payable under the terms of MSMED Act, 2006.

**12. Managerial remuneration under section 198 of the Companies Act, 1956**

<b>(i) Managing Director</b>		
Salary.....	30.00	30.00
Commission.....	0.00	0.00
Contribution to provident and other funds.....	6.04	6.04
Perquisites.....	14.47	16.14
	<u>50.51</u>	<u>52.18</u>
<b>(ii) Non-whole-time Directors' commission ( refer note 13).....</b>		
	<u>1.90</u>	<u>6.20</u>

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## Schedules forming part of the Accounts : 31st March, 2011

### 13. Computation of net profit in accordance with Section 198

of the Companies Act, 1956 and the commission payable

	As on 31-Mar-11	As on 31-Mar-10
Profit before Tax as per Profit and Loss Account.....	258.08	589.75
Add : Managerial remuneration.....	52.41	61.18
	310.49	650.93
Less : Profit on sale of Assets in excess of original cost.....	114.35	2.15
Net Profit for the year.....	196.14	648.78
Commission payable to Non-whole-time Directors.....	1.96	6.49
Restricted to.....	1.90	6.20

14. The total of research and development costs including depreciation charge to profit and loss Rs. 70.62 lac (previous year Rs.73.28).

### 15. Deferred Taxes

The major components of deferred tax asset/(liability) are as follows

Particulars	As on 31-Mar-11	As on 31-Mar-10
a) Depreciation.....	(59.29)	(44.97)
b) Provision for doubtful debts/ advances.....	10.25	8.92
c) Technical know-how.....	2.18	2.91
d) Employee benefits.....	60.59	54.81
Net deferred tax Asset / (Liability)	13.73	21.67

### 16. Disclosure of Foreign currency exposure

Foreign currency exposure of monetary items as on 31st March 2011 which are not hedged by a derivative instrument or otherwise is as follows -

Nature of Monetary Item	Name of Currency	Foreign Currency	31.03.2011 Rs	Foreign Currency	31.03.2010 Rs
1. Import of Goods	GBP	(152)	(11,004)	5,684	389,377
	EUR	(70,020)	(4,445,570)	21,285	1,299,028
1. Export of Goods	USD	553,712	24,662,345	594,755	26,674,758
	GBP	1,836	130,855	4,208	280,379

### 17. Related Party Disclosure

- a) Controlling Company - Multi Act Industrial Enterprises Ltd., Mauritius
- b) Wholly Owned Subsidiaries controlled by the Company-
  - i) ICC International Agencies Ltd.
  - ii) Shivraj Sugar and Allied Products P Ltd.
- c) Other Subsidiary controlled by the Company-
  - i) Garnett Wire Ltd., UK
- d) Enterprise over which any key management personnel and relative of such personnel is able to exercise significant influence
  - i) Multi Act Trade & Investments Pvt Ltd.
  - ii) Multi Act Equity Consultancy Pvt Ltd.
  - iii) Multi Act Constructions Pvt. Ltd.

**Schedules forming part of the Accounts : 31st March, 2011**

e) Transactions with related Parties

<b>Name of party</b>	<b>Nature of transaction</b>	<b>Year ended 31-Mar-11 Rs.lac</b>	<b>Year ended 31-Mar-10 Rs.lac</b>
a) Multi Act Industrial Enterprises Ltd., Mauritius	Dividend paid	<b>78.30</b>	65.25
b) Garnett Wire Ltd., UK	Sales	<b>5.88</b>	5.55
	Purchases	<b>37.53</b>	22.08
	Amount receivable	<b>1.03</b>	2.96
	Amount payable	<b>1.53</b>	0.02
c) Multi Act Trade & Investments Pvt Ltd.	Dividend paid		
d) Multi Act Equity Consultancy Pvt Ltd.	Investment Advisory fees	<b>24.69</b>	38.21
e) Multi Act Constructions Pvt. Ltd.	Rent paid	<b>17.52</b>	17.52
	Deposit Paid	<b>240.00</b>	240.00
f) Directors & Relatives			
i) Mr. M K Trivedi - Managing Director (Also key management personnel)	Salary, commission and other perquisites.	<b>50.51</b>	52.18
ii) Mr. Prashant K Trivedi - Chairman	Sitting fees as Director	<b>0.75</b>	0.15

( Amounts pertaining to related parties have not been written off or written back during the year)

