



The Indian Card Clothing Company Ltd.  
59<sup>th</sup> Annual Report 2012-13

## SUMMARY OF FIVE YEAR DATA

Sr. No.	Particulars	Year Ended				
		31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
	<b>PROFIT AND LOSS ACCOUNT</b>					
<b>1.</b>	<b>Sales</b>					
	Metallic Card Clothing	3,755.96	3,661.35	3,699.71	3,303.56	2472.43
	Wollen	597.52	523.25	480.87	600.92	518.78
	Other	551.72	662.19	650.92	644.55	737.38
	Trading Goods	90.36	118.89	81.43	63.88	52.16
	Service Income	71.38	56.21	55.42	45.71	36.02
	<b>Total</b>	<b>5,066.94</b>	<b>5,021.89</b>	<b>4,968.35</b>	<b>4,658.62</b>	<b>3816.77</b>
	Includes Export	1,152.70	1,484.31	1,086.93	1,069.18	658.44
<b>2</b>	<b>Other Income</b>					
	Dividend & Interest	81.28	113.21	78.81	61.50	121.11
	Profit On Sale Of Investment	163.18	331.14	210.24	171.75	113.86
	Profit On Sale Of Assets	330.28	1,278.19	114.35	2.15	0.83
	Rent Received	780.52	619.30	477.47	418.51	364.84
	Others	75.73	38.03	50.37	97.14	112.23
	<b>Total</b>	<b>1,430.99</b>	<b>2,379.87</b>	<b>931.24</b>	<b>751.05</b>	<b>712.87</b>
<b>3</b>	Material Cost Including Stock Change	1,806.68	1,896.51	1,887.55	1,756.79	1539.72
<b>4</b>	Staff Cost	1,685.42	1,738.94	1,617.12	1,366.63	1290.62
<b>5</b>	Other Expenses	1,638.53	1,583.18	1,470.28	1,300.48	1209.04
<b>6</b>	Depreciation	538.13	528.86	547.46	314.91	255.11
<b>7</b>	Interest	111.33	123.15	119.10	81.11	20.37
<b>8</b>	<b>Profit Before Tax</b>	<b>717.84</b>	<b>1,531.12</b>	<b>258.08</b>	<b>589.75</b>	<b>214.78</b>
<b>9</b>	Current & Deferred Tax	254.51	407.36	34.17	134.87	49.49
<b>10</b>	<b>Profit After Tax</b>	<b>463.33</b>	<b>1,123.76</b>	<b>223.91</b>	<b>454.88</b>	<b>165.29</b>
<b>11</b>	Earning Per Share Rs.	10.18	24.69	4.92	9.99	3.63
<b>12</b>	Divedend Per Share Rs.	3.50	13.50	3.00	3.00	2.50
	<b>BALANCE SHEET</b>					
<b>13</b>	Fixed Assets					
	Gross Block	11,855.40	10,053.98	10,160.95	9,342.84	8518.73
	Depreciation	(4,549.32)	(4,184.05)	(3,647.84)	(3,143.45)	(2847.52)
	Net Block	7,306.08	5,869.93	6,513.11	6,199.39	5671.21
<b>14</b>	Investments	2,805.00	3,085.52	2,579.06	2,505.67	2207.40
<b>15</b>	Bank Deposits	49.14	4.90	4.78	4.76	2.76
<b>16</b>	Other Current Assets	3,201.83	3,250.71	2,751.75	2,624.82	2313.03
<b>17</b>	Security Deposits	(1,511.71)	(1,364.46)	(1,165.26)	(817.64)	(835.19)
<b>18</b>	Other Current Liabilities & Provisions	(1,457.86)	(1,203.19)	(1,580.63)	(1,344.89)	(1214.03)
<b>19</b>	Deferred Tax	74.68	21.61	13.74	21.67	79.73
	<b>APPLICATION OF FUNDS</b>	<b>10,467.16</b>	<b>9,665.02</b>	<b>9,116.55</b>	<b>9,193.78</b>	<b>8224.91</b>
<b>20</b>	Share Capital	455.11	455.11	455.11	455.11	455.11
<b>21</b>	Reserves & Surplus	8,518.54	8,241.57	7,823.58	7,758.36	7462.68
<b>22</b>	Loan Funds	1,493.51	968.34	837.86	980.31	307.12
	<b>SOURCESOFFUNDS</b>	<b>10,467.16</b>	<b>9,665.02</b>	<b>9,116.55</b>	<b>9,193.78</b>	<b>8224.91</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  
Rajendra Sabnis, Vice President  
(Human Resources)  
Prasad Mahale, Vice President  
(Sales & Marketing)  
A. B. Pawar, General Manager  
(Production, Pimpri Works)  
Sanjeev Kumar Arora, Plant Head  
(HP Works)

## REGISTERED OFFICE

Mumbai-Pune Road,  
Pimpri, Pune 411 018.  
Tel. : (020) 39858200  
Fax.: (020) 39858300  
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

## ANNUAL GENERAL MEETING

12.00 noon, Thursday,

1st August, 2013 at the Registered Office

## CONTENTS

Notice to the Shareholders	2 - 5
Directors' Report	6 - 19
Auditors' Report	20 - 23
Balance Sheet	24
Profit and Loss Account	25
Cash Flow Statement	26
Notes to Accounts 1 to 40	27 - 38
Statement U/S 212	39
Consolidated Accounts	40 - 50

### NOTICE

NOTICE is hereby given that the FIFTY-NINTH 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, 1st August, 2013 to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider, and adopt the Audited Balance Sheet as at 31st March, 2013, 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, 2013.
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.
4. To appoint Mr.K.K. Trivedi, Mr. Prashant K. Trivedi, Mr. M.K. Trivedi, Mr.H.C. Asher, Mr. M.M. Shah, Mr. J.M. Kothary, Mr. C.M. Maniar and Mr. Sudhir Merchant as Directors of the Company for a period of three years from the date of this meeting in accordance with the principle of proportional representation as provided in Article 115 of the Articles of Association of the Company and Section 265 and other applicable provisions, if any, of the Companies Act, 1956.

#### SPECIAL BUSINESS

5. To consider, and if thought fit, to pass, with or without modifications, the following resolution, as a Special Resolution:

"RESOLVED THAT in pursuance of Section 309 and other applicable provisions of the Companies Act, 1956 ("the Act"), and the Articles of Association of the Company, approval of the Company be and is hereby accorded for the payment to Directors and Alternate Directors (who are neither in the whole-time employment, nor Managing Directors nor Executive Directors of the Company) of remuneration, by way of commission at a rate not exceeding one percent of the net profit of the Company calculated in accordance with the provisions of the Act as the Board of Directors may from time to time determine in each financial year, such commission being divisible amongst the Directors and Alternate Directors of the Company by way of remuneration for their services as such Directors as aforesaid, provided that the remuneration payable to each Director shall be such as may be determined by the Chairman of the Board of Directors from time to time.

RESOLVED FURTHER that this Resolution shall be effective for a period of five years from the Accounting Year commencing from 1st April, 2013".

6. To consider, and if thought fit, to pass, with or without modifications, the following resolution, as a Special Resolution:

"RESOLVED THAT approval of the Company be and is hereby accorded to the Company for entering into contract with Multi Act Equity Consultancy Private Limited ("the MAECL") for its appointment as Portfolio Manager to the Company and payment of fees in terms of draft of standard agreement of the MAECL which has been approved by the board of directors of the Company.

RESOLVED FURTHER THAT it is hereby confirmed that:

- i. the proposed contract with MAECL is competitive, at an arm's length, without conflict of interest and is not less advantageous to it as compared to similar contracts with other parties,
- ii. the Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon and has filed its upto date Balance Sheets and Annual Returns with the Registrar of Companies,
- iii. the proposed contract is falling within the provisions of section 297 of the Act and provisions of sections 198, 269, 309, 314 and 295 are not applicable in the proposed contract, and,
- iv. the Company and its Directors have complied with the provisions of sections 173, 287, 299, 300, 301 and other applicable provisions of the Companies Act, 1956 with regard to the proposed contract.

RESOLVED FURTHER THAT the aforesaid proposed contract with MAECL shall be subject to the

## THE INDIAN CARD CLOTHING COMPANY LIMITED

previous approval of the Central Government and that the same shall be effective from the date it is approved by the Central Government.

RESOLVED LASTLY THAT the Managing Director and the Company Secretary be and are hereby individually authorized to do all such acts deeds, matter and things as may be necessary usual or expedient to enter into the said contract and to obtain the approval of the Central Government.”

Registered Office:

Mumbai-Pune Road  
Pimpri, Pune 411 018  
Pune, 15<sup>th</sup> May, 2013

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 24<sup>th</sup> July, 2013 to 1st August, 2013, both days inclusive.
3. The final dividend on Equity Shares, as recommended by the Directors for the year ended 31st March, 2013, 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.130,484/- of final dividend for year ended 31st March, 2005 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.
9. An explanatory statement under section 173 of the Companies Act, 1956 is annexed hereto.
10. Pursuant to Clause 49 of the Listing Agreement, profile of the directors proposed for appointment / re-appointment being given in a statement containing details of the concerned directors is annexed hereto.

### EXPLANATORY STATEMENT

Pursuant to Section 173 of the Companies Act, 1956.

#### ITEM 4

Article 115 of the Company's Articles of Association provides for appointment of all the Directors of the Company once every three years in accordance with the principle of proportional representation. The last appointment of the Directors was made at the 56th Annual General Meeting of the Company held on 9th August, 2010. Accordingly, the term of office of the present Directors will expire at this Annual General Meeting.

All the Directors of the Company mentioned in the resolution at item 4 are the present Directors of the Company and are seeking re-appointment. The Company has received letters from all the Directors of the Company, consenting, if appointed, to act as Director of the Company.

#### ITEM 5

The non Whole-time Directors of the Company are being paid remuneration by way of commission in pursuance of the Special Resolution passed by the Shareholders at the 49th Annual General Meeting of the Company held on 29th August, 2003. As the said resolution was effective up-to March 31, 2008, it is now proposed to pass a fresh Resolution for payment of remuneration to the non-whole-time Directors in terms of the Special Resolution set out at item 4. The provisions of sub-section (4) of Section 309 of the Companies Act, 1956, inter alia, provides that a Director who is neither in the whole-time employment of the Company nor a Managing Director may be paid remuneration either by way of monthly, quarterly or annual payment with the approval of the Central Government or by way of commission if the Company by special resolution authorized such payment. The proviso to this sub-section further provides that the remuneration paid to such director or where there is more than one such director, to all of them together, shall not exceed one percent of the net profits of the Company, if the Company has a Managing or whole-time Director or a Manager.

All the Directors of the Company, except Mr. Mehul K.Trivedi, are non-whole-time Directors and may be deemed to be interested in this Resolution.

Mr. Mehul K. Trivedi is related to two non-whole time Directors, as the son of Mr. K.K. Trivedi and the brother of Mr. Prashant K. Trivedi, and accordingly may be deemed to be interested in this Resolution.

Mr. K.K. Trivedi and Mr. Prashant K. Trivedi are relatives and may be deemed to be interested to the extent of remuneration to which the other will be entitled under the resolution.

#### ITEM 6

Section 297 of the Companies Act, 1956 (the Act) provides inter alia that except with the consent of the board of directors of a company, a private company of which a director of the company is a member or director shall not enter into any contract with the company for supply of services. The said Section also requires approval of the Central Government to be obtained for entering into such a contract if the paid up share capital of the Company is not less than Rs.1 crore. Mr. Prashant K. Trivedi is a director of Multi Act Equity Consultancy Private Limited ("the MAECL") and, accordingly, the provisions of Section 297 are applicable.

In order to make an application for approval of the Central Government online, it is necessary to place before the shareholders the resolution at item 6 for their approval. Accordingly, the resolution at Item 6 is being placed before the shareholders by a way of a special resolution.

MAECL is a Portfolio Manager registered with Securities and Exchange Board of India ("the SEBI") to provide Portfolio Management Services under SEBI(Portfolio Managers) Regulations, 1993 and

## THE INDIAN CARD CLOTHING COMPANY LIMITED

renders portfolio management services to high net worth entities.

The proposed contract with MAECL will be on competitive terms as compared to terms in the market for such services.

The Company confirms the statements made in Item i to iv set out in the resolution.

The major terms of the Standard Agreement consists of:

- a.) Investment objective of Discretionary Portfolio Management Agreement - product is Moat & Special Situations Portfolio (MSSP)/ Beta Portfolio - primary objective is to generate capital appreciation by investing in companies that according to the Portfolio Manager are of high quality, have high underlying value and may not be widely covered by brokerage houses, FIs and domestic financial institutions;
- b.) Accounts of the Client are segregated and maintained separately from the accounts of other clients of the PortfolioManager;
- c.) The voting rights in respect of securities are held by the Portfolio Manager in the name of the Client and the Portfolio Manager shall exercise such rights in its absolute discretion;
- d.) Amount invested shall be locked in for a period of 39 months - withdrawal before 39 months will invite an exit fee;
- e.) The Portfolio Manager shall avoid any conflict of interest with regard to its investment decisions and where such conflict arises, it shall ensure fit treatment as in an arms-length transaction;
- f.) Management fees, Performance fees and exit fees subject to maximum of Rs 25 lac in a year shall be:
  - i.) Management fees @ 0.5% per annum for investments above Rs. 5 crore - billing frequency is 'monthly';
  - ii.) Performance fees @ 25% of net gains generated above 13% per annum calculated on high water mark basis - charged at the end of term i.e., on completion of 39 months or on earlier termination of Agreement;
  - iii.) Exit fee:
    - 3% if amount withdrawn within 12 months,
    - 2% if amount withdrawn within 24 months,
    - 1% if amount withdrawn within 39 months,

A copy of the Standard Agreement is available at the registered office of the Company on all working days (Monday to Saturday) between 10.00 am and 12.00 noon from the date hereof till the time of Annual General Meeting.

