

THE INDIAN CARD CLOTHING COMPANY LIMITED

DIRECTORS

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

MANAGEMENT TEAM

M. K. Trivedi, Managing Director

A. D. Dahotre, Vice President
(Finance) and Company Secretary

U. V. Bhavé, Vice President
(Human Resources)

H. Chandrashekhar General Manager
(Sales & Marketing)

A. B. Pawar, General Manager
(Production, Pimpri Works)

Ajay Kumar, Plant Head
(HP Works)

REGISTERED OFFICE

Mumbai-Pune Road,
Pimpri, Pune 411 018.
Tel. : (020) 39858200
Website : www.cardindia.com
e-mail : 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

AUDITORS

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

SOLICITORS

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

BANKERS

Corporation Bank
HDFC Bank
ICICI Bank

ANNUAL GENERAL MEETING

12.00 noon, Monday

9th August, 2010 at the Registered Office

CONTENTS

Notice to the Shareholders	2
Directors' Report	4 - 12
Auditors' Report	13 - 16
Balance Sheet	17
Profit and Loss Account	18
Cash Flow Statement	19
Schedule 1 to 11	20 - 31
Statement U/S 212	32
Garnett Wire Ltd	33 - 46
ICC International Agencies Ltd	47 - 64
Shivraj Sugar & Allied Products Pvt. Ltd.	65 - 67
Consolidated Accounts	68 - 78

NOTICE

NOTICE is hereby given that the FIFTY-SIXTH 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 Monday, 9th August, 2010 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, and adopt the Audited Balance Sheet as at 31st March, 2010, 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, 2010.
3. 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.
4. 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.

SPECIAL BUSINESS

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

"RESOLVED pursuant to Section 31 and other applicable provisions if any, of the Companies Act, 1956 that, the Articles of Association of the Company be and are hereby amended as follows:

- a) The words "Save as provided in these Articles", shall be inserted at the beginning of Article 115.
- b) The following Article shall be inserted as Article 115A after the present Article 115:

115A "(i) Notwithstanding anything contained in these Articles, the Board shall have the power (but not the obligation) to appoint any person who has rendered significant services to the Company or to the industry to which the Company's business relates or in the public field as Chairman Emeritus of the Company. Once appointed, Chairman Emeritus shall hold office at his will until such time he relinquishes such office or a special resolution is passed in a general meeting terminating his tenure as Chairman Emeritus. The Chairman Emeritus shall not be liable to retirement.

(ii) If at any time Chairman Emeritus is appointed as a director of the Company, he may, at his discretion, retain the title of Chairman Emeritus but shall then be governed by the Company's Articles of Association applicable to other directors save and except that he shall not be liable to retirement.

(iii) For the purpose of these Articles, the term Chairman wherever used shall mean and relate to the Chairman appointed under Article 145 and not Chairman Emeritus.

Registered Office:
Mumbai-Pune Road
Pimpri, Pune 411 018
Pune, 14th June, 2010

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 2nd August, 2010 to 9th August, 2010 both days inclusive.
3. The final dividend on Equity Shares, as recommended by the Directors for the year ended 31st March, 2010, 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.

THE INDIAN CARD CLOTHING COMPANY LIMITED

4. In terms of provisions of section 205A of the Companies Act, 1956, the amount of Rs.161,070/- of final dividend for year ended 31st March, 2002 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.
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 3

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 53rd Annual General Meeting of the Company held on 11th August, 2007. 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 3 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

It is proposed to alter Articles of Association of the Company by inserting Article 115A to enable the Board of Directors to appoint Chairman Emeritus of the Company. Consequently Article 115 also requires alteration.

Article 114 provides for appointment of not less than 3 and more than 12 directors. Article 115 provides for all directors of the Company to be appointed once in every three years according to principle of proportional representation. At present the Company has 8 directors all of whom are liable to retire by rotation.

Under the proposed Article 115A any person qualifying for appointment as Chairman Emeritus may be appointed as such by the Board. The Board is considering appointing Mr.K.K. Trivedi as Chairman Emeritus and accordingly he and Mr. P.K. Trivedi and Mr. M.K. Trivedi, being his relatives may be deemed to be indirectly interested in the resolution.

A copy of the present Articles of Association will be available for inspection of Shareholders between 11.00 a.m. to 1.00 p.m. on any working day at the registered office of the Company up to the date previous to the date of the meeting.

Registered Office:
Mumbai-Pune Road
Pimpri, Pune 411 018
Pune, 14th June, 2010

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

56th ANNUAL REPORT 2009-2010

Directors' Report

Your Directors have pleasure in presenting the Company's Balance Sheet as at 31st March, 2010, together with the Profit and Loss Account for the year ended on that date.