**18. Segment disclosure**

**A. Primary segment information**

	<b>Card Clothing</b>	<b>Treasury</b>	<b>Realty</b>	<b>Others/ Unallocable</b>	<b>Total Rs.lac</b>
<b>i. Segment revenue</b>					
External sales	4968.35	0.00	0.00	0.00	4968.35
	(4658.62)	0.00	0.00	0.00	(4658.62)
Treasury and other income	166.52	287.25	477.47	0.00	931.24
	(44.75)	(287.71)	(418.51)	(0.08)	(751.05)
Total revenue	5134.87	287.25	477.47	0.00	5899.59
	(4703.37)	(287.71)	(418.51)	(0.08)	(5409.67)
<b>ii. Segment Results</b>					
Profit / (loss) before tax and interest	(41.30)	250.80	230.65	(62.97)	377.18
	(299.40)	(232.35)	(215.40)	64.13	(683.02)
Interest expense	119.10	0.00	0.00	0.00	119.10
	(93.27)	0.00	0.00	0.00	(93.27)
Profit / (loss) before tax	(160.40)	250.80	230.65	(62.97)	258.08
	(206.13)	(232.35)	(215.40)	64.13	(589.75)
<b>iii. Other Information</b>					
Segment assets	6715.85	2411.16	2520.30	215.13	11862.44
	(6174.04)	(2337.77)	(2621.18)	(223.32)	(11356.31)
Segment liabilities	2224.11	0.00	1165.56	194.08	3583.75
	(2136.65)	0.00	(813.23)	(192.96)	(3142.84)
Capital expenditure during the year	897.20	0.00	0.00	0.00	897.20
	(847.88)	0.00	0.00	0.00	(847.88)
Depreciation	448.51	0.00	98.95	0.00	547.46
	(221.45)	0.00	(93.46)	0.00	(314.91)

**B. Secondary Segment Information**

Geographical by location of customers

	<b>Revenue</b>	<b>Assets</b>
Domestic sales	3881.42	570.45
	(3589.44)	(593.02)
Export sales	1086.93	246.62

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## Schedules forming part of the Accounts : 31st March, 2011

### 19. BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE

#### I) REGISTRATION DETAILS

Registration No -  State Code

Balance Sheet date -

#### II) CAPITAL RAISED DURING THE YEAR

##### Public issue

##### Bonus issue

##### Right issue

##### Private Placement

#### III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

##### Total Liabilities

##### SOURCES OF FUNDS

##### Paid-Up Capital

##### Secured Loans

##### APPLICATION OF FUNDS

##### Net Fixed Assets

##### Net Current Assets

##### Accumulated Losses

#### IV) PERFORMANCE OF THE COMPANY

##### Turnover

##### + - Profit Before Tax

##### Earning per share on ordinary activities

#### GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF THE COMPANY

##### Item Code No.

##### Total Assets

##### Reserves and Surplus

##### Unsecured Loans

##### Investments

##### Miscellaneous Expenditure

##### Deferred Tax Asset

##### Total Expenditure

##### + - Profit After tax on ordinary activities

##### Dividend Rate %

20. Previous year's figures have been regrouped/reclassified wherever necessary.

21. Figures in bracket are in respect of Previous Year.

Signature to Schedule 1 to 11

As per our report attached

**B. K. KHARE & CO.**

Chartered Accountants

FRN-105102W

By the hand of

**DEVDATTA MAINKAR**

Partner

M.NO. 109795

Mumbai, 24<sup>th</sup> May, 2011

**A.D.DAHOTRE**

Chief Financial Officer

and Company Secretary

Mumbai, 24<sup>th</sup> May, 2011

For and on behalf of the Board

**PRASHANT K. TRIVEDI**

**M.K.TRIVEDI**

**HEMRAJ C. ASHER**

**M.M.SHAH**

**J.M.KOTHARY**

**C.M.MANIAR**

**SUDHIR MERCHANT**

Chairman

Managing Director

Director

Director

Director

Director

Director

**STATEMENT PURSUANT TO SECTION 212 OF THE COIMPANIES ACT, 1956  
RELATING TO SUBSIDIARY COMPANIES**

1	Name of the subsidiary	Garnett Wire Ltd., U. K.	ICC International Agencies Ltd.	Shivraj Sugar and Allied Products Pvt. Ltd.
2	Financial year of the subsidiaries ended on	31st March 2011	31st March 2011	31st March 2011
3	Shares of the subsidiary held by the Company on the above date	210,000 Equity Shares of British Pound (PDS) 1 each, fully paid	500,000 Equity Shares of Rs. 10/- each fully paid	940 Equity Shares of Rs. 100 each fully paid
4	Extent of holding	60%	100%	94 %
5	Net aggregate amount of the subsidiaries' profits/ (losses) so far as they concern the members of the Holding Company :			
5.1	Not dealt with in the Holding Company's accounts During 31st March, 2011.	PDS 5,230	Rs. 50,00,523/-	Rs. Nil
	In the previous financial years	PDS 102,078	Rs. 350,36,184	Rs. Nil
5.2	Dealt with in the Holding Company's accounts during 31st March, 2007	Nil	Rs. 50,00,000/-	Rs. Nil
	In the previous financial years	PDS 1,28,100	Rs. 115,00,000/-	Rs. Nil

For and on behalf of the Board

**A.D.DAHOTRE**  
Company Secretary

Mumbai, 24<sup>th</sup> May, 2011

**PRASHANT K. TRIVEDI** Chairman  
**M.K.TRIVEDI** Managing Director  
**HEMRAJ C. ASHER** Director  
**M.M.SHAH** Director  
**J.M.KOTHARY** Director  
**C.M.MANIAR** Director  
**SUDHIR MERCHANT** Director