Mr. Prashant K Trivedi is Director of the MAECL and may be deemed to be interested in this Resolution.

Mr. Prashant K Trivedi is son of Mr. K K Trivedi, Chairman Emeritus and the brother of Mr. Mehul K Trivedi, Managing Director and accordingly Mr. K K Trivedi and Mr. Mehul K Trivedi may be deemed to be interested in this Resolution.

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

By Order of the  
Board of Directors

Pune, 15<sup>th</sup> May, 2013

**A.D. Dahotre**  
Company Secretary

## 59<sup>th</sup> ANNUAL REPORT 2012-2013

### Directors' Report

Your Directors have pleasure in presenting the Company's Balance Sheet as at 31st March, 2013, together with the Profit and Loss Account for the year ended on that date.

Financial Results	(Rupees in Lac)	
	Year Ended 31-03-2013	Year Ended 31-03-2012
Sales and Other Income	6546.85	7249.87
Profit before Interest, Depreciation and Tax	1367.30	2031.24
Finance cost	(111.33)	(123.15)
Depreciation	(538.13)	(528.86)
Profit Before Tax	766.76	1379.23
Exceptional items	(48.92)	151.89
Provision for Tax	(254.51)	(407.36)
Profit(loss) after Tax	463.33	1123.76

### Operations-Highlights

Your Company's Sales and Servicing Income for the year was Rs.5066.94 lac as compared to Rs.5021.89 lac in 2011-12.

Sale of metallic card clothing increased by 2.6% during the year to Rs.3755.96 lac from Rs.3661.35 lac in the previous year. Demand for metallic card clothing was, however, constrained because of difficult trading conditions in Tamil Nadu and Andhra Pradesh, which faced severe power and labour shortage. Sale of woollen card clothing increased by 14.2% during the year to Rs.597.52 lac from Rs.523.25 lac in the previous year due to improved trading conditions in the carpet market and direct sales in the regenerated fibre market. Exports decreased by 22.3% to Rs.1152.70 lac during the year from Rs.1484.31 lac in the previous year due to lower demand from your Company's key export markets on account of the recession in Europe.

### New Manufacturing Facility at Nalagarh, Himachal Pradesh

Accura carriers, woollen metallic and some range of metallic card clothing is now being manufactured at the Nalagarh factory. Higher range of metallic card clothing are under development. Dispatch of metallic card clothing from Nalagarh factory was higher during the year.

### Realty

18,111 sq. ft. comprising part of premises on the ground floor of the IT Park building in Pimpri constructed in 2009-10 year was sold during the year. Currently out of 95,688 sq. ft. owned by your Company, only 27,621 sq. ft. remains unoccupied. During the year, the entire commercial building at Powai, Mumbai was fully occupied.

### Dividend

Your Directors recommend final dividend of 35% for the year ended 31<sup>st</sup> March, 2013 (35% final and 100% Special Interim Dividend for the year ended 31<sup>st</sup> March, 2012).

### Subsidiary Companies

ICC International Agencies Ltd.(ICCIAL) recorded decrease in income of 33.4% from Rs.458.53 lac in the previous year to Rs.305.56 lac in the current year. Indenting commission declined during the year due to severe downturn in textile industry caused by global economic slowdown, which constrained capital equipment purchases by garments, home furnishing and industrial fabric manufacturers. As a result, the subsidiary company recorded loss after tax of Rs.139.42 lac in the current year against previous year's profit after tax of Rs.57.98 lac. ICCIAL did not declare dividend for the year (50% in the previous year).

Garnett Wire Ltd.(GWL), a U.K. Company, in which your Company has 60% of the issued share capital, recorded decrease in turnover of 16.8% from £ 1,356,460 to £ 1,128,063 resulting in loss after tax of £ 18,291/- against a profit of £45,514/- in the previous year due to a continuing recession in its key markets in Europe.

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



# THE INDIAN CARD CLOTHING COMPANY LIMITED

## Directors

The present Directors who were appointed for a period of three years under Article 115 at the 56th Annual General Meeting held on 9<sup>th</sup> August, 2010 will retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

## 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;
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 31<sup>st</sup> March, 2013 and of the profit of the Company for the year 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013;
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 this Report.

## Technology Absorption, Research And Development

Your Company continues to satisfy the requirements of ISO 9001:2008 as certified by Bureau Veritas Quality International (BVQI) for Metallic and Flexible Card Clothing and Accura Fixed Flats for Pimpri and Nalagarh factories. The certificate was renewed in November, 2011 for a further period of three years. In-house Research and Development Centre in metallic card clothing and card wire 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.1155.57 lac
Total foreign exchange out-go	Rs.2115.44 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 31<sup>st</sup> 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

Energy saving starters for dust extraction plants and energy saving units for some window air-conditioners installed during the year will result in saving of energy in future. 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

**PRASHANT K TRIVEDI**  
Chairman

Mumbai, 15th May, 2013

## 59<sup>th</sup> ANNUAL REPORT 2012-2013

### ANNEXURE I TO DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013 RESEARCH AND DEVELOPMENT ( R & D )

1. Specific areas in which R & D carried out by the Company.	New Design of Revolving Tops to improve performance for very high production cards. Improved Metallic Card Clothing suitable for very high production cards. Improvement in Manufacturing Process of Flexible Card Clothing wire Hardening and Tempering.		
2. Benefits derived as a result of above R & D.	Improved performance and longevity of Metallic Card Clothing and Revolving Flats.		
3. Future Plan of Action	Improvement in manufacturing processes to produce Products suitable for Very High Production Cards in terms of better Quality and Longevity.		
4. Expenditure on R & D a) Capital b) Recurring c) Total d) Total R & D expenditure as a percentage of total turnover.	Expenditure on R & D a) Rs.Nil lac b) Rs.49.52 lac c) Rs.49.52 lac d) 1%		
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**

The card population in India is divided into three major categories, The slow speed cards, which dominated the market from 1985 to 1995 and then begun to see declines as high speed cards begun their ascendancy. The period between 1995 and 2007 saw a phenomenal growth of over 15,000 cards added in India until all card manufacturers begun supplying only super production cards.

The total requirement of card clothing annually in India is approximately 6500 sets divided between all three segments and world wide the requirement is estimated at 47,666. Although the overall rate of growth of re-clothing is not expected to increase by more than 3% per annum, the highest rate of growth will be in super production card segments as spinning mills with slow speed cards replace them with super production cards.

Graf and TCC dominate the super production card segment because companies who also manufacture those cards Reiter A.G. and Trutzschler GmbH respectively, own them both. Both Graf and TCC tend to be favoured by spinning mills for their first re-clothing. TCC has a distinct advantage between the two as part of its products are manufactured in Ahmedabad, thus keeping costs lower.

ICC, LCC and BCS share the re-clothing market in the high production card segment, although LCC has an advantage in this segment, as it was the original equipment supplier with many of the Lakshmi Machine Works cards, which dominate this segment. BCS has a disadvantage, as they are perceived, like the other European brands Brujas, as being Chinese due to the manufacturing location.

ICC, LCC dominate the re-clothing market in the slow production card segment, although face the threat of cheaper Chinese manufactured card clothing.

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## **Strengths**

ICC enjoys a strong brand recall due to its presence in the market for over 55 years. ICC also has strong sales and service support in all major spinning centres in India as well as a wide distribution network.

ICC is also perceived as a “value for money” brand in the market.

## **Weaknesses**

The lack of an OEM tie up is a distinct dis-advantage as it is often precluded from consideration in the first re-clothing.

## **Opportunities**

As spinning mills discard C1 cards in search of higher productivity, lower labour and power cost in favour of C3 cards the demand for re-clothing super production cards will increase.

The Chinese spinning mills are losing their competitiveness in certain medium counts of cotton, in favour of Indian spinning mills.

## **Threats**

Competition from Chinese card clothing manufacturers in the slow speed and high speed card segment poses a threat to ICC's share in these segments.

## **Operations**

Sale of the Company's card clothing in the domestic market for short staple increased by 19.4 percent as the Company increased its share in the high production and super production market notwithstanding difficult trading conditions in Tamil Nadu and Andhra Pradesh, which faced severe power and labour shortage.

Sale in export markets eased as difficult trading conditions in the European market led to lower demand on many spinning mills in key export markets of the Company. Export sales fell by 22.3 percent over the previous financial year.

Sales of card clothing for long staple fibre also fell by 19.5 percent as the Company experienced heightened competition from Chinese manufacturers in the regenerated fibre segment. The Company also adopted a cautious policy on sales of its products in this segment, as it perceived recovery of outstanding dues would be a problem in a difficult trading environment.

The Company's new plant at Nalagarh continued to despatch, Accura carriers, metallic card clothing for long staple fibre and some varieties of metallic wires for short staple fibre. Total despatches from Nalagarh increased by 7.8 percent compared to the last financial year as the process of knowledge transfer continues from the plant in Pimpri to Nalagarh.

The Company has already rented out one entire floor and part of another floor of the ICC Devi Gaurav Technology Park (“ICC DGTP”) in which the Company owns 95,688 sq. ft. One floor was sold to a technology company, while 18,111 sq. ft., which was part of the ground floor, was also sold to an investor. The Company's property on Saki Vihar Road, Mumbai was fully let on leave and licence throughout the last financial year.

## **Outlook**

Stable cotton prices, notwithstanding a new cotton crop in November 2012, coupled with many Chinese spinning mills exiting certain medium counts due to their lack of competitiveness, has meant that Indian cotton spinning mills are enjoying a favourable trading environment.

## **59<sup>th</sup> ANNUAL REPORT 2012-2013**

Some spinning mills in Tamil Nadu and Andhra Pradesh continue to operate under severe power constraints, which has increased their operating costs. However, the depreciation of the Indian Rupee against the US Dollar has improved the competitiveness of many exporters of yarn. although the recession in Europe has dampened demand for textiles in general.

The Company intends to continue to focus its attention in the financial year 2013-2014 on targeting mills with the latest generation of carding machines. Thrust on cost reduction, improvements in productivity and training of engineers at its plant in Nalagarh to complete the knowledge transfer from Pimpri to Nalagarh in order to increase the range of products, which can be manufactured at Nalagarh.

Efforts are afoot to ensure that the balance area of 27, 621 sq. ft. will be given on leave and licence in the financial year 2013-2014.

### **Internal Control Systems**

The Company has a proper and well-established accounting and auditing system covering all areas of operations. The Company is upgrading its ERP system from Oracle i11 to R 12 and trial runs are underway to establish its efficacy. The Company has had a fully operating ERP system since 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, of both Pimpri and Nalagarh plants, which is followed up by discussion with each department, the Managing Director and in the Audit Committee.

Both manufacturing plants of the Company have ISO 9001 certification, which is renewed from time to time.

### **Cautionary Statement**

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

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## 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 9<sup>th</sup> April, 25<sup>th</sup> May, 10<sup>th</sup> August, 6<sup>th</sup> November in the year 2012 and on 11<sup>th</sup> February in the year 2013.

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:

Name of Director	Directorships (Indian Public Companies)	Board Committee Membership	Chairman of Board Committees	Board Meetings Attended	AGM Attended
Mr. K.K. Trivedi Chairman Emeritus	3	Nil	Nil	Nil	No
Mr. Prashant K. Trivedi Chairman	2	Nil	Nil	4	Yes
Mr. M.K. Trivedi Managing Director	4	1	Nil	5	Yes
Mr. H.C. Asher, Director	9	4	2	5	Yes
Mr. M.M. Shah, Director	4	1	1	5	Yes
Mr. J.M. Kothary, Director	5	1	1	5	Yes
Mr. C.M. Maniar, Director	14	8	Nil	4	Yes
Mr. Sudhir Merchant, Director	4	5	1	2	Yes

## 59<sup>th</sup> ANNUAL REPORT 2012-2013

2.4 Particulars of remuneration of Directors for the year ended 31st March, 2013:

Rs.Lac

Name of Director	Commission	Sitting Fees	Salary	Perquisites	Contributions to PF, etc.
Mr. K.K. Trivedi Chairman Emeritus	-	-	-	-	-
Mr. Prashant K. Trivedi Chairman	-	0.90	-	-	-
Mr. M.K. Trivedi Managing Director	-	-	30.00	12.00	6.04
Mr. H.C. Asher Director	0.75	2.42	-	-	-
Mr. M.M. Shah Director	0.50	1.20	-	-	-
Mr. J.M. Kothary Director	0.75	2.42	-	-	-
Mr. C.M. Maniar Director	0.50	0.90	-	-	-
Mr. Sudhir Merchant Director	0.70	0.90	-	-	-

### 3. Audit Committee

Audit Committee met on 25th May, 10th August, 6th November in the year 2012 and on 11th February in the year 2013 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	1

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 is constituted as and when required and did not meet during the year.