FINANCIAL RESULTS

	(Rupees in Lac)	
	Year Ended 31-03-2010	Year Ended 31-03-2009
Sales and Other Income	5409.67	4529.64
Profit before Interest, Depreciation and Tax	997.93	492.50
Interest	93.27	22.61
Depreciation	314.91	255.11
Profit Before Tax	589.75	214.78
Provision for Tax	134.87	49.49
Profit(loss) after Tax	454.88	165.29

OPERATIONS-HIGHLIGHTS

Your Company's Sales and Servicing Income for the year was Rs.4658.62 lac as compared to Rs. 3816.77 lac in 2008-09.

Sale of metallic card clothing increased by 33.62% during the year to Rs.3303.56 lac from Rs. 2472.43 lac in the previous year. This reflected the general growth conditions in the textile industry. Sale of woollen card clothing increased by 15.84% during the year to Rs.600.92 lac from Rs. 518.78 lac in the previous year due to higher demand for products manufactured from shoddy yarn. Exports increased by 62.38% to Rs.1069.18 lac during the year from Rs. 658.44 lac in the previous year as situation in overseas markets improved during the year.

New Manufacturing Facility at Nalagarh, Himachal Pradesh

Construction of the main factory building at Nalagarh was completed and production of accura was commissioned in the second quarter of the year. Accura carriers of worth Rs.0.90 lac were dispatched from Nalagarh factory during the current year. Machinery for production of metallic card clothing was commissioned in March, 2010 and dispatch of metallic card clothing from Nalagarh factory has commenced. Tops finishing is scheduled to commence in the fourth quarter of 2010-11.

Realty

Civil construction of the commercial building of IT Park in Pimpri under a Development contract between your Company and Devi Construction Company was completed during the year, although completion certificate from municipal corporation is awaited. The building will be available for letting from the second half of 2010-11.

DIVIDEND

Your Directors recommend final dividend of 30% for the year ended 31st March, 2010 (25% for the year ended 31st March, 2009).

SUBSIDIARY COMPANIES

ICC International Agencies Ltd. recorded decrease in income of 40.58% from Rs.590.81 lac in the previous year to Rs.351.06 lac in the current year. However, the subsidiary company recorded profit after tax of Rs.45.25 lac in the current year against previous year's loss after tax of Rs.76.25 lac. Profit after tax was mainly on account of higher commission and service revenue of Rs.249.61 lac in the current year against Rs.173.14 lac in the previous year. ICC International Agencies Limited did not declare dividend for the year (nil in the previous year).

Garnett Wire Ltd.(GWL), a U.K. Company, in which your Company has 60% of the issued share capital, recorded lower turnover of 0.07% from PDS 875,426 to PDS 874,829 resulting in loss after tax at PDS 20,284/- against loss of PDS 2,527/- in the previous year. Loss for the year was on account of adverse market conditions in the UK due to the global downturn, resulting in domestic customers working for fewer hours and making repairs only when absolutely necessary. Higher export sales have been at the expense of lower margins.

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

DIRECTORS

The present Directors who were appointed for a period of three years under Article 115 at the 53rd Annual General Meeting held on 11th August, 2007 will retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

THE INDIAN CARD CLOTHING COMPANY LIMITED

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 31st March, 2010 and of the profit of the Company for the year 1st April, 2009 to 31st March, 2010;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

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

TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT

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

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

FOREIGN EXCHANGE EARNINGS AND OUT-GO

Total foreign exchange earnings	Rs.1094.54 lac
Total foreign exchange out-go	Rs.581.95 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

Information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is given in Annexure II.

CONSERVATION OF ENERGY

LED fittings for lighting in open area and soft starter for pump in hardening installed during the year resulted in power saving. Maintenance of power factor at unity continued to entitle the Company to rebate in energy bill.

AUDITORS

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

For and On Behalf of the Board of Directors

Mumbai, 10th May, 2010

K.K. TRIVEDI
Chairman

ANNEXURE I TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010

RESEARCH AND DEVELOPMENT (R&D)

- | | |
|--|---|
| 1. Specific areas in which R & D carried out by the Company. | Service equipments for spinning mills, fixed flats for very high production revolving flat cards, revolving tops for very high production cards and fillets for raising industry. |
| 2. Benefits derived as a result of above R & D. | Introduction of new products to suit very high production revolving flat cards and raising industry. |
| 3. Future Plan of Action | Improvement in manufacturing processes to produce products suitable for very high production revolving flat cards. |
| 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.73.28 lac
c) Rs.73.28 lac
d)1.57 % |

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

ANNEXURE II TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010

Name of the Employee	Designation/ Nature of Duties	Qualification	Age (Years)
Mehul K. Trivedi	Managing Director	LLB (Hons) (U.K.) Solicitor Supreme Court of England & Wales	48
Experience (Years)	Date of Commencement of Employment	Remuneration Received (Rs.)	Previous Employment Company
21	01-09-1989	52,18,000/-	Solicitor S.J. Berwin & Co. London, England

Notes :

1. Nature of employment is contractual. Other terms and conditions are as approved by the shareholders.
2. Mr. Mehul K. Trivedi is a son of the Chairman, Mr. K.K. Trivedi and the brother of Mr. Prashant K. Trivedi, Deputy Chairman.
3. Remuneration received includes salary, allowances, commission, Company's contribution to Provident Fund, Gratuity and Superannuation funds, medical benefits at actual expenditure and monetary value of perquisites as per Income Tax Rules for other benefits.