# 57<sup>th</sup> ANNUAL REPORT 2010-2011

## Consolidated Balance Sheet as at 31st March, 2011

	Schedule	Rs. lac	As at 31/03/2011 Rs. lac	As at 31/03/2010 Rs. lac
<b>SOURCES OF FUNDS</b>				
<b>1. SHAREHOLDERS' FUNDS</b>				
Share Capital .....	1	455.11		455.11
Reserves and Surplus .....	2	8261.60		8146.41
			8716.71	8601.52
Foreign Currency Translation Reserve .....			63.51	60.82
Minority Interest .....			190.11	187.74
Secured Loans .....	3		984.48	1,141.92
<b>TOTAL</b>			<b>9954.81</b>	<b>9992.00</b>
<b>APPLICATION OF FUNDS</b>				
<b>1. FIXED ASSETS</b>				
Gross Block .....	4	9807.91		8079.82
Less Depreciation .....		3992.88		3474.52
Net Block .....		5815.03		4605.30
Capital work-in-progress and advances .....		1030.94		1917.69
			6845.97	6522.99
<b>2. INVESTMENTS</b> .....	5		2411.16	2337.77
<b>3. DEFERRED TAX ASSET</b> .....			12.19	24.51
<b>4. CURRENT ASSETS, LOANS AND ADVANCES</b>				
Inventories .....	6	1359.36		1230.58
Sundry Debtors .....		1156.82		1239.51
Cash and Bank Balances .....		295.28		172.88
Other Current Assets .....		3.64		0.51
Loans and Advances .....		750.98		733.99
Other Current Assets - Assets Held for disposal .....		0.16		-
		3566.24		3377.47
Less :				
<b>CURRENT LIABILITIES AND PROVISIONS</b>	7			
Liabilities .....		2576.34		1968.81
Provisions .....		305.46		302.98
		2881.80		2271.79
<b>NET CURRENT ASSETS</b> .....			684.44	1,105.68
Preliminary expenses to the extent not written off .....			1.05	1.05
<b>TOTAL</b>			<b>9954.81</b>	<b>9992.00</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b> .....	10			
<b>AND NOTES TO ACCOUNTS</b>				

As per our report attached

**B. K. KHARE & CO.**  
Chartered Accountants  
FRN - 105102W

**DEVDATTA MAINKAR**  
Partner  
M.NO. 109795

Mumbai, 24th May, 2011

**M.K.TRIVEDI** Managing Director

**A.D.DAHOTRE** Chief Financial Officer  
and Company Secretary

Mumbai, 24th May, 2011

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## Consolidated Profit and Loss Account for the year ended 31st March, 2011

	Schedule	Rs. lac	Year ended 31/03/2011 Rs. lac	Year ended 31/03/2010 Rs. lac
<b>INCOME :</b>				
Sales .....		6134.04		5602.52
Less : Excise Duty .....		395.96		311.33
Net Sales .....		5738.08		5291.19
Servicing .....		81.52		81.39
Other Income .....	8	1,191.17		928.95
			7010.77	6301.53
<b>EXPENDITURE :</b>				
Materials, Manufacturing and Other Expenses.....	9	5978.92		5292.24
Interest.....		126.76		102.90
Depreciation.....		568.18		336.49
Sub-Total			6673.86	5731.63
Less : Expenses Capitalised.....			-	20.70
			6673.86	5710.93
<b>Profit before prior period expenses</b> .....			336.91	590.60
<b>Less : Prior Period Expenses</b> .....			-	-
<b>Profit before tax</b> .....			336.91	590.60
Provision for taxation .....				
Current tax .....			65.60	110.94
Mat Credit Entitlement .....			(16.75)	(25.18)
Deferred tax charge/(credit).....			11.77	45.46
<b>Profit after tax and before minority interest</b> .....			276.29	459.38
Less : Minority Interest.....			2.42	(7.13)
Profit after tax and minority interest .....			273.87	466.51
Balance brought forward.....			5713.19	5451.89
			5987.06	5918.40
<b>APPROPRIATIONS :</b>				
General Reserve.....			55.00	46.00
Dividend				
Final - Proposed .....			136.53	136.53
Interim				
Tax on dividend.....			22.15	22.68
			213.68	205.21
Balance carried to Balance Sheet .....			5773.38	5713.19
Earning per share (Rs. per equity share of Rs.10/-)				
Basic/diluted .....			6.07	10.09
Average number of equity shares.....			4551120	4551120
<b>SIGNIFICANT ACCOUNTING POLICIES</b> .....	10			
<b>AND NOTES TO ACCOUNTS</b>				