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

The Committee met on 25th May, 10th August, 6th November in the year 2012 and on 11th February in the year 2013. 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 -31. 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
10 <sup>th</sup> August, 2012	12 noon	Registered office of the Company
25 <sup>th</sup> August, 2011	12 noon	Registered office of the Company
9 <sup>th</sup> August, 2010	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.38 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

### Information about the directors to be re-appointed at the Annual General Meeting

#### Mr. K.K. Trivedi

Mr. K.K. Trivedi is a commerce graduate of the M.S. University of Baroda. He practiced as a Chartered Accountant in Kenya from 1954 to 1972. Mr. Trivedi subsequently was the Managing Director of a confirming house and Director in various companies in Hong Kong. He has extensive knowledge and experience in managing businesses especially in the area of administration and finance. He has been Director of the Company since February, 1985 and its Chairman since September, 1989 and Chairman Emeritus since August, 2011

He is holding Nil shares in the Company.

He is a member of the Board of Directors and Committees as mentioned herein of the following companies:

No.	Name of the Company	Nature of Interest
1.	The Indian Card Clothing Co.Ltd.	Chairman Emeritus
2.	Multi-Act Realty Enterprises Pvt. Ltd.	Director
3.	Acre Street (India) Ltd.	Director
4.	Multi-Act Industrial Enterprises Ltd.	Director
5.	Multi-Act Construction Pvt. Ltd	Director
6.	Shivraj Sugar & Allied Products Pvt. Ltd	Director

**Mr. Prashant K. Trivedi**

Mr. Prashant K. Trivedi is a graduate [BSc. (Econ.)] from The Wharton School, University of Pennsylvania. Mr. Trivedi worked in the fixed income securities department of S.G.Warburg, a merchant bank from 1983 to 1985 and 1988 to 1991. Mr. Prashant Trivedi is a CFA. Mr. Prashant Trivedi has been a director of the Company since December, 1990 and a member of the Investment Committee overseeing the Company's Treasury activities.

He is holding Nil shares in the Company.

He is a member of the Board of Directors and Committees as mentioned herein of the following companies:

No.	Name of the Company	Nature of Interest
1.	The Indian Card Clothing Co. Ltd.	Chairman
2.	Multi Act Trade and Investments P.Ltd.	Chairman
3.	Multi-Act Industrial Enterprises Ltd.	Director
4.	Multi-Act Equity Research Services P.Ltd.	Director
5.	Multi-Act Equity Consultancy P Ltd.	Director
6.	Multi-Act Construction Pvt. Ltd.	Director

**Mr. M.K. Trivedi**

Mr. M.K.Trivedi joined the Board of Directors of the Company ("the Board") on 1<sup>st</sup> October, 1992 as Executive Director and was appointed Managing Director on 1<sup>st</sup> January, 2001. Mr. M.K. Trivedi graduated from The London School of Economics and Political Science with LLB (Hons.) and is a Solicitor of the Supreme Court of England and Wales and a member of The Law Society in the United Kingdom. Mr. M.K. Trivedi has undergone a management course on executive development at IMD, Lausanne, on Managing change at Stanford University and on Strategy at Columbia University, School of Business.

Mr. M.K. Trivedi was a practicing Solicitor in the United Kingdom specializing in Corporate Finance and Mergers and Acquisitions. Mr. M.K. Trivedi joined the Company in September 1989 with responsibilities in the area of co-ordination before his appointment as Executive Director on 1st October 1992.

During his tenure, he has participated in number of major strategic restructuring and implemented a number of initiatives to meet the external and internal challenges faced by the Company

He is a member of the Board of Directors and Committees as mentioned herein of the following companies:

No.	Name of the Company	Nature of Interest
1.	The Indian Card Clothing Co. Ltd.	Managing Director & Member-Investors'/ Shareholders' Grievance Committee
2.	Garnett Wire Ltd., UK	Director
3.	Multi-Act Realty Enterprises P.Ltd.	Director
4.	ICC International Agencies Ltd.	Managing Director
5.	Acre Street (India) Ltd.	Director
6.	Multi-Act Industrial Enterprises Ltd.	Director
7.	Multi Act Trade and Investments Pvt.Ltd.	Director
8.	Modern Textile Machinery Ltd. Israel	Director
9.	Multi-Act Equity Research Services Pvt Ltd.	Director
10.	Shivraj sugar & Allied Products Pvt. Ltd.	Director

Mr. M.K. Trivedi is also a Trustee of the Prashanti Cancer Care Mission.



## THE INDIAN CARD CLOTHING COMPANY LIMITED

### Mr. H.C. Asher

Mr. Asher is solicitor and advocate and a senior partner in M/s Crawford Bayley & Co. He holds degrees of Master of Arts (Economic) and of Bachelor of Laws. He is a Director of several reputed companies. Mr. Asher has been associated with the Company as Director from April, 1973. He specializes in corporate and commercial laws.

He is holding 556 shares in the Company

He is a member of the Board of Directors and Committees as mentioned herein of the following companies:

No.	Name of the Company	Nature of Interest
1.	Allied Pickfords Pvt. Ltd.	Director
2.	Diamant Boart Marketing Pvt. Ltd.	Director
3.	Elof Hansson (India) Pvt. Ltd.	Director
4.	Grant Investrade Limited.	Director
5.	Gulf Oil Corporation Ltd.	Director
6.	Hind Filters Ltd.	Director
7.	Hinduja Ventures Ltd.	Director & Member of Audit Committee & Chairman of Investors'/ Shareholders' Greivance Committee
8.	IDL Explosives Limited	Director
9.	The Indian Card Clothing Co. Ltd.	Director & Member of Audit Committee & Investors'/ Shareholders' Greivance Committee
10.	Ingersoll-Rand (India) Ltd.	Director & Chairman- Audit Committee Member of Investors'/ Shareholders' Greivance Committee
11.	KELTECH Energies Ltd.	Director & Member- Investors'/ Shareholders Greivance Committee
12.	Monsanto India Ltd	Director & Member of Audit Committee & Investors'/ Shareholders Greivance Committee
13.	PRS Technologies Pvt. Ltd.	Director
14.	TUV India Pvt. Ltd.	Director

### Mr. M.M. Shah

Mr. Shah is a graduate in Electrical Engineering of the Bombay University and holds Post Graduate degree in Industrial Engineering from New York University, USA. He has been associated with the Company as Director from February, 1985 which includes as Managing Director from January, 1986 to December, 2000. He has extensive knowledge and experience in technical, administrative and marketing field having worked in various responsible positions in USA and India.

He is holding 6000 shares in the Company.

He is a member of the Board of Directors and Committees as mentioned herein of the following companies:

**59<sup>th</sup> ANNUAL REPORT 2012-2013**

<b>No.</b>	<b>Name of the Company</b>	<b>Nature of Interest</b>
1.	Asian Paints (India) Ltd.	Director & Member-Audit Committee and Chairman of Investors'/ Shareholders' Grievance Committee
2.	The Indian Card Clothing Co. Ltd.	Director
3.	ICC International Agencies Ltd.	Director
4.	Techknit I.T. Enabled Servies P. Ltd.	Director
5.	Cytel (India) Ltd.	Director

**Mr. J.M. Kothary**

Mr. Kothary is a graduate in Commerce and Law and holds Post Graduate degree in Masters in Business Administration, USA. He has been associated with the Company as Director from February, 1985. He has extensive experience of managing industrial and marketing enterprise including Managing Director of Murphy India Ltd.

He is holding Nil Shares in the Company

He is a member of the Board of Directors and Committees as mentioned herein of the following companies:

<b>No.</b>	<b>Name of the Company</b>	<b>Nature of Interest</b>
1.	RPG Enterprises Ltd.	Director
2.	The Indian Card Clothing Co. Ltd.	Director and Chairman of Audit Committee and Investors'/ Shareholders' Grievance Committee
3.	KEC International Ltd.	Director
4.	Malabar Hill Club Ltd(erstwhile WIAA Club Ltd)	Member-Executive Committee
5.	KEC Holdings	Director

**Mr. C.M. Maniar**

Mr. Maniar holds a Degree of Master of Arts (Economics and Politics), Bachelor of Commerce and Bachelor of Laws and is a senior partner in the firm of M/s Crawford Bayley & Co., Solicitors and Advocates. He specializes in Corporate and Commercial laws and Intellectual and Industrial Property Laws. He has participated in and read papers at various conferences and seminars. He has been associated with the Company as Director from December, 1980.

He is holding Nil shares in the Company.

He is a member of the Board of Directors and Committees as mentioned herein of the following companies:

<b>No.</b>	<b>Name of the Company</b>	<b>Nature of Interest</b>
1.	Foods & Inns Ltd.	Director
2.	Financial Technologies India Limited.	Director
3.	Godfrey Phillips India Ltd.	Director and Member of Investors'/Shareholders Grievance Committee
4.	Gujarat Ambuja Exports Ltd.	Director
5.	Hindalco Industries Ltd.	Director and Member of Audit Committee & Investors'/ Shareholders Grievance Committee
6.	Indo-Euro Investment Co. Ltd.	Director
7.	The Indian Card Clothing Co Ltd	Director

## THE INDIAN CARD CLOTHING COMPANY LIMITED

8.	Multi Commodity Exchange of India Ltd.	Director and Member of Audit Committee
9.	Northpoint Training & Research P. Ltd	Director
10.	Pioneer Investcorp Ltd.	Director and Member of Audit Committee & Investors'/ Shareholders Greivance Committee
11.	Sudal Industries Ltd.	Director
12.	TCPL Packaging Limited	Director
13.	Utkal Alumina International Limited	Director
14.	Varun Shipping Company Ltd.	Director and Member of Audit Committee
15.	Vadilal Industries Ltd.	Director

### Mr. Sudhir Merchant

Mr. Sudhir A Merchant joined the Board of Directors of the Company on September 29, 1994.

Mr. Sudhir Merchant graduated from Sydenham College of Commerce & Economics and Master of Management Studies (MMS) from Jamnalal Bajaj Institute of Management Studies (Mumbai University).

Mr. Merchant is an Industrialist and has experience in various companies of initiating greenfield projects as well as dealing with foreign joint venture partners. He possess more than 25 years of business management experience. He is on the Board of several Companies and is a Member of Young Presidents' Organization. He has traveled extensively in India and abroad.

He is holding Nil Shares in the Company.

He is a member of the Board of Directors and Committees as mentioned herein of the following companies:

No.	Name of the Company	Nature of Interest
1.	Encore Natural Polymers Pvt. Ltd.	Chairman
2.	ZYG Pharma Pvt. Ltd.	Chairman
3.	Encore Healthcare Pvt. Ltd.	Chairman
4.	Saidarshan Business Centres Pvt. Ltd.	Chairman
5.	The Indian Card Clothing Co. Ltd.	Director
6.	Rudolf Atul Chemicals Limited.	Director
7.	TCPL Packaging Limited.	Director
8.	Begonia Constructions Pvt Ltd.	Director
9.	Yuvak Ventures Pvt. Ltd.	Director
10.	Encore Polyfrac Products Pvt. Ltd.	Director
11.	Piramal Estates Pvt. Ltd.	Director
12.	Encore Business Centre Pvt. Ltd.	Director
13.	Gum Manufacturers' Association of India	Director / Hon.Secretary
14.	Bai Kabibai & Hansraj Morarji Charity Trust	Trustee
15.	Bai Hiravahu Khimji Jiva Charities	Trustee
16.	Khimji Jiva Charities	Trustee
17.	Shri Ramji Shri Hanuman & Shri Ganpati Trust	Trustee
18.	Mathuradas Cursondas Nathan Bhatia High School Trust	Trustee

### Financial Calendar:

## 59<sup>th</sup> ANNUAL REPORT 2012-2013

AGM date, time and venue	Thursday at 12 Noon, 1st August, 2013 at the Registered Office
Board Meeting for consideration of accounts and recommendation of dividend	15th May, 2013
Posting of Annual Reports	By 9th July, 2013
Book closure dates	24 <sup>th</sup> July to 1st August, 2013
Last date for receipt of proxy forms	30th July, 2013
Dividend payment date	By 30th August, 2013
Board Meetings for consideration of Quarterly audited results	Within forty-five days from the end of quarter.

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 BSE Mid Cap and Nifty Junior.

Month	NSE		Shares Traded	Nifty Junior	
	High	Low		High	Low
April-12	136.00	116.50	6,916	10,699.05	10,050.30
May-12	128.80	115.00	11,088	10,304.20	9,333.95
June-12	115.00	100.00	12,177	10,118.40	9,891.60
July-12	125.00	102.00	22,977	10,412.65	9,756.30
August-12	128.00	103.00	9,367	10,288.45	9,821.45
September-12	115.85	100.50	12,195	11,073.75	9,851.55
October-12	125.00	108.00	12,449	11,353.90	10,733.10
November-12	126.00	110.40	10,023	11,805.25	10,899.45
December-12	130.95	120.90	11,023	12,348.80	11,793.10
January-13	130.00	113.45	17,580	12,744.00	12,042.20
February-13	129.80	102.60	11,153	12,393.50	11,425.35
March-13	113.70	90.10	18,882	11,932.85	10,973.50

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

Month	BSE		Shares Traded	BSE Small Cap	
	High	Low		High	Low
April-12	134.95	118.40	15,601	6,982.30	6,641.72
May-12	131.95	111.25	11,012	6,844.92	6,202.13
June-12	121.40	102.00	10,394	6,547.61	6,132.10
July-12	126.00	102.10	29,585	6,870.17	6,355.15
August-12	120.90	104.40	20,489	6,687.31	6,336.09
September-12	118.50	102.55	17,560	7,045.06	6,388.01
October-12	126.00	102.50	20,849	7,252.49	6,949.96
November-12	125.00	110.00	17,891	7,287.09	6,975.15
December-12	134.25	118.00	13,672	7,525.68	7,283.14
January-13	131.95	112.70	28,268	7,696.74	7,049.69
February-13	128.00	102.00	28,596	7,114.58	6,192.07
March-13	115.40	92.00	20,285	6,378.13	5,708.41

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

## THE INDIAN CARD CLOTHING COMPANY LIMITED

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.