THE INDIAN CARD CLOTHING COMPANY LIMITED

Management Discussion and Analysis

Industry Structure and Developments

The most significant development in the card clothing industry during the financial year under review has been the further consolidation by Trutzschler Card Clothing GMBH (a subsidiary of Trutzschler GMBH), which purchased the undertaking and assets of J.D.Hollingsworth on Wheels Inc. located in the United States. It had previously acquired the German assets and business of J.D.Hollingsworth on Wheels Inc. Trutzschler Card Clothing GMBH has also acquired the assets of FYTISCAR, the Belgium based manufacturer of card clothing foundation, enabling it to control part of the input material necessary for it to manufacture foundation for flat tops.

With this acquisitions, Trutzschler and Graf + Cie AG, owned by Rieter Textile Systems Division of Reiter Holdings Limited have maintained their prominence as the two largest manufacturers of card clothing globally.

The Belgium based Bekaert Carding Solutions ('BCS'), Lakshmi Card Clothing Limited ('LCC') and The Indian Card Clothing Co. Limited ('ICC') are the other three global players in the card clothing business. All three are roughly of equivalent size and capacity.

The other significant development in the market is the de-lineation between Trutzschler and Graf, in the re-clothing or replacement market. The strategy of Trutzschler GMBH of manufacturing 40" carding machines known for their very high production, which lends itself to carding short to medium staple cotton. Rieter, on the other hand, manufactures 60" cards, which tends to be more popular with mills processing longer staple cotton. In the re-clothing market, textile mills initially tend towards re-clothing Trutzschler card clothing on Trutzschler card and Graf card clothing on Rieter cards.

BCS, LCC and ICC, all compete with each other and TCC and Graf, which in total constitute 95 per cent of the suppliers in the domestic re-clothing market.

Opportunities

Brand

ICC enjoys strong brand recognition in India and in selected overseas markets. In India, ICC has been associated with the domestic textile spinning industry for over 55 years. It has a reputation of being a value for money supplier, reinforced through a wide network of sales and service engineers. ICC can leverage this strong brand to further increase its market share in the re-clothing of the latest generation of carding machines.

Product Portfolio

The company has a range of products capable of supplying all high speed carding machines, whether locally manufactured or imported. The company's Research and Development initiatives have developed value for money alternatives to imported card room machinery as well as made improvements in the design of card clothing and processes for manufacturing card clothing to suit the latest generation of imported cards.

Sales and Service Networks

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

Threats

Competition

India is the second largest producer of cotton yarn and all manufacturers of card clothing are vying for a share of the re-clothing market. Increased competition has created a credible threat to the Company's margin, as it has had to offer discounts to many customers to ward off competition. Some foreign competitors are also considering establishing a manufacturing base in India.

56th ANNUAL REPORT 2009-2010

In the medium term, the company is working on improving its product offering, increasing its levels of pre and post sales service.

OEM Maintenance Contracts

Efforts are being made by original equipment manufacturers to tie up with customers to whom they have supplied cards for the provision of annual maintenance contracts, which includes the supply of card clothing when re-clothing, is due. Currently, such arrangement is receiving a lukewarm response, as mills do not want to have exclusive arrangement with only one supplier.

Operations

In line with the general revival of the textile industry in India and globally, the company's operations improved in this fiscal year. Sales of the company's card clothing to both short and long staple fibre sectors increased as did exports resulting in an improvement in the sales and service income by 18 per cent. Increased sales to textile mills, which use the latest generation cards improved sales and margins.

The construction of the company's new plant at Nalagarh was completed in this fiscal year. The machines for manufacturing both Accura stationary flats and metallic card clothing were also commissioned in this financial year. Personnel were trained on operating these machines during the year and products manufactured on those machines were despatched to customers.

Civil construction of the Software Technology Park of India (STPI) approved building was completed in this fiscal year. Efforts are underway to market the office space allotted to the company. The Information Technology sector has begun to see some improvement in business and new contracts, however most companies in that sector have not yet begun hiring. The indications are that there is an excess of supply of STPI approved IT buildings in Pune compared to the current demand. However, given the location and quality of the building, the company is confident of letting out the space in the next fiscal year.

Outlook

The current indications are that the improvement in the domestic textile industry seen in the fiscal year 2009-2010, will continue. The global textile market is also showing signs of continued buoyancy.

The Company intends to continue to focus its attention in fiscal 2010-2011 on targeting mills with the latest generation of cards. Thrust on cost reduction will also continue and following the wage settlement to be signed with the Company's employee union, the Company will also concentrate in bringing about