As per our report attached

**B. K. KHARE & CO.**  
Chartered Accountants  
FRN-105102W

**DEVDATTA MAINKAR**  
Partner  
M. NO. 109795

Mumbai, 24th May, 2011

**M.K.TRIVEDI** Managing Director

**A.D.DAHOTRE** Chief Financial Officer  
and Company Secretary

Mumbai, 24th May, 2011

**Consolidated Cash Flow Statement for the year ended 31st March, 2011**

	As at 31/03/2011 Rs. lac	As at 31/03/2010 Rs. lac
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax and extraordinary items.....	336.91	590.60
Depreciation.....	568.18	336.49
Exchange (gain) / loss.....	1.54	15.52
Interest/Dividend received.....	(85.94)	(63.44)
(Profit)/Loss on sale of Fixed Assets.....	(114.35)	(1.47)
(Profit)/Loss on sale of Investments.....	(210.24)	(171.75)
Provision for bad/doubtful debts written back.....	5.76	(5.13)
Interest paid.....	126.76	102.90
	<u>291.71</u>	<u>213.12</u>
Operating Profit before Working Capital changes.....	628.62	803.72
Trade and other receivables.....	19.93	(108.48)
Inventories.....	(128.78)	(126.33)
Trade payables.....	271.05	124.26
Provision for Gratuity & Leave salary.....	3.01	(51.38)
Direct Taxes paid .....	(13.67)	(102.71)
	<u>151.54</u>	<u>(264.64)</u>
Net Cash generated from /(used in) operating activities.....	<u>780.16</u>	<u>539.08</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets.....	(932.27)	(856.76)
Sale of Fixed Assets.....	151.17	7.78
Purchase of Investments.....	(181.60)	(1172.86)
Proceeds from Sale of Investments.....	318.45	1046.49
Interest/Dividend received.....	85.94	63.44
Net cash from/ (used in) investing activities.....	<u>(558.31)</u>	<u>(911.91)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short Term Borrowings.....	(157.44)	678.16
F C Reserve, Minority interest and Cost of control .....	7.48	15.39
Security Deposits.....	336.48	(17.55)
Dividend paid.....	(136.53)	(113.78)
Tax on dividend.....	(22.68)	(19.34)
Interest paid .....	(126.76)	(102.90)
Net Cash from/ (used in) financing activities.....	<u>(99.45)</u>	<u>439.98</u>
Net increase (decrease) in cash and cash equivalents (A+B+C).....	<u>122.40</u>	<u>67.15</u>
Cash and Cash equivalents .....		
Beginning of year : .....		
Cash and Bank balances.....	<u>172.88</u>	<u>105.73</u>
	<u>172.88</u>	<u>105.73</u>
End of year : .....		
Cash and Bank balances.....	<u>295.28</u>	<u>172.88</u>
	<u>295.28</u>	<u>172.88</u>
Increase (decrease) in cash and cash equivalents.....	<u>122.40</u>	<u>67.15</u>

Notes on Cash Flow Statement :

1. Above statement has been prepared following the indirect method as set out in Accounting Standard 3 "Cash Flow Statements" issued by ICAI
2. Cash and cash equivalents represent cash and bank balances and bank overdrafts.
3. Previous year's figures have been regrouped wherever necessary to conform to current year's grouping.

As per our report attached

**B. K. KHARE & CO.**

Chartered Accountants (FRN - 105102W)

**DEVDATTA MAINKAR**

Partner (M. NO. 109795)

Mumbai, 24th May, 2011

**M.K.TRIVEDI** Managing Director

**A.D.DAHOTRE** Chief Financial Officer  
and Company Secretary

Mumbai, 24th May, 2011

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## Schedules forming part of the Consolidated Accounts 31st March, 2011

	Rs. lac	As at 31/03/2011 Rs. lac	As at 31/03/2010 Rs. lac
<b>SCHEDULE 1</b>			
<b>SHARE CAPITAL</b>			
<b>Authorised</b>			
50,00,000 Equity Shares of Rs.10 each.....		<u>500.00</u>	<u>500.00</u>
(previous year 50,00,000 Equity Shares of Rs.10 each)			
<b>Issued and Subscribed</b>			
45,51,120 Equity Shares of Rs.10 each fully paid up		455.11	455.11
(previous year 45,51,120 Equity Shares of Rs.10 each)			
Of the above shares :			
(a) 26,10,066 Equity Shares are held by the holding			
Company - Multi Act Industrial Enterprises Ltd., Mauritius			
(b) 26,20,800 Equity Shares were allotted as fully paid			
bonus shares by capitalisation of General Reserve			
		<u>455.11</u>	<u>455.11</u>
<b>SCHEDULE 2</b>			
<b>RESERVES AND SURPLUS</b>			
Capital Reserve.....		10.88	10.88
Share Premium Account.....		910.22	910.22
General Reserve .....			
As per last Balance Sheet.....	1512.12		1466.12
Add : General Reserve.....	<u>55.00</u>		<u>46.00</u>
		1567.12	1512.12
Profit and Loss Account .....		<u>5773.38</u>	<u>5713.19</u>
		<u>8261.60</u>	<u>8146.41</u>
<b>SCHEDULE 3</b>			
<b>SECURED LOANS .....</b>			
Term Loan Secured by mortgage and hypothication of Assets		807.88	929.79
Overdraft secured by mortgage and			
hypothication of Assets.....		<u>176.60</u>	<u>212.13</u>
.....		<u>984.48</u>	<u>1,141.92</u>