### Distribution of Shareholding:

Category	Shareholders		Shares of Rs.10	
	Number	Percent	Number	Percent
Upto 500	10513	95.66	884541	19.44
501 to 1000	263	2.39	210015	4.61
1001 to 2000	100	0.91	147509	3.24
2001 to 3000	44	0.40	111082	2.44
3001 to 4000	15	0.14	53060	1.17
4001 to 5000	17	0.15	77812	1.71
5001 to 10000	23	0.21	163229	3.59
10001 and above	15	0.14	2903872	63.80
Total	10990	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. 95.85% 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

- We have examined the compliance of conditions of Corporate Governance by The Indian Card Clothing Company Limited, for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.
- 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.
- 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.
- We state that in respect of investor grievances during the year ended 31st March 2013 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.
- 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 : Mumbai  
Date : 15th May, 2013

Membership No. 109795  
Firm Registration No.:105102W

## AUDITOR'S REPORT

To the Members of  
The Indian Card Clothing Company Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of The Indian Card Clothing Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - (b) in the case of the Statement of Profit and Loss, of the profit/ loss for the year ended on that date; and;
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

## THE INDIAN CARD CLOTHING COMPANY LIMITED

8. As required by section 227(3) of the Act, we report that:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

**Devdatta Mainkar**  
Partner

Place : Mumbai  
Date : 15th May, 2013

Membership No. 109795  
Firm Registration No.:105102W

### ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 7 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 Income Tax, Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty or Cess outstanding on account of any dispute.



## THE INDIAN CARD CLOTHING COMPANY LIMITED

- 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 & CO.**  
Chartered Accountants

**Devdatta Mankar**  
Partner

Place : Mumbai  
Date : 15th May, 2013

Membership No. 109795  
Firm Registration No.:105102W

# 59<sup>th</sup> ANNUAL REPORT 2012-2013

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013.

Particulars	Note No.	(Rs. Lac)	
		As at 31-Mar-2013	As at 31-Mar-2012
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	455.11	455.11
(b) Reserves and surplus	2	8,518.54	8,241.57
<b>2 Share application money pending allotment</b>			
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	3	200.00	400.00
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	4	1,511.71	1,364.46
(d) Long-term provisions	5	57.02	73.38
<b>4 Current liabilities</b>			
(a) Short-term borrowings	6	1,093.51	253.70
(b) Trade payables	7	590.63	243.61
(c) Other current liabilities	8	734.31	931.87
(d) Short-term provisions	9	275.90	268.96
<b>TOTAL</b>		<b>13,436.73</b>	<b>12,232.66</b>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	5,592.58	5,532.92
(ii) Intangible assets	10	2.43	15.50
(iii) Capital work-in-progress		1,711.07	321.51
(iv) Intangible assets under development			
(b) Non-current investments	11	2,742.82	2,955.36
(c) Deferred tax assets (net)		74.68	21.61
(d) Long-term loans and advances	12	396.81	704.21
<b>2 Current assets</b>			
(a) Current investments	13	62.18	130.16
(b) Inventories	14	1,659.61	1,314.91
(c) Trade receivables	15	960.63	963.82
(d) Cash and cash equivalents	16	83.58	59.63
(e) Short-term loans and advances	17	144.58	209.85
(f) Other current assets	18	5.76	3.19
<b>TOTAL</b>		<b>13,436.73</b>	<b>12,232.66</b>

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 25 - 40

As per our report attached

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

Chartered Accountants

FRN-105102W

by the hand of

#### **DEVDATTA MAINKAR**

Partner

M.NO. 109795

Mumbai, 15 May, 2013

#### **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, 15 May, 2013

Chairman

Managing Director

Director

Director

Director

Director

Director

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

(Rs. Lac)

Particulars	Note No.	Year Ended 31-Mar-2013	Year Ended 31-Mar-2012
<b>I. Gross Revenue from operations</b>	<b>19</b>	<b>6,763.04</b>	7,106.29
<b>Less : Excise duty</b>		<b>525.07</b>	336.94
Net Income from Operations		<u>6,237.97</u>	<u>6,769.35</u>
<b>II. Other income</b>	<b>20</b>	<b>308.88</b>	480.52
III. Total Revenue (I + II)		<u>6,546.85</u>	<u>7,249.87</u>
IV. Expenses:			
Cost of materials consumed		<b>1,877.02</b>	2,074.91
Purchases of Stock-in-Trade		<b>77.04</b>	69.03
Provision for Excise duty on finished goods		<b>(1.55)</b>	(18.27)
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		<b>(145.83)</b>	(229.16)
		-	-
Employee benefits expense	<b>21</b>	<b>1,685.42</b>	1,738.94
Finance costs	<b>22</b>	<b>111.33</b>	123.15
Depreciation and amortization expense		<b>538.13</b>	528.86
Other expenses	<b>23</b>	<b>1,638.53</b>	1,583.18
<b>Total expenses</b>		<u>5,780.09</u>	<u>5,870.64</u>
V. Profit before exceptional and extraordinary items and tax ( III - IV )		<b>766.76</b>	1,379.23
VI. Exceptional items	<b>24</b>	<b>(48.92)</b>	151.89
<b>VII. Profit before extraordinary items and tax (V +VI)</b>		<b>717.84</b>	1,531.12
VIII. Extraordinary Items Income / ( Expense )		-	-
<b>IX. Profit before tax ( VII- VIII )</b>		<b>717.84</b>	1,531.12
X Tax expense:			
(1) Current tax		<b>307.58</b>	415.23
(2) Minimum Alternate Tax			
(3) Deferred tax		<b>(53.07)</b>	(7.87)
XI <b>Profit (Loss) for the period</b>		<u>463.33</u>	<u>1,123.76</u>
XII Earnings per equity share:			
(1) Basic		<b>10.18</b>	24.69
(2) Diluted		10.18	24.69

See accompanying notes to the financial statements

As per our report attached

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

Chartered Accountants

FRN-105102W

by the hand of

**DEVDATTA MAINKAR**

Partner

M.NO. 109795

Mumbai, 15 May, 2013

**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, 15 May, 2013

Chairman

Managing Director

Director

Director

Director

Director

Director

# 59<sup>th</sup> ANNUAL REPORT 2012-2013

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> March, 2013

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax and extraordinary items	717.84	1531.12
Depreciation	538.13	528.86
Foreign Exchange ( gain ) / loss	(60.33)	(13.12)
Interest/Dividend Income	(81.28)	(113.21)
(Profit)/Loss on sale of Fixed Assets	(330.28)	(1,280.36)
(Profit)/Loss on sale of Investments	(163.18)	(331.14)
Provision for leave encashment and gratuity & Other	95.47	98.57
Provision for bad/doubtful debts/Advances written back	6.31	3.07
Interest paid	111.33	123.15
	<u>116.17</u>	<u>(984.18)</u>
<b>Operating Profit before Working Capital changes</b>	<b>834.01</b>	<b>546.94</b>
Trade and other receivables	373.29	(202.87)
Inventories	(344.70)	(186.46)
Trade and Other payables	156.40	(337.17)
Direct Taxes paid	(258.20)	(323.32)
	<u>(73.21)</u>	<u>(1,049.82)</u>
<b>Net Cash generated from /(used in) operating activities</b>	<b>760.80</b>	<b>(502.88)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(2,142.91)	(385.96)
Sale of Fixed Assets	591.72	1,658.07
Purchase of Investments	(1,000.93)	(4,064.30)
Proceeds from Sale of Investments	1,444.62	3,616.71
Interest/Dividend received	81.28	113.21
Net cash from/ (used in) investing activities	<u>(1,026.22)</u>	<u>937.73</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short Term Borrowings	839.81	138.36
Long Term Borrowings	(400.00)	0.00
Security Deposits	147.25	199.20
Dividend paid	(159.29)	(591.64)
Tax on dividend	(27.07)	(87.67)
Interest paid	(111.33)	(123.15)
<b>Net Cash from/ (used in) financing activities</b>	<u>289.37</u>	<u>(464.90)</u>
<b>Net increase/(decrease) in cash and cash equivalents(A+B+C)</b>	<b>23.95</b>	<b>(30.05)</b>
Beginning of year :		
Cash and Bank balances	59.63	89.68
	<u>59.63</u>	<u>89.68</u>
End of year :		
Cash and Bank balances	83.58	59.63
	<u>83.58</u>	<u>59.63</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>23.95</b>	<b>(30.05)</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 confirm to current year's grouping.

As per our report attached

**B. K. KHARE & CO.**  
Chartered Accountants  
FRN-105102W  
by the hand of

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

Mumbai, 15 May, 2013

**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, 15 May, 2013

Chairman

Managing Director

Director

Director

Director

Director

Director

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## NOTES FORMING PART OF THE ACCOUNTS : 31ST' MARCH, 2013.

(Rs. Lac)

NOTES	As at 31-Mar-2013	As at 31-Mar-2012
<b>1 Share Capital</b>		
Authorised share Capital 50,00,000 Equity shares of Rs. 10 each.	<u>500.00</u>	<u>500.00</u>
Issued, subscribed and fully paid-up 45,51,120 ( 45,51,120) Equity shares of Rs.10/- each , fully paid-up.	<u>455.11</u>	<u>455.11</u>
All equity shares have equal rights and restrictions on distribu- tion of dividends and the repayment of capital. 26,10,066 Equity shares are held by the holding company - Multi Act Industrial Enterprises Ltd.		
<b>2 Reserves and Surplus</b>		
(a) Securities Premium Reserve;	910.22	910.22
(b) General reserve		
Opening balance	1,572.48	1,452.48
Add : Transfer from current year's profit.	47.00	120.00
Closing balance	<u>1,619.48</u>	<u>1,572.48</u>
(c) Profit and Loss Account	<u>5,988.84</u>	<u>5,758.87</u>
<b>Total Reserves &amp; Surplus</b>	<u><b>8,518.54</b></u>	<u><b>8,241.57</b></u>
<b>Profit and Loss Account</b>		
Profit and Loss Account - Opening balance	5,758.87	5,460.88
Add : Current year's net profit after tax	463.33	1,123.76
Less : Transfer to General reserve	(47.00)	(120.00)
Less : Appropriation towards Interim dividend payment with tax thereon	-	(520.64)
Less : Appropriation towards Proposed dividend including Dividend tax	<u>(186.36)</u>	<u>(185.13)</u>
Profit and Loss Account - Closing balance	<u><b>5,988.84</b></u>	<u><b>5,758.87</b></u>
<b>3 Long-Term Borrowings</b>		
Term loans - Secured from banks ( Secured by charge on land, building and plant and machinery. Rate of Interest is 12.5 %) Term loan is repayable in equal quarterly instalment in five years.	200.00	400.00
<b>TOTAL</b>	<u><b>200.00</b></u>	<u><b>400.00</b></u>
<b>4 Other Long Term Liabilities</b>		
Security deposits	1,511.71	1,364.46
<b>TOTAL</b>	<u><b>1,511.71</b></u>	<u><b>1,364.46</b></u>
<b>5 Long-term provisions</b>		
Provision for employee benefits.	57.02	73.38
<b>TOTAL</b>	<u><b>57.02</b></u>	<u><b>73.38</b></u>
<b>6 Short-term borrowings</b>		
Loans repayable on demand from banks - Secured Secured by hypothication of inventory and book debts and pledge of mutual fund units , rate of interest is 12.50 %.	492.49	253.70
Buyer's Credit - Unsecured	-	-
Repayable within half-yearly interest rate 1.23%	601.02	-
<b>TOTAL</b>	<u><b>1,093.51</b></u>	<u><b>253.70</b></u>
<b>7 Trade Payables</b>		
(a) Trade payables	374.71	101.01
(b) Accrued Expenses	215.92	142.60
<b>TOTAL</b>	<u><b>590.63</b></u>	<u><b>243.61</b></u>

# 59<sup>th</sup> ANNUAL REPORT 2012-2013

## NOTES FORMING PART OF THE ACCOUNTS : 31ST' MARCH, 2013.

(Rs. Lac)

### NOTES

As at  
31-Mar-2013

As at  
31-Mar-2012

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, 2013 is Rs. Nil , previous year Nil. Further no interest has been paid or is payable under the Act.

#### 8 Other current liabilities

(a) Current maturities of long-term debt;	200.00	400.00
(b) Other Current liabilities	-	-
Payable to employees	298.64	272.41
Providend fund and ESI payable	13.61	34.31
(c) Advance from Customers	185.45	193.24
(d) Unpaid dividends	32.50	25.47
(e) Interest accrued but not due on borrowings;	4.11	6.44
<b>TOTAL</b>	<b><u>734.31</u></b>	<b><u>931.87</u></b>

#### 9 Short-term provisions

(a) Provision for employee benefits.	89.54	83.83
(b) Proposed dividend including Dividend Dist. Tax	186.36	185.13
<b>TOTAL</b>	<b><u>275.90</u></b>	<b><u>268.96</u></b>

#### 10 Fixed Assets

Tangible assets	Gross at Begin.	Additions	Deductions / Adjust-ment	Gross at End	Depre. Op. Bal.	Depre. for year	Deductions / Adjustment	Depre. Clo. Bal.	Net Value at Begin.	Net Value at end.
(a) Land.	800.52		(7.45)	807.97	-	-		-	800.52	807.97
(b) Buildings.	4,660.63	71.49	176.28	4,555.84	1,216.36	238.57	24.87	1,430.06	3,444.27	3,125.78
(c) Plant and Equipment.	2,896.65	397.13	15.83	3,277.95	2,094.11	182.01	4.52	2,271.60	802.54	1,006.35
(d) Furniture and Fixtures.	121.51	104.37	1.52	224.36	94.58	11.57	3.21	102.94	26.93	121.42
(e) Vehicles.	339.00	24.12	89.78	273.34	211.34	44.95	123.12	133.17	127.66	140.17
(f) Office equipment & Computers	347.14	47.69	9.69	385.14	298.74	12.87	1.70	309.91	48.40	75.23
(g) Electrical Installation	526.42	102.19	32.54	596.07	243.83	38.86	2.28	280.41	282.59	315.66
<b>TOTAL</b>	<b>9,691.87</b>	<b>746.99</b>	<b>318.19</b>	<b>10,120.67</b>	<b>4,158.96</b>	<b>528.83</b>	<b>159.70</b>	<b>4,528.09</b>	<b>5,532.91</b>	<b>5,592.58</b>
Intangible assets	Gross at Begin	Additions	Deductions	Gross at End	Depre. Op. Bal.	Depre. for year	Depre. On Deduction	Depre. Clo. Bal.	Net Value at Begin.	Net Value at end.
(a)Computer software.	23.66			23.66	8.16	9.30	(3.77)	21.23	15.50	2.43
				-				-		
<b>TOTAL</b>	<b>23.66</b>	<b>-</b>	<b>-</b>	<b>23.66</b>	<b>8.16</b>	<b>9.30</b>	<b>(3.77)</b>	<b>21.23</b>	<b>15.50</b>	<b>2.43</b>
Capital Work-in Progress	321.51	1,711.07	321.51	1,711.07				-	321.51	1,711.07
<b>TOTAL</b>	<b>10,037.04</b>	<b>2,458.06</b>	<b>639.70</b>	<b>11,855.40</b>	<b>4,167.12</b>	<b>538.13</b>	<b>155.93</b>	<b>4,549.32</b>	<b>5,869.92</b>	<b>7,306.08</b>

Notes:- 1) Deduction in gross block of land is Rs. 7.45 lac is previous year's adjustment.

2) Deduction in accumulated depreciation of computer software is Rs. 3.77 lac is previous year's adjustment.

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## NOTES FORMING PART OF THE ACCOUNTS : 31ST' MARCH, 2013.

(Rs. Lac)

NOTES	As at 31-Mar-2013	As at 31-Mar-2012
<b>11 Non-current investments</b>		
(a) Investments in debentures or bonds , un-quoted		
REC tax free bonds	61.24	61.24
(6124 units of Rs.1,000 each )		
NHAI Capital Gain Bonds	50.00	50.00
(500 units of Rs.10,000 each )		
NHAI Tax Free Bonds	74.17	73.24
(7417 units of Rs.1,000 each )		
(b) Investments in Mutual Funds , un-quoted		
HDFC FMP 370 Days	500.00	500.00
(50,00,000 units of Rs.10 each )		
HDFC FMP 375 Days	500.00	500.00
(50,00,000 units of Rs.10 each )		
HDFC FMP 24 Months	1,000.00	1,000.00
(100,00,000 units of Rs.10 each )		
HDFC FMP 13 Months	-	200.00
(previous year 20,00,000 units of Rs.10 each )		
HDFC Property Fund - HDFC India Real Estate Fund	189.51	202.98
(Current year 18,951 units of Rs.1000 each , previous year 20,298 units)		
(c) Investments in Equity Shares - Un-quoted		
Orbis Capital Limited	200.00	200.00
(15,44,000 Shares of Face value Rs. 10/- per share )		
(d) Investment in subsidiaries, un-quoted		
Garnett Wire Ltd.	136.39	136.39
(210,000 shares of GBP 1 per share )		
ICC International Agencies Ltd. ...	31.28	31.28
(500,000 shares of Rs. 10 per share )		
Shivraj Sugar and Allied Products P Ltd	0.23	0.23
(940 shares of Rs. 100 per share )		
<b>TOTAL</b>	<b><u>2,742.82</u></b>	<b><u>2,955.36</u></b>
<b>12 Long-term loans and advances</b>		
(i) Long-term loans and advances - Unsecured		
(a) Capital Advances;	53.93	318.04
(b) Security Deposits;	72.39	63.30
(c) Loans and advances to related parties		
Multi Act Constructions Pvt. Ltd. - Security deposit	240.00	240.00
(d) Other loans and advances		
Housing loan to employees	2.15	5.15
(e) Advance income tax paid ( net of provision )	28.34	77.72
<b>TOTAL</b>	<b><u>396.81</u></b>	<b><u>704.21</u></b>
<b>13 Current Investments at cost</b>		
(a) Investments in Equity Instruments - Quoted	-	-
Bimetal Bearings Ltd	-	12.30
(Previous year 4,350 shares of Rs.10/- each )		
MPS Ltd	9.74	9.74
(4,800 shares of Rs.10/- each)		
Bosch Limited	19.74	39.47
(Current year 500 shares of Rs.10/- each, previous year 1,000 shares)		
Panasonic Batteries Ltd	-	3.01
(previous year 5,000 shares of Rs.10/- each)		
Plastiblends India Ltd	2.79	5.58
(Current year 5,000 shares of Rs. 10/- each , previous year 10,000 shares)		
Voith Paper Fabi Ltd.	9.91	39.74

# 59<sup>th</sup> ANNUAL REPORT 2012-2013

## NOTES FORMING PART OF THE ACCOUNTS : 31ST' MARCH, 2013.

(Rs. Lac)

NOTES	As at 31-Mar-2013	As at 31-Mar-2012
(Current year 5,000 shares of Rs.10/- each, previous year 20,057 shares of Rs. 10/- each )		
(b) Investments in Mutual Funds;	-	-
HDFC - Short Term plan	20.00	20.00
(Current year 102,916 units of Rs. 10 each, previous year 102,916 )		
HDFC - Cash Management Daily Dividend	-	0.32
(Previous year 3211 units of Rs.10 each)		
<b>TOTAL</b>	<b>62.18</b>	<b>130.16</b>
(a) Aggregate amount of quoted investments	42.18	109.84
(b) Aggregate amount market value thereof;	66.66	163.03
<b>14 Inventories</b>		
(a) Raw materials;	487.43	365.28
(b) Work-in-progress;	662.43	534.66
(c) Finished goods;	336.68	317.41
(d) Stock-in-trade	9.79	11.00
(e) Stores and spares;	163.28	86.56
<b>TOTAL</b>	<b>1,659.61</b>	<b>1,314.91</b>
<b>15 Trade Receivables - Unsecured</b>		
(a) considered good;	960.33	940.39
(b) Unsecured considered good , above six months	0.30	23.43
(c) considered doubtful , above six months	31.10	27.24
Less : Provision for doubtful debts	(31.10)	(27.24)
<b>TOTAL</b>	<b>960.63</b>	<b>963.82</b>
<b>16 Cash and cash equivalents</b>		
(a) Balances with banks;	1.84	28.81
(b) Cash on hand;	0.10	0.45
(c) Earmarked balances with banks	32.50	25.47
(d) Bank deposits with more than 12 months maturity .	49.14	4.90
<b>TOTAL</b>	<b>83.58</b>	<b>59.63</b>
<b>17 Short-term loans and advances</b>		
(a) Balance with Excise Authorities	66.77	97.58
(b) Unsecured, considered good;	-	-
Prepaid expenses	63.53	65.13
Prepayment of Indirect taxes	7.74	20.62
Other Advances	6.54	26.52
(c) Doubtful.	3.15	0.70
(d) Allowance for bad and doubtful loans and advances	(3.15)	(0.70)
<b>TOTAL</b>	<b>144.58</b>	<b>209.85</b>
<b>18 Other current assets</b>		
Fixed assets held for disposal.	5.76	3.19
<b>TOTAL</b>	<b>5.76</b>	<b>3.19</b>
<b>19 Revenue from operations</b>		
(a) Sale of products	5,520.63	5,302.62
(b) Sale of services	71.38	56.21
(c) Other operating revenues	1,171.03	1,747.46
Sub-Total	6,763.04	7,106.29
Less:		
(d) Excise duty.	525.07	336.94
<b>TOTAL</b>	<b>6,237.97</b>	<b>6,769.35</b>
<b>20 Other income</b>		
(a) Interest Income	41.89	8.91
(b) Dividend Income;	39.39	104.30
(c) Net gain on sale of investments	163.18	331.14



# THE INDIAN CARD CLOTHING COMPANY LIMITED

## NOTES FORMING PART OF THE ACCOUNTS : 31ST' MARCH, 2013.

(Rs. Lac)

NOTES	As at 31-Mar-2013	As at 31-Mar-2012
(d) Excess provision written-back	4.04	5.29
(e) Exchange gain	60.33	13.12
(f) Profit on sale of Assets	0.05	2.17
(e) Other non-operating income	-	15.59
<b>TOTAL</b>	<b><u>308.88</u></b>	<b><u>480.52</u></b>
<b>21 (a) Employee Benefits Expense</b>		
(i) Salaries and wages,	1,315.90	1,336.76
(ii) Contribution to provident and other funds,	99.27	155.17
(iii) Provision for gratuity and leave encashment	95.47	98.57
(iv) Insurance Personal and accident.	23.14	20.88
(v) Staff welfare expenses	151.64	127.56
<b>TOTAL</b>	<b><u>1,685.42</u></b>	<b><u>1,738.94</u></b>
<b>22 Finance Costs</b>		
(a) Interest expense;	99.86	109.70
(b) Other borrowing cost	11.47	13.45
<b>TOTAL</b>	<b><u>111.33</u></b>	<b><u>123.15</u></b>
<b>23 Other Expenses</b>		
Stores and spare parts consumed	104.71	116.88
Power and fuel	329.82	311.32
Rent	32.65	32.89
Insurance	7.23	6.23
Rates and taxes	81.06	95.56
Repairs to building	104.64	93.38
Repairs to plant and machinery	153.68	105.57
Freight and clearing charges	37.05	66.59
Travelling expenses	159.70	140.17
Communication expenses	24.67	28.63
Commission on sales	106.87	191.67
Provision for doubtful debts / advances	6.31	3.07
Computer and software maintainance	12.37	24.77
Investment advisory fees	13.48	12.84
Legal and professional fees	157.56	109.01
<b>Audit Fees</b>		
As Auditor	4.50	3.45
Other services	0.40	0.30
Reimbursement of expenses	0.30	0.24
Watch and Ward expenses	51.83	48.57
Directors sitting fees and commission	11.95	6.35
Other sundry expenses	237.75	185.69
<b>TOTAL</b>	<b><u>1,638.53</u></b>	<b><u>1,583.18</u></b>
<b>24 Exceptional Items</b>		
Profit on sale of Land and Building	-	209.44
Less : Impairment of Capital work-in-progress	<b>(48.92)</b>	<b>(57.55)</b>
Net Exceptional Items	<b><u>(48.92)</u></b>	<b><u>151.89</u></b>

**NOTES FORMING PART OF THE ACCOUNTS : 31ST' MARCH, 2013.****25. SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Preparation of Financial Statements**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 1956 and the Accounting Standards notified under the said Act.

**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 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.

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## NOTES FORMING PART OF THE ACCOUNTS : 31ST' MARCH, 2013.

### **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.

## 59<sup>th</sup> ANNUAL REPORT 2012-2013

### NOTES FORMING PART OF THE ACCOUNTS : 31ST' MARCH, 2013.

(Rs. Lac)

26. 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	219	228.80	247	208.31	3,621	3,755.96
	(367)	(151.92)	(219)	(228.80)	(4,328)	(3,661.35)
Woollen, worsted, cotton waste and asbestos card clothing and raising fillets and sheets-metres	6,453	21.29	20,755	78.50	1,09,325	597.52
	(4,623)	(10.23)	(6,453)	(21.29)	(1,26,296)	(523.25)
Accura fixed flats - nos	9,881	67.32	8,651	49.87	37,365	551.72
	(10,119)	(43.10)	(9,881)	(67.32)	(41,178)	(662.19)
Trading goods		11.00		9.79		90.36
		(18.18)		(11.00)		(118.89)
<b>TOTAL</b>		<u>328.41</u>		<u>346.47</u>		<u>4,995.56</u>
		<u>(223.43)</u>		<u>(328.41)</u>		<u>(4,965.68)</u>

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

#### NOTES

27. Raw materials including packing material consumed:	As at 31-Mar-2013 Qty	As at 31-Mar-2012 Rs.lac
Steel (wires and strips) - tonnes	875.09	1,226.80
	(1,061)	(1,216.39)
Industrial cloth and fabric - square metres	38,026	506.29
	(33,657)	(436.35)
Others		143.93
		(422.17)
<b>TOTAL</b>		<u>1,877.02</u>
		<u>(2,074.91)</u>

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

	%	Rs.lac
Imported	15.84	338.23
	(8.50)	(195.32)
Indigenous	84.16	1,797.18
	(91.50)	(2,102.04)
<b>TOTAL</b>	<u>100.00</u>	<u>2,135.41</u>
	<u>(100.00)</u>	<u>(2,297.36)</u>

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

Raw materials	206.61	187.30
Stores and spare parts	6.01	8.02
Capital goods	1,584.91	132.53
Trading goods	27.66	63.48

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## NOTES FORMING PART OF THE ACCOUNTS : 31ST' MARCH, 2013.