**Schedules forming part of the Consolidated Accounts 31st March, 2011**

**SCHEDULE 4**

**FIXED ASSETS**

ASSETS					Depreciation				Net Book Value	
	Cost as at 1-04-2010	Addition	Deduction	Cost as at 31-03-2011	up to 31-03-2010	For the year 2010-11	Deduction	up to 31-03-2011	as at 31-03-2011	as at 31-03-2010
Land (freehold).....	887.69			887.69	0.00			0.00	887.69	887.69
Buildings.....	3174.59	1517.58	79.09	4613.08	733.73	306.88	43.07	997.54	3615.54	2440.86
Plant and Machinery.....	2360.97	121.95		2482.92	1707.82	150.64		1858.47	624.46	653.15
Electrical Installations.....	494.51	53.21		547.72	168.64	47.70		216.34	331.37	325.86
Air-conditioning Plant and Machinery.....	394.41	10.03		404.44	256.74	19.31		276.05	128.39	137.67
Furniture and Fittings.....	137.72	11.14		148.86	97.67	7.59		105.26	43.60	40.05
Office Equipments & Computers.....	354.52	17.81		372.33	309.11	10.15		319.26	53.07	45.41
Vehicles.....	260.30	83.01	7.55	335.76	185.69	25.91	6.75	204.85	130.91	74.61
Goodwill (Bought out).....	15.11			15.11	15.11			15.11	0.00	0.00
	<b>8079.82</b>	<b>1814.73</b>	<b>86.64</b>	<b>9807.91</b>	<b>3474.51</b>	<b>568.18</b>	<b>49.82</b>	<b>3992.88</b>	<b>5815.03</b>	<b>4605.30</b>
Previous year	5436.97	2673.65	30.80	8079.82	3162.51	336.49	24.49	3474.51		
Capital Work-in-progress and advances									1030.94	1917.69
Total Net Block									6845.97	6522.99

**As at 31/03/2011**      **As at 31/03/2010**  
**Rs. lac**      **Rs. lac**      **Rs. lac**

**SCHEDULE 5**

**INVESTMENTS**

<b>Long Term Investments-Unquoted :</b> .....	<b>1,142.63</b>	496.59
Aggregate cost of Long Term investments - Unquoted	<b><u>1142.63</u></b>	<u>496.59</u>
<b>Current Investments :</b>		
In Equity Shares - Quoted : .....	<b>202.41</b>	337.98
Aggregate cost of quoted investments.....	<b><u>202.41</u></b>	<u>337.98</u>
Total Current Investments - Quoted :.....	<b>202.41</b>	337.98
Aggregate market value of quoted investments.....	<b><u>500.26</u></b>	<u>512.31</u>
<b>Current Investments : Un - Quoted :</b>		
In Money Market .....	<b>1,066.12</b>	1,503.20
Aggregate cost of Current investments - Unquoted...	<b><u>1,066.12</u></b>	<u>1,503.20</u>
<b>TOTAL COST OF INVESTMENTS</b>	<b><u>2,411.16</u></b>	<u>2337.77</u>

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## Schedules forming part of the Consolidated Accounts 31st March, 2011

<b>SCHEDULE 6</b>	Rs. lac	As at 31/03/2011 Rs. lac	As at 31/03/2010 Rs. lac
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
<b>A. Inventories</b>			
Raw materials including packing materials .....	504.55		440.26
Work -in- progress .....	416.19		382.69
Finished goods.....	311.39		231.54
Trading goods .....	35.51		96.38
Stores and spare parts.....	91.72		79.71
		<b>1,359.36</b>	<b>1,230.58</b>
<b>B. Sundry Debtors (Unsecured)</b>			
Debts outstanding for a period exceeding six months			
Considered doubtful.....	50.65		44.16
Considered good.....	97.56		184.21
Other Debts :			
Considered doubtful.....	-		-
Considered good.....	1,059.26		1,055.30
	<b>1207.47</b>		<b>1,283.67</b>
Less : Provision for doubtful debts.....	50.65		44.16
		<b>1,156.82</b>	<b>1,239.51</b>
<b>C. Cash and Bank Balances</b>			
Cash on hand.....	0.77		0.56
Balance with scheduled banks			
Current Account .....	131.24		33.81
Unclaimed Dividend Account .....	33.49		33.75
Term Deposit Account.....	129.78		104.76
	<b>294.51</b>		<b>172.32</b>
		<b>295.28</b>	<b>172.88</b>
<b>D. Other Current Assets</b>			
Interest accrued on investments .....		3.64	0.51
<b>E. Loans and Advances</b>			
(Unsecured considered good, unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received			
Considered doubtful.....	5.99		6.72
Considered good.....	479.93		416.67
	<b>485.92</b>		<b>423.39</b>
Less : Provision for doubtful advances .....	5.99		6.72
	<b>479.93</b>		<b>416.67</b>
Balance with Excise Authorities .....	81.92		109.75
MAT Credit Entitlement .....	41.92		25.18
Advance payment of tax .....	147.21		182.39
		<b>750.98</b>	<b>733.99</b>
		<b>3,566.08</b>	<b>3,377.47</b>