(Rs. Lac)

NOTES	As at 31-Mar-2013	As at 31-Mar-2012		
<b>30. Expenditure in foreign currency :</b>				
Travelling, commission, technical consultation and others	198.90	177.74		
<b>31. i) Claims against the Company not acknowledged as debts</b>	40.00	40.00		
ii) Estimated amount of contracts remaining to be executed on capital account and not provided for ( net of advances)	126.04	777.40		
iii) Contingent liability in respect of taxation matters in appeal by the Department	15.19	15.19		
<b>32. Amount remitted in foreign currency on account of dividend to non-resident:</b>				
Year to which dividend relates	Number of Shareholders	Number of Shares	Year ended 31-Mar-2013 Rs.lac	Year ended 31-Mar-2012 Rs.lac
Final Dividend 2010-11	1	21,10,066	-	78.30
Interim Dividend 2011-12	1	21,10,066	-	261.01
Final Dividend 2011-12	1	21,10,066	91.35	-
<b>33. Earnings in foreign currency :</b>				
Exports realisation on F.O.B. basis			1,152.70	1,484.31
Others (freight charges on exports)			2.87	25.39

### 34. Employee Benefits : Post Retirement Benefit - Defined Contribution Plans

Disclosure on Retirement Benefits as required in Accounting Standard (AS 15) on 'Employees Benefits' are given below.

Particulars	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
Current Service Cost	24,64,546	20,95,511	20,61,515	20,10,386	17,27,083
Interest Cost	44,28,508	39,92,302	39,46,017	38,40,963	28,21,510
Expected Return on the Plan Assets	-49,36,391	-49,08,595	-46,78,873	-40,50,269	-33,13,727
Actuarial (Gain) / Loss recognized	29,53,241	78,63,156	-34,99,866	-45,38,175	81,94,570
Total Expenses	49,09,904	90,42,374	-21,71,207	-27,37,095	94,29,436

#### a) Net Assets / Liabilities

Particulars	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
Present Value of Defined Benefit obligation at the year end	5,48,20,974	5,53,56,351	4,99,03,771	4,93,25,209	4,80,12,035
Fair value of Plan Asset as at the year end	5,71,57,557	5,83,56,257	5,75,47,438	5,10,39,419	4,24,09,509
Net Liability at the year end	-23,36,583	-29,99,906	-76,43,667	-17,14,210	56,02,526

# 59<sup>th</sup> ANNUAL REPORT 2012-2013

## NOTES FORMING PART OF THE ACCOUNTS : 31ST' MARCH, 2013.

(Rs. Lac)

### b) Change in the Obligation

Particulars	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
Present Value of Defined Benefit Obligation at the beginning of the year.	5,53,56,351	4,99,03,771	4,93,20,209	4,80,12,035	3,52,68,872
Current Service Cost	24,64,546	20,95,511	20,61,515	20,10,386	17,27,083
Interest Cost	44,28,508	39,92,302	39,46,017	38,40,963	28,21,510
Actuarial (Gain) / Losses	29,53,241	78,63,156	-34,99,866	-45,38,175	81,94,570
Benefit Payment	(1,03,81,672)	(84,98,389)	-19,24,104	-	-
Present Value of defined Benefit Obligation as at the end of the year.	5,48,20,974	5,53,56,351	4,99,03,771	4,93,25,209	4,80,12,035

### c) Actuarial Assumptions

Particulars	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
Discount Rate	8.00%	8.00%	8.00%	8.00%	8.00%
Rate of Return on Plan Assets**	8.55%	8.47%	8.62%	7.81%	7.81%
Salary Escalation	5.00%	5.00%	5.00%	5.00%	5.00%

\*\* = EXPECTED RETURN ON PLAN ASSETS / (OP PLAN ASSET + CLO PLAN ASSET) / 2

### d) Employees cost disclosed in Note no. 21

Particulars	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
Gratuity	49.29	90.31	(21.71)	(27.37)	(78.30)
Leave Encashment	40.18	8.26	30.78	8.47	(8.20)
Provident Fund	63.47	69.97	70.39	68.87	73.49

35. The total of research and development costs including depreciation charge to profit and loss Rs. 49.52 lac (previous year Rs.60.69 lac).

### 36. Deferred Taxes

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

Particulars	As on 31-Mar-13 Rs. Lac	As on 31-Mar-12 Rs. Lac
a) Depreciation	1.45	-50.09
b) Provision for doubtful debts/ advances	11.64	9.06
c) Technical know-how	1.23	1.56
d) Employee benefits	60.36	61.07
Net deferred tax Asset / (Liability)	<u>74.68</u>	<u>21.60</u>

### 37. Disclosure of Foreign currency exposure

Foreign currency exposure of monetary items as on 31st March 2013 which are not hedged by a derivative instrument or otherwise is as follows -

Nature of Monetary Item	Name of Currency	Foreign Currency	31-Mar-13 Rs Lac	Foreign Currency	31-Mar-12 Rs Lac
1. Import of Goods	GBP	2,783	2.09	-	-
	EUR	10,09,068	693.40	1,33,250	91.82
2. Export of Goods	USD	5,68,152	308.90	9,49,805	470.86
	GBP	1,959	1.61	5,616	4.48
	EUR	1,096	0.77	-	-
3. Buyer's Credit	EUR	7,50,701	532.55	-	-
	EUR	1,33,250	94.53	1,33,250	94.53

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## NOTES FORMING PART OF THE ACCOUNTS : 31ST' MARCH, 2013.

### 38. 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.
- c) Other Subsidiary controlled by the Company
  - i) Garnett Wire Ltd., UK
  - ii) Shivraj Sugar and Allied Products Pvt Ltd.
- 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.

### e) Transactions with related Parties

Name of party	Nature of transaction	Year ended	Year ended
		31-Mar-13	31-Mar-12
		Rs.lac	Rs.lac
a) Multi Act Industrial Enterprises Ltd., Mauritius	Dividend paid	91.35	339.31
b) Garnett Wire Ltd., UK	Sales	8.79	5.95
	Purchases	27.66	13.54
	Amount receivable	1.03	3.59
	Amount payable	0.06	0.00
c) ICC International Agencies Limited	Dividend Received	25.00	50.00
d) Multi Act Equity Consultancy Pvt Ltd.	Investment Advisory fees	13.48	12.84
e) Multi Act Constructions Pvt. Ltd.	Rent paid	17.52	17.52
	Deposit Paid	240.00	240.00
f) Directors & Relatives			
i) Mr. K K Trivedi Chairman Emirutus	Sitting fees as Director	-	-
ii) Mr. Prashant K Trivedi - Chairman	Sitting fees as Director	0.90	0.90
iii) Mr. M K Trivedi - Managing Director (Also key management personnel)	Salary, commission and other perquisites.	48.04	46.45

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

# 59<sup>th</sup> ANNUAL REPORT 2012-2013

## NOTES FORMING PART OF THE ACCOUNTS : 31ST' MARCH, 2013.

### 39 Segment disclosure

A. Primary segment information	Card Clothing	Treasury	Realty	Others/ Unallocable	Total Rs.lac
i. Segment revenue					
External sales	5078.30	0.00	0.00	0.00	5078.30
	(5023.75)	0.00	0.00	0.00	(5023.75)
Treasury and other income	83.86	200.02	1159.67	25.00	1468.55
	(254.18)	(385.78)	(1,745.60)	(50.00)	(2435.56)
Total revenue	5162.16	200.02	1159.67	25.00	6546.85
	(5277.93)	(385.78)	(1745.60)	(50.00)	(7459.31)
ii. Segment Results					
Profit / (loss) before tax and interest	(161.20)	184.72	853.48	(47.83)	829.17
	162.08	(360.76)	(1,463.05)	7.46	(1,654.27)
Interest expense	111.33	0.00	0.00	0.00	111.33
	(123.15)	0.00	0.00	0.00	(123.15)
Profit / (loss) before tax	(272.53)	184.72	853.48	(47.83)	717.84
	285.23	(360.76)	(1,463.05)	7.46	(1,531.12)
iii. Other Information					
Segment assets	8,492.94	2,637.10	2,002.55	304.14	13,436.73
	(6,728.59)	(2,917.62)	(2,293.41)	(293.05)	(12,232.66)
Segment liabilities	2,926.55	-	1,504.03	32.50	4,463.08
	(1,966.36)	-	(1,358.40)	(211.22)	(3,535.98)
Capital expenditure during the year	1843.57	0.00	292.98	0.00	2136.55
	(385.96)	0.00	0.00	0.00	(385.96)
Depreciation	417.87	0.00	120.26	0.00	538.13
	(404.65)	0.00	(124.21)	0.00	(528.86)

### B. Secondary Segment Information

Geographical by location of customers

	Revenue	Assets
Domestic sales	3,914.24	703.14
	(3,537.58)	(615.10)
Export sales	1,152.70	257.49
	(1,484.31)	(325.29)

40. Figures in bracket are in respect of previous year. Previous year's figures have been regrouped / re-classified where-ever necessary to comply with requirements of revised Schedule VI.

As per our report attached  
**B. K. KHARE & CO.**  
 Chartered Accountants  
 FRN-105102W  
 by the hand of  
**DEVDATTA MAINKAR**  
 Partner  
 M.NO. 109795  
 Mumbai, 15 May, 2013

**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, 15 May, 2013

Chairman  
 Managing Director  
 Director  
 Director  
 Director  
 Director  
 Director



## THE INDIAN CARD CLOTHING COMPANY LIMITED

### STATEMENT PURSUANT TO SECTION 212 OF THE COIMPANIES ACT, 1956 RELATING TO SUB-SIDIARY 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 2013	31st March 2013	31st March 2013
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, 2013. In the previous financial years	PDS (10,975) PDS 134,568	Rs. (164,42,306) Rs. 408,35,036	Rs. Nil Rs. Nil
5.2	Dealt with in the Holding Company's accounts during 31st March, 2013 In the previous financial years	Rs. Nil PDS 1,28,100	Rs. 25,00,000/- Rs. 215,00,000/-	Rs. Nil Rs. Nil

**For and on behalf of the Board**

**PRASHANT K. TRIVEDI**

Chairman

**M.K.TRIVEDI**

Managing Director

**HEMRAJ C. ASHER**

Director

**M.M.SHAH**

Director

**J.M.KOTHARY**

Director

**A.D.DAHOTRE**

Company Secretary

**C.M.MANIAR**

Director

**SUDHIR MERCHANT**

Director

Mumbai, 15 May, 2013

Mumbai, 15 May, 2013

# 59<sup>th</sup> ANNUAL REPORT 2012-2013

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013.

Particulars	Note No.	(Rs. Lac)	
		As at 31-Mar-2013	As at 31-Mar-2012
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	455.11	455.11
(b) Reserves and surplus	2	8,843.81	8,760.13
<b>2 Foreign Currency Translation Reserve</b>			
Minority Interest		115.78	35.66
		244.17	200.05
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	3	246.94	458.37
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	4	1,511.71	1,364.46
(d) Long-term provisions	5	57.02	73.38
<b>4 Current liabilities</b>			
(a) Short-term borrowings	6	1,231.14	303.01
(b) Trade payables	7	771.35	510.18
(c) Other current liabilities	8	766.30	964.46
(d) Short-term provisions	9	275.90	276.06
		<b>TOTAL</b>	
		<b>14,519.23</b>	<b>13,400.87</b>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	5,992.35	5,922.52
(ii) Intangible assets	11	1.92	23.81
(iii) Capital work-in-progress	12	1,771.61	321.51
(iv) Intangible assets under development			
(b) Non-current investments	13	2,574.92	2,787.46
(c) Deferred tax assets (net)		61.83	20.27
(d) Long-term loans and advances	14	431.08	639.28
<b>2 Current assets</b>			
(a) Current investments	15	62.18	130.16
(b) Inventories	16	1,931.38	1,613.50
(c) Trade receivables	17	1,302.71	1,357.95
(d) Cash and cash equivalents	18	188.05	195.01
(e) Short-term loans and advances	19	195.44	386.21
(f) Other current assets	20	5.76	3.19
		<b>TOTAL</b>	
		<b>14,519.23</b>	<b>13,400.87</b>

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 26 & 37

As per our report attached

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

Chartered Accountants

FRN-105102W

by the hand of

**DEVDATTA MAINKAR**

Partner

M.NO. 109795

Mumbai, 15 May, 2013

**A.D.DAHOTRE**

Chief Financial Officer  
and Company Secretary.

**M.K.TRIVEDI**

Managing Director

Mumbai, 15 May, 2013

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

Particulars	Note No.	Year Ended 31-Mar-2013	(Rs. Lac) Year Ended 31-Mar-2012
I. Gross Revenue from operations	21	7,953.43	8,564.59
Less : Excise duty		<u>525.07</u>	<u>336.94</u>
<b>Net Income from Operations</b>		<b>7,428.36</b>	<b>8,227.65</b>
II. Other income	22	<u>306.65</u>	<u>464.12</u>
<b>III. Total Revenue (I + II)</b>		<b><u>7,735.01</u></b>	<b><u>8,691.77</u></b>
IV. Expenses:			
Cost of materials consumed		2,297.30	2,573.26
Purchases of Stock-in-Trade		107.75	100.68
Provision for Excise duty on finished goods		(1.55)	(18.27)
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		<u>(124.79)</u>	<u>(292.57)</u>
Employee benefits expense	23	2,186.87	2,166.85
Finance costs	24	119.35	130.61
Depreciation and amortization expense		568.90	553.07
Other expenses	25	2,008.71	1,992.75
<b>Total expenses</b>		<b>7,162.54</b>	<b>7,206.38</b>
<b>V. Profit before exceptional and extraordinary items and tax ( III - IV )</b>		<b>572.47</b>	<b>1,485.39</b>
VI. Exceptional items (Profit on sale of assets & Loss on impairment of assets)		<u>(48.92)</u>	<u>151.89</u>
<b>VII. Profit before extraordinary items and tax (V +VI)</b>		<b><u>523.55</u></b>	<b><u>1,637.28</u></b>
VIII. Extraordinary Items Income / ( Expense )		-	-
<b>IX. Profit before tax ( VII- VIII )</b>		<b>523.55</b>	<b>1,637.28</b>
X Tax expense:			
(1) Current tax		305.78	452.69
(2) Minimum Alternate Tax		(5.63)	-
(3) Deferred tax		<u>(41.69)</u>	<u>(9.70)</u>
<b>XI Profit (Loss) after tax and before minority interest.</b>		<b>265.09</b>	<b>1,194.29</b>
Less : Minority Interest		<u>(6.00)</u>	<u>25.54</u>
<b>Profit (Loss) after tax and minority interest.</b>		<b><u>271.09</u></b>	<b><u>1,168.75</u></b>
XII Earnings per equity share:			
Basic and diluted		5.96	25.68

As per our report attached

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

Chartered Accountants

FRN-105102W

by the hand of

**DEVDATTA MAINKAR**

Partner

M.NO. 109795

Mumbai, 15 May, 2013

**A.D.DAHOTRE**

Chief Financial Officer  
and Company Secretary.

**M.K.TRIVEDI**

Managing Director

Mumbai, 15 May, 2013

# 59<sup>th</sup> ANNUAL REPORT 2012-2013

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> March, 2013

Particulars	As at 31-Mar-2013	(Rs. Lac) As at 31-Mar-2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax and extraordinary items	524.34	1,637.28
Depreciation	568.90	553.07
Foreign Exchange (gain) / loss	(62.08)	(13.58)
Interest / Dividend Received	(65.47)	(75.84)
(Profit) / Loss on sale of Fixed Assets	(330.23)	(1,280.36)
(Profit) / Loss on sale of Investments	(163.18)	(331.14)
Provision for leave encashment and gratuity & Other	95.47	98.57
Provision for bad/doubtful debts written back	4.04	5.29
Interest paid	119.35	130.61
	<u>166.80</u>	<u>(913.38)</u>
<b>Operating Profit before Working Capital changes</b>	<u>691.14</u>	<u>723.90</u>
Trade and other receivables	451.64	(338.24)
Inventories	(317.88)	(201.13)
Trade and Other payables	(140.66)	(111.90)
Direct Taxes paid	(300.15)	(378.97)
	<u>(307.05)</u>	<u>(1,030.24)</u>
<b>Net Cash generated from /(used in) operating activities</b>	<u>384.09</u>	<u>(516.47)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(2,176.35)	(432.17)
Sale of Fixed Assets	592.41	1,658.07
Purchase of Investments	(1,000.93)	(4,064.30)
Proceeds from Sale of Investments	1,444.62	3,643.30
Interest/Dividend received	65.47	75.84
Net cash from/ (used in) investing activities	<u>(1,074.78)</u>	<u>880.74</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short Term Borrowings	928.13	126.41
Long Term Borrowings	(211.43)	(149.51)
F C Reserve, Minority interest and Cost of control	124.24	7.63
Security Deposits	147.25	210.34
Dividend paid	(159.29)	(591.64)
Tax on dividend	(25.82)	(86.67)
Interest paid	(119.35)	(130.61)
<b>Net Cash from/ (used in) financing activities</b>	<u>683.73</u>	<u>(464.54)</u>
<b>Net increase/(decrease) in cash and cash equivalents(A+B+C)</b>	<u>(6.96)</u>	<u>(100.27)</u>
Beginning of year :		
Cash and Bank balances	195.01	295.28
End of year :		
Cash and Bank balances	188.05	195.01
Increase/(Decrease) in cash and cash equivalents	(6.96)	(100.27)

As per our report attached

**B. K. KHARE & CO.**  
Chartered Accountants  
FRN-105102W  
by the hand of

**DEVDATTA MAINKAR**

Partner  
M.NO. 109795

Mumbai, 15 May, 2013

**A.D.DAHOTRE**

Chief Financial Officer  
and Company Secretary.

**M.K.TRIVEDI**

Managing Director

Mumbai, 15 May, 2013

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS : 31ST' MARCH, 2013.

		(Rs. Lac)
NOTES	As at 31-Mar-2013	As at 31-Mar-2012
<b>1 Share Capital</b>		
Share Capital		
Authorised share Capital		
50,00,000 Equity shares of Rs. 10 each.	<b>500.00</b>	500.00
issued, subscribed and fully paid-up		
45,51,120 (45,51,120) Equity shares of Rs.10/- each , fully paid-up.	<b>455.11</b>	455.11
All equity shares have equal rights and restrictions on distribution of dividends 26,10,066 Equity shares are held by the holding company - Multi Act Industrial Enterprises Ltd.		
<b>2 Reserves and Surplus</b>		
<b>(i) Reserves and Surplus shall be classified as:</b>		
<b>(a) Securities Premium Reserve;</b>	<b>910.22</b>	910.22
<b>(b) General reserve</b>		
Opening balance	<b>1,693.12</b>	1,567.12
Add : Transfer from current years profit.	<b>47.00</b>	126.00
Closing Balance	<b>1,740.12</b>	1,693.12
<b>(c) Capital Reserve</b>	<b>10.88</b>	10.88
<b>(d) Profit and Loss Account</b>	<b>6,182.59</b>	6,265.91
<b>TOTAL</b>	<b>8,843.81</b>	8,760.13
<b>Profit and Loss Account</b>		
Profit and Loss Account - Opening Balance	<b>6,145.91</b>	5,764.03
Add : Current years net profit after tax	<b>271.09</b>	1,168.75
Less : Transfer to General reserve	<b>(47.00)</b>	(126.00)
Less : Appropriation towards Interim dividend payment	<b>-</b>	(520.64)
Less : Appropriation towards Proposed dividend payment	<b>(159.29)</b>	(109.29)
Less : Dividend tax payment	<b>(27.07)</b>	(29.89)
Less : Preliminary expenses	<b>(1.05)</b>	(1.05)
<b>Profit and Loss Account - Closing Balance</b>	<b>6,182.59</b>	6,145.91
<b>3 Long-Term Borrowings</b>		
Term loans from bank - Secured	<b>246.94</b>	458.37
(Secured by charge on Land, Building and Plant and Machinery of Himachal Pradesh Factory, Rate of Interest is 12.5 %)		
Term loan is repayable in equal quarterly instalment in five years.		
<b>TOTAL</b>	<b>246.94</b>	458.37
<b>4 Other Long Term Liabilities</b>		
Security Deposits	<b>1,511.71</b>	1,364.46
<b>TOTAL</b>	<b>1,511.71</b>	1,364.46
<b>5 Long-term provisions</b>		
Provision for employee benefits.	<b>57.02</b>	73.38
<b>TOTAL</b>	<b>57.02</b>	73.38
<b>6 Short-term borrowings</b>		
Loans repayable on demand from banks - Secured	<b>630.12</b>	303.01
Secured by hypothecation of inventory and book debts and pledge of mutual fund units, rate of interest is 12.50 %.		
Buyer's Credit - Unsecured	<b>601.02</b>	-
Repayable within half-yearly interest rate 1.23%		
<b>TOTAL</b>	<b>1,231.14</b>	303.01

# 59<sup>th</sup> ANNUAL REPORT 2012-2013

## NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS : 31ST' MARCH, 2013.

	NOTES	As at 31-Mar-2013	(Rs. Lac) As at 31-Mar-2012
<b>7</b>	<b>Trade Payables</b>		
	Sundry Creditors	479.17	344.28
	Accrued Expenses	292.18	165.90
	Total Trade Payable	<b>771.35</b>	510.18
	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, 2013 is Rs. Nil , previous year Nil. Further no interest has been paid or is payable under the Act.		
<b>8</b>	<b>Other current liabilities</b>		
	(a) Current maturities of long-term debt;	200.00	400.00
	(b) Other Current liabilities		
	Payable to employees	306.81	279.06
	Provident Fund and ESI Payable	14.17	36.81
	(c) Advance from Customers	208.71	216.68
	(d) Unpaid dividends	32.50	25.47
	(e) Interest accrued but not due on borrowings;	4.11	6.44
	<b>TOTAL</b>	<b>766.30</b>	964.46
<b>9</b>	<b>Short-term provisions</b>		
	(a) Provision for employee benefits.	89.54	90.93
	(b) Others - Proposed Dividend	186.36	185.13
	<b>TOTAL</b>	<b>275.90</b>	276.06
<b>10-12</b>	<b>Notes on Fixed Assets</b> - refer page no. 49		
<b>13</b>	<b>Non-current investments</b>		
	(a) Investments in debentures or bonds;	185.41	184.48
	(b) Investments in Mutual Funds;	2,189.51	2,402.98
	(c) Investments in Equity Shares - Un-quoted	200.00	200.00
	<b>TOTAL</b>	<b>2,574.92</b>	2,787.46
<b>14</b>	<b>Long-term loans and advances</b>		
	(i) Long-term loans and advances - Unsecured		
	(a) Capital Advances;	53.93	318.04
	(b) Security Deposits;	87.86	76.09
	(c) Loans and advances to related parties Multi Act Constructions Pvt. Ltd.	250.89	240.00
	(d) Other loans and advances	2.15	5.15
	(e) Advance income tax paid (Net of Provision)	36.25	
	<b>TOTAL</b>	<b>431.08</b>	639.28
<b>15</b>	<b>Current Investments</b>		
	(a) Investments in Equity Instruments;	42.18	109.84
	(b) Investments in Mutual Funds;	20.00	20.32
	<b>TOTAL</b>	<b>62.18</b>	130.16
<b>16</b>	<b>Inventories</b>		
	(a) Raw materials;	628.95	513.17
	(b) Work-in-progress;	672.83	537.46
	(c) Finished goods;	415.37	398.30
	(d) Stock-in-trade	50.95	78.01
	(e) Stores and spares;	163.28	86.56
	<b>TOTAL</b>	<b>1,931.38</b>	1,613.50
<b>17</b>	<b>Trade Receivables - Unsecured</b>		
	(a) considered good;	1,275.65	1,319.87
	(b) Unsecured considered good , above 180 days	27.06	38.08
	(c) considered doubtful , above 180 days	57.58	53.72
	Less : Provision for doubtful debts	(57.58)	(53.72)
	<b>TOTAL</b>	<b>1,302.71</b>	1,357.95

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS : 31ST' MARCH, 2013.