**Schedules forming part of the Consolidated Accounts 31st March, 2011**

<b><u>SCHEDULE 7</u></b>	Rs. lac	As at 31/03/2011 Rs. lac	As at 31/03/2010 Rs. lac
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
<b>A. Current Liabilities</b>			
Sundry Creditors .....	1,290.45		1,040.16
Advance payments from customers .....	98.28		77.26
Security Deposits .....	1,154.12		817.64
Investor Education and Protection Fund to be credited on respective due dates :			
-Unclaimed dividend .....	<u>33.49</u>		<u>33.75</u>
		<b>2576.34</b>	<b>1,968.81</b>
<b>B. Provisions</b>			
Provision for leave salary .....	146.55		143.77
Provision for gratuity.....	0.23		-
Proposed dividend.....	136.53		136.53
Tax on dividend .....	<u>22.15</u>		<u>22.68</u>
		<b>305.46</b>	<b>302.98</b>
		<b><u>2,881.80</u></b>	<b><u>2,271.79</u></b>

**SCHEDULE 8**

**OTHER INCOME**

	Year ended 31-03-2011 Rs.lac	Year ended 31-03-2010 Rs.lac
Other dividend - Long Term investments .....	-	-
- Current investments .....	77.01	57.93
Interest on deposits and others .....	8.93	5.51
(tax deducted at source Rs. 0.31 lac; previous year Rs. 0.21 lac)		
Rent received .....	156.04	137.69
Service charge received.....	337.95	297.81
Profit on sale of assets (net).....	114.35	1.47
Profit on sale of - Long Term investments (net).....	27.38	65.70
Profit on sale of - Current investments (net).....	182.86	106.05
Excess Provision Written - back.....	27.78	7.15
Commission received .....	237.73	213.93
Miscellaneous income .....	<u>21.14</u>	<u>35.71</u>
	<b><u>1,191.17</u></b>	<b><u>928.95</u></b>

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## Schedules forming part of the Consolidated Accounts 31st March, 2011

### SCHEDULE 9

	Year ended 31-3-2011	Year ended 31-3-2010
	Rs. Lac	Rs. Lac
<b>MATERIALS, MANUFACTURING AND OTHER EXPENSES</b>		
Raw materials including packing materials consumed.....	2,248.98	2,044.35
Purchase of trading goods .....	64.60	108.49
Provision for excise duty on finished goods .....	(1.31)	12.25
Add/(less) : Decrease / (Increase) in stocks :		
Add : Opening stock -		
Work-in-progress .....	382.69	291.75
Finished goods .....	231.54	214.75
Trading goods .....	96.38	150.21
	710.61	656.71
Less : Closing stock -		
Work-in-progress.....	416.19	382.69
Finished goods.....	311.39	231.54
Trading goods .....	35.51	96.38
	763.09	710.61
	(52.48)	(53.90)
	2,259.79	2,111.19
Stores and spare parts consumed .....	110.62	81.18
Power and fuel .....	309.45	293.35
Rent paid .....	52.29	65.74
Insurance .....	20.13	19.36
Rates and Taxes .....	100.05	111.38
Repairs : Building .....	60.06	46.80
Plant and Machinery .....	144.71	112.06
	204.77	158.86
Salaries, wages and bonus .....	1,701.34	1,437.71
Provision for leave salary.....	2.78	(30.06)
Contribution to provident and other funds .....	129.56	168.16
Insurance Personal and Accident.....	19.38	20.04
Workmen and staff welfare expenses .....	121.53	92.61
	1974.59	1688.46
Freight.....	46.20	43.83
Travelling.....	180.58	160.65
Communication expenses.....	42.78	40.06
Commission on sales .....	161.95	146.28
Compensation claims on sales .....	7.92	9.63
Provision for doubtful debts and advances .....	6.59	0.55
Bad debts & advances written off.....	-	19.09
Computer software and maintenance .....	20.00	11.44
Investment advisory fees .....	24.69	38.21
Legal and professional fees .....	192.74	135.91
Auditors' remuneration :		
Audit fees.....	10.33	10.25
Other services .....	0.75	1.84
Reimbursement of expenses .....	0.16	0.15
	11.24	12.24
Commission and sitting fees to non-whole-time Directors.	9.00	9.00
Dimunation in Value of Investments.....	-	(55.83)
Provision for Impairment of Assets.....	3.09	-
Exchange loss (net).....	1.54	15.52
Other expenses.....	238.91	176.14
	5,978.92	5,292.24



**Schedules forming part of the Consolidated Accounts 31st March, 2011**

**SCHEDULE 10**

**1) Basis of Preparation of Financial Statements Significant Accounting Policies and Notes to Accounts**

1 The consolidated financial statements envisaged combining of financial statements of The Indian Card Clothing Co. Ltd. and its following subsidiaries:

Name of the Company	Country of incorporation	% Shareholding of The Indian Card Clothing Co. Ltd.
Garnett Wire Ltd.	U K	60%
ICC International Agencies Ltd.	India	100%
Shivraj Sugar and Allied Products Pvt. Ltd.	India	94%

2. The following cardinal principles have been applied while preparing the consolidated financial statements:

- The parent and its subsidiaries have used uniform accounting policies except that in case of Garnett Wire Ltd. UK, which has charged depreciation on building using straight line method as against written down value method used by the parent, the impact whereof is not significant.
- The consolidated financial statements have been prepared by combining individual financial statements of the parent and its subsidiaries on a line by line basis by adding together the balances of assets, liabilities, income and expenditures after eliminating intra group transactions.