		(Rs. Lac)
NOTES	As at 31-Mar-2013	As at 31-Mar-2012
<b>18 Cash and cash equivalents</b>		
(i) Cash and cash equivalents shall be classified as:		
(a) Balances with banks;	17.95	55.92
(b) Cash on hand;	0.36	1.33
(ii) Earmarked balances with banks	32.50	25.47
(iii) Bank deposits with more than 12 months maturity shall be disclosed separately.	137.24	112.29
<b>TOTAL</b>	<b>188.05</b>	<b>195.01</b>
<b>19 Short-term loans and advances</b>		
(a) Balance with Excise Authorities	74.51	97.58
(b) Unsecured, considered good;		
Prepaid Expenses	109.73	70.49
Prepayment of Taxes	5.97	115.41
Other Advances	5.23	102.73
(c) Doubtful.	3.15	0.70
(d) Allowance for bad and doubtful loans and advances shall be disclosed under the relevant heads separately.	(3.15)	(0.70)
<b>TOTAL</b>	<b>195.44</b>	<b>386.21</b>
<b>20 Other current assets</b>		
Fixed assets / C WIP held for disposal.	5.76	3.19
<b>TOTAL</b>	<b>5.76</b>	<b>3.19</b>
<b>21 Revenue from operations</b>		
(A) In respect of a company other than a finance company revenue from operations shall disclose separately in the notes, Revenue from:		
(a) sale of products;	6,514.04	6,399.05
(b) sale of services;	106.23	90.19
(c) Commission received	153.82	329.75
(d) Rent and Service Charges received	800.19	619.30
(e) Profit on sale of asset	379.15	1,126.30
Sub-Total	7,953.43	8,564.59
Less :		
Excise duty.	525.07	336.94
<b>TOTAL</b>	<b>7,428.36</b>	<b>8,227.65</b>
<b>22 Other income</b>		
(a) Interest Income	51.08	21.54
(b) Dividend Income;	14.39	54.30
(c) Net gain on sale of investments	163.18	331.14
(d) Excess provision written-back	4.04	5.29
(e) Exchange gain	62.08	13.58
(f) Profit on sale of Asset	0.05	4.03
(g) Other non-operating income	11.83	34.24
<b>TOTAL</b>	<b>306.65</b>	<b>464.12</b>
<b>23 (a)Employee Benefits Expense [showing separately]</b>		
(i) salaries and wages,	1,790.04	1,756.10
(ii) contribution to provident and other funds,	106.83	162.63
(iii) Provision for gratuity, leave and retirement.	95.47	98.57
(iv) Insurance Personal and accident.	23.14	20.88
(v) staff welfare expenses	171.39	128.67
<b>TOTAL</b>	<b>2,186.87</b>	<b>2,166.85</b>
<b>24 Finance Costs</b>		
(a) Interest expense;	104.99	114.29
(b) Other borrowing cost	14.36	16.32
<b>TOTAL</b>	<b>119.35</b>	<b>130.61</b>

# 59<sup>th</sup> ANNUAL REPORT 2012-2013

## NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS : 31ST' MARCH, 2013.

		(Rs. Lac)	
NOTES		As at 31-Mar-2013	As at 31-Mar-2012
<b>25</b>	<b>Other Expenses</b>		
	Stores and spare parts consumed	130.44	133.04
	Power and Fuel	344.84	324.87
	Rent	67.63	53.25
	Insurance	27.45	28.53
	Rates and taxes	86.23	109.68
	Repairs to Building	104.64	93.38
	Repairs to Plant and Machinery	164.89	112.89
	Freight and Clearing charges	37.05	66.59
	Travelling expenses	221.47	209.11
	Communication expenses	42.21	28.63
	Commission on sales	136.25	233.02
	Provision for doubt-ful debts / advances	14.19	3.07
	Computer and software maintainance	12.37	24.77
	Investment advisory fees	13.48	12.84
	Legal and professional fees	167.20	109.01
	Audit Fees		
	As Auditor	13.03	10.85
	Other Services	1.53	0.96
	Reimbursement of expenses	0.30	0.24
	Watch and Ward expenses	51.83	48.57
	Exchange loss		-
	Directors Sitting Fees and commission	12.78	6.35
	Other sundry expenses	358.90	383.10
	<b>TOTAL</b>	<b>2,008.71</b>	<b>1,992.75</b>

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### 26. Basis of Preparation of Financial Statements

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%

### 27. 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.

### 28. 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".

### 29. 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.

### 30. In respect of the Accounts of The ICC International Agencies Limited : Provision for doubtful debts for the year include Rs. Nil lac, Previous year Rs.2.67/-lac due from a non resident company.



# THE INDIAN CARD CLOTHING COMPANY LIMITED

## NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS : 31ST' MARCH, 2013.

### 31. Related Party Disclosure

- a) Controlling Company - Multi Act Industrial Enterprises Ltd., Mauritius
- b) 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 Construction Pvt. Ltd.
  - iii. Joseph Sellers & Sons Ltd.
  - iv. Shaped Wires Ltd.
- c) Transactions with Related Parties:

Name of party	Nature of transaction	Year ended 31-Mar-13 Rs.lac	Year ended 31-Mar-12 Rs.lac
i) Multi Act Industrial Enterprises Ltd., Mauritius	Dividend paid	91.35	339.31
ii) Multi Act Equity Consultancy Pvt Ltd.	Investment Advisory fees	13.48	12.84
iii) Multi Act Construction Pvt. Ltd.	Rent paid	17.52	17.52
	Deposit Paid	240.00	240.00
iv) Joseph Sellers & Sons Limited	Sales	0.03	0.04
	Purchases	46.00	42.81
	Amount receivable	0.04	0.04
	Amount payable	1.49	-
v) Shaped Wires Ltd.	Sales	164.57	153.17
	Purchases	408.35	363.50
	Rent Received	19.67	16.55
	Amount receivable	42.17	41.68
	Amount payable	-	-
vi) Directors & Relatives			
a) Mr. K K Trivedi - Chairman Emiritus	Sitting fees paid	-	-
b) Mr. Prashant K Trivedi - Chairman	Sitting fees paid	0.90	0.90
c) Mr. Mehul K Trivedi - Managing Director (Also key management personnel)	Salary, commission and other perquisites.	48.04	46.45

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

### 32. Segment Disclosure

Rs.lac

A. Primary Segment Information	Card Clothing	Treasury	Realty	Others/ Unallocable	Total
i. Segment Revenue					
External Sales	6,249.02	-	-	-	6,249.02
	(6,096.27)	-	-	-	(6,096.27)
Treasury and other income	126.30	200.02	1,159.67	-	1,485.99
	(464.12)	(385.78)	(1,745.60)	-	(2,595.50)
Total revenue	6,375.32	200.02	1,159.67	-	7,735.01
	(6,560.39)	(385.78)	(1,745.60)	-	(8,691.77)
ii. Segment Results					
Profit before tax and interest	(325.08)	184.72	853.48	(69.43)	643.69
	43.99	(360.76)	(1,463.05)	57.46	(1,722.36)
Less : Interest expense	119.35	-	-	-	119.35
	(130.61)	-	-	-	(130.61)
Profit from ordinary activities before tax	(444.43)	184.72	853.48	(69.43)	524.34
	174.60	(360.76)	(1,463.05)	57.46	(1,591.75)
iii. Other Information					
Segment Assets	9,575.69	2637.1	2002.55	303.89	14,519.23
	(7,896.79)	(2,917.62)	(2,293.41)	(293.05)	(13,400.87)
Segment Liabilities	3,380.85	-	1,504.03	32.50	4,917.38
	(2,582.24)	-	(1,358.40)	(26.09)	(3,966.73)
Capital Expenditure during the year	1,877.74	-	292.00	-	2,169.74
	(422.81)	-	-	-	(422.81)
Depreciation	448.64	-	120.26	-	568.90
	(428.86)	-	(124.21)	-	(553.07)

# 59<sup>th</sup> ANNUAL REPORT 2012-2013

## NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS : 31ST' MARCH, 2013.

### B. Secondary Segment Information (by geographical segment)

	Revenue	Assets
Domestic	5,096.32	1,045.22
	(4,746.33)	(1,032.66)
Overseas	1,152.70	257.49
	(1,814.06)	(325.29)

33. Previous year's figures have been regrouped wherever necessary to conform current year's grouping
34. Figures in bracket are in respect of previous year.
35. The Board of Directors of the Company has by resolution given consent for not attaching the balance sheet of the subsidiary companies.
36. Information related to subsidiary companies ,

Particulars	ICC	SHIVRAJ SUGAR	GARNET WIRE LTD.	
	INTERNATIONAL	AND ALLIED		
	AGENCIES LTD.	PRODUCTS		
		PVT. LTD.		
	Rs. Lac	Rs. Lac	GBP' 000	Rs. Lac
(a) capital	50.00	1.00	350.00	285.14
(b) reserves	194.59	-	242.61	197.57
(c) total assets	310.90	0.05	1,015.09	834.25
(d) total liabilities (excluding Capital & Reserves)	66.31	0.05	422.47	348.20
(e) details of investment (except in case of investment in the subsidiaries)	-	-	-	-
(f) turnover	294.14	-	1,128.06	924.39
(g) profit before taxation	(135.40)	-	(18.69)	(15.32)
(h) provision for taxation	4.02	-	(0.40)	(0.33)
(i) profit after taxation	(139.42)	-	(18.29)	(14.99)
(j) proposed dividend	-	-	-	-

37. 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.

As per our report attached

### B. K. KHARE & CO.

Chartered Accountants

FRN-105102W

by the hand of

### DEVDATTA MAINKAR

Partner

M.NO. 109795

Mumbai, 15 May, 2013

### A.D.DAHOTRE

Chief Financial Officer  
and Company Secretary

### M.K.TRIVEDI

Managing Director

Mumbai, 15 May, 2013

# THE INDIAN CARD CLOTHING COMPANY LIMITED

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS : 31ST' MARCH, 2013.

## Fixed Assets schedule as at 31-March-2013

	Gross at Begin.	Additions	Deductions	Gross at End	Depre. Op. Bal.	Depre. for year	Depre. On Deduction	Depre. Clo. Bal.	Net Value at Begin.	Net Value at end.
10 Tangible assets										
(a) Land.	886.90	-	(7.45)	894.35	-	-	-	-	886.90	894.35
(b) Buildings.	4,836.89	71.49	176.28	4,732.10	1,265.70	243.77	24.87	1,484.60	3,571.19	3,247.50
(c) Plant and Equipment.	2,781.54	397.13	15.83	3,162.84	2,009.13	186.98	4.52	2,191.59	772.41	971.25
(d) Furniture and Fixtures.	148.79	105.62	1.52	252.89	112.79	12.44	3.21	122.02	36.00	130.87
(e) Vehicles.	384.96	39.95	97.68	327.23	201.70	51.00	129.94	122.76	183.26	204.47
(f) Office equipment & Computers	378.99	52.79	9.69	422.09	314.99	15.02	1.70	328.31	64.00	93.78
(g) Electrical Installation	552.39	102.19	32.54	622.04	258.70	39.61	2.28	296.03	293.69	326.01
(h) Air Conditioning Plant	420.89	11.01	-	431.90	297.00	10.78	-	307.78	123.89	124.12
<b>TOTAL</b>	<b>10,391.35</b>	<b>780.18</b>	<b>326.09</b>	<b>10,845.44</b>	<b>4,460.01</b>	<b>559.60</b>	<b>166.52</b>	<b>4,853.09</b>	<b>5,931.34</b>	<b>5,992.35</b>
11 Intangible assets										
(c) Computer software.	23.81	-	-	23.81	8.82	9.30	(3.77)	21.89	14.99	1.92
<b>TOTAL</b>	<b>23.81</b>	<b>-</b>	<b>-</b>	<b>23.81</b>	<b>8.82</b>	<b>9.30</b>	<b>(3.77)</b>	<b>21.89</b>	<b>14.99</b>	<b>1.92</b>
12 Capital Work-in Progress	382.05	1,711.07	321.51	1,771.61	-	-	-	-	382.05	1,771.61
<b>TOTAL</b>	<b>10,797.21</b>	<b>2,491.25</b>	<b>647.60</b>	<b>12,640.86</b>	<b>4,468.83</b>	<b>568.90</b>	<b>162.75</b>	<b>4,874.98</b>	<b>6,328.38</b>	<b>7,765.88</b>

## 59<sup>th</sup> ANNUAL REPORT 2012-2013

### **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**

1. We have audited the accompanying consolidated financial statements of The Indian Card Clothing Company Limited ("the Company") and its subsidiaries, (hereinafter referred to as the "Group"), which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

6. In our opinion the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of the Accounting Standards (AS) 21- Consolidated Financial Statements, notified under Section 211(3C) of the Companies Act 1956.
7. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Other Matters**

8. We did not audit the financial statements of one subsidiary included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 834.25 lacs at March 31, 2013, total revenues of Rs. 924.39 lacs and net cash inflow / outflows amounting to Rs. - 6.96 lacs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

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

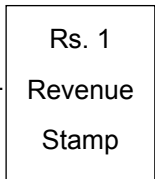
by the hand of  
**DEVDATTA MAINKAR**  
Partner  
M.NO. 109795

Mumbai, 15 May, 2013

**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 NINETH ANNUAL GENERAL MEETING  
of the Company to be held at Company's Registered Office at Mumbai Pune Road, Pimpri, Pune-411018.  
on Thursday 1st August, 2013 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 Rs. 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**

59th Annual General Meeting - 1st August, 2013

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 59th Annual General Meeting of the Company at Company's Registered Office at Mumbai Pune Road, Pimpri, Pune - 411018 on Thursday, 1st August, 2013 at 12 noon.

Signature of Shareholder /Proxy





## LIST OF OFFICES

### PIMPRI WORKS

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BOOK-POST

**THE INDIAN CARD CLOTHING COMPANY LTD.**  
**Mumbai-Pune Road, Pimpri, Pune 411 018.**

Printed at Sangam Press, Pune



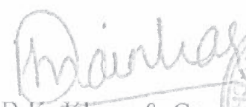



THE INDIAN CARD CLOTHING CO. LTD.

REGISTERED OFFICE : PIMPRI, PUNE-411 013, INDIA.



FORM A  
(Under Clause 31(a) of the Listing Agreement)

1.	Name of the Company:	THE INDIAN CARD CLOTHING CO. LTD
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N. A.
5.	To be signed by-  Mr M. K. Trivedi Managing Director  A.D Dahotre Vice President (Finance) & Company Secretary  B.K. Khare & Co Auditor Of the Company  J.M. Kothary Audit Committee Chairman 