3. The financial statements of Garnett Wire Ltd. have been translated at the exchange rate prevailing at the end of the year for assets and liabilities and average rate for revenue items except the parent's interest in equity upto the date of acquisition which has been translated at the exchange rate prevailing on the date of acquisition. Exchange differences arising on consolidation are dealt with as follows:

- To the extent attributable to the Parent's interest, they are accumulated in "Foreign Currency Translation Reserve", and
- To the extent attributable to the Minority interest, they are adjusted to the "Minority Interest".

4. Significant Accounting policies followed by each of the companies consolidated are annexed to their respective accounts. Reference is invited to Schedule 10 of The Indian Card Clothing Co. Ltd., Schedule A of the accounts of ICC International Agencies Ltd., and Schedule 8 of the accounts of Garnett Wire Ltd.

5. In respect of the Accounts of The ICC International Agencies Limited :  
Provision for doubtful debts for the year include Rs. 2.67 lac Previous year Rs.0.55 lac due from a non resident company.

**6. Related Party Disclosure**

- Controlling Company - Multi Act Industrial Enterprises Ltd., Mauritius
- Enterprise over which any key management personnel and relative of such personnel is able to exercise significant influence
  - Multi Act Trade & Investments Pvt Ltd.
  - Multi Act Constructions Pvt. Ltd.
  - Joseph Sellers & Sons Ltd.
  - Shaped Wires Ltd.
- Transactions with related Parties

Name of party	Nature of transaction	Year ended	Year ended
		31-03-2011	31-03-2010
		Rs.lac	Rs.lac
i) Multi Act Industrial Enterprises Ltd., Mauritius	Dividend paid	78.30	65.25
ii) Multi Act Equity Consultancy Pvt. Ltd.	Investment Advisory fees	24.69	38.21
iii) Multi Act Constructions Pvt. Ltd.	Rent paid	17.52	17.52
	Deposit Paid	240.00	240.00
iv) Joseph Sellers & Sons Limited	Sales	0.04	0.08
	Purchases	34.78	35.76
	Amount receivable	-	-
	Amount Payable	2.23	2.12
v) Shaped Wires Ltd.	Sales	29.75	30.58
	Purchases	169.13	173.92
	Rent Received	16.52	16.99
	Amount receivable	-	-
	Amount payable	1.87	1.78
vi) Directors & Relatives			
a) Mr. K K Trivedi - Chairman Emeritus	Sitting Fees paid	0.30	0.15
b) Mr. Mehul K Trivedi - Managing Director (Also key management personnel)	Salary, commission and other perquisites.	50.51	52.18
c) Mr. Prashant K Trivedi - Chairman	Sitting Fees paid	0.75	0.15

(No amounts pertaining to related parties have been written off or written back during the year)

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## Schedules forming part of the Consolidated Accounts 31st March, 2011

7. Segment Disclosure	Card Clothing	Treasury	Realty	Others/ Unallocable	Rs.lac Total
<b>A. Primary Segment Information</b>					
<b>i. Segment Revenue</b>					
External Sales	5819.60	0.00	0.00	0.00	5819.60
	(5372.58)	0.00	0.00	0.00	(5372.58)
Treasury and other income	426.45	287.25	477.47	0.00	1191.17
	(278.56)	(231.88)	(418.51)	0.00	(928.95)
Total revenue	6246.05	287.25	477.47	0.00	7010.77
	(5651.14)	(231.88)	(418.51)	0.00	(6301.53)
<b>ii. Segment Results</b>					
Profit before tax and interest	43.29	250.80	230.65	(61.07)	463.67
	(300.89)	(232.35)	(215.40)	(55.14)	(693.50)
Less : Interest expense	126.76	0.00	0.00	0.00	126.76
	(102.90)	0.00	0.00	0.00	(102.90)
Profit from ordinary activities before tax	(83.47)	250.80	230.65	(61.07)	336.91
	(197.99)	(232.35)	(215.40)	55.14	(590.60)
<b>iii. Other Information</b>					
Segment Assets	7690.02	2411.16	2520.30	215.13	12836.61
	(6966.72)	(2337.77)	(2621.18)	(347.18)	(12272.85)
Segment Liabilities	2857.34	0.00	1165.56	33.49	4056.39
	(2441.27)	0.00	(813.23)	(356.01)	(3610.51)
Capital Expenditure during the year	927.98	0.00	0.00	0.00	927.98
	(856.76)	0.00	0.00	0.00	(856.76)
Depreciation	469.23	0.00	98.95	0.00	568.18
	(243.03)	0.00	(93.46)	0.00	(336.49)
<b>B. Secondary Segment Information (by geographical segment)</b>					
	<b>Revenue</b>	<b>Assets</b>			
Domestic	4219.37	912.76			
	(4123.10)	(969.96)			
Overseas	1600.23	244.06			
	(1249.48)	(269.55)			

8. Previous year's figures have been regrouped wherever necessary to conform current year's grouping

9. Figures in bracket are in respect of previous year.

10. The Board of Directors of the Company has by resolution given consent for not attaching the balance sheet of the subsidiary companies.

11. Information related to subsidiary companies ,

Particulars	ICC INTERNATIONAL AGENCIES LTD. Rs. Lac	SHIVRAJ SUGAR AND ALLIED PRODUCTS PVT. LTD. Rs. Lac	GARNET WIRE LTD. GBP' 000	Rs. Lac
(a) capital	50.00	1.00	350.00	248.75
(b) reserves	305.09	-1.05	214.24	142.94
(c) total assets	454.35	0.00	948.23	657.50
(d) total liabilities(excl. capital reserves)	99.26	0.05	383.99	265.81
(e) details of investment (except in case of investment in the subsidiaries)	0.00	0.00	0.00	0.00
(f) turnover	376.06	0.00	1111.15	765.02
(g) profit before taxation	72.56	0.00	14.40	9.91
(h) provision for taxation	22.55	0.00	5.68	3.91
(i) profit after taxation	50.01	0.00	8.72	6.00
(j) proposed dividend	50.00	0.00	0.00	0.00

12. Annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies are kept ready for inspection by any shareholders in the head office of the holding company and of the subsidiary companies concerned. A hard copy of details of accounts of subsidiaries will be furnished to any shareholder on demand.

Signatures to Schedules 1 to 10

As per our report attached

**B. K. KHARE & CO.**  
Chartered Accountants

**M. K. TRIVEDI** Managing Director

**DEVDATTA MAINKAR**  
Partner

**A. D. DAHOTRE** Chief Financial Officer  
and Company Secretary

Mumbai, 24th May, 2011

Mumbai, 24th May, 2011

## THE INDIAN CARD CLOTHING COMPANY LIMITED

### **Auditors' Report to the Board of Directors of The Indian Card Clothing Company Limited on the Consolidated Financial Statements of The Indian Card Clothing Company Limited and its Subsidiaries**

We have examined the attached Consolidated Balance Sheet of The Indian Card Clothing Company Limited and its subsidiaries as at 31st March 2011 and the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year then ended.

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. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of one of its subsidiaries, whose financial statements reflect total assets of Rs.657.50 lacs as at 31st March, 2011 and total revenues of Rs. 781.55 lacs and net cash inflows of Rs. 9.00 lacs for the year ended. These financial statements have been audited by other auditors whose reports has been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) - 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of The Indian Card Clothing Company Limited and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of the The Indian Card Clothing Company Limited and its subsidiaries, we are of the opinion that

- (a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of the The Indian Card Clothing Company Limited and its subsidiaries as at 31st March, 2011.
- (b) The Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of The Indian Card Clothing Company Limited and its subsidiaries for the year then ended, and
- (c) The Consolidated Cash Flow Statement gives a true and fair view of the Consolidated Cash Flows of The Indian Card Clothing Company Limited and its subsidiaries for the year then ended.

**B. K. KHARE & CO.**  
*Chartered Accountants*  
FRN-105102W

by the hand of  
**DEVDATTA MAINKAR**  
Partner  
M.NO. 109795

May 24, 2011



**THE INDIAN CARD CLOTHING CO. LTD.**

Registered Office : Mumbai- Pune Road, Pimpri, Pune - 411 018

**PROXY FORM**

I/We .....  
of ..... being a Member /  
Members of The Indian Card Clothing Company Limited hereby appoint.....  
of.....  
or failing him.....  
of.....  
as my/our proxy to vote for me/us on my/our behalf, at the FIFTY SEVENTH ANNUAL  
GENERAL MEETING of the Company to be held at Company's Registered Office at Mumbai  
Pune Road, Pimpri, Pune - 411018. on Thursday, 25th August, 2011 at 12 noon and at any  
adjournment thereof.



Signed at .....

Dated ..... Shareholders Folio No. ....  
DPID/ Client ID .....

- NOTES :
- 1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member.
  - 2. A Re. 1.00 Revenue Stamp should be affixed to this and it should then be signed by the Member.
  - 3. The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

**ATTENDANCE SLIP**

57th Annual General Meeting - 25th August, 2011

Shareholders Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

DPID/Client ID \_\_\_\_\_

Name of the attending shareholder

Name of Proxy

(to be filled in by the proxy  
attending instead of the shareholder)

I hereby record my presence at the 57th Annual General Meeting of the Company at  
Company's Registered Office at Mumbai Pune Road, Pimpri, Pune - 411018 on Thursday,  
25th August, 2011 at 12 noon

Signature of Shareholder /Proxy





## LIST OF OFFICES

### PIMPRI WORKS

Mumbai-Pune Road,  
Pimpri, Pune - 411018. Maharashtra  
Tel.: 020 39858200  
Fax : 020 39858300  
e-mail: accounts @cardindia.com

### AHMEDABAD

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### MADURAI

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093441 05864  
e-mail: iccmdu@cardindia.com

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e-mail : iccbom@cardindia.com

### ICC CHAMBERS

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**THE INDIAN CARD CLOTHING CO. LTD.**  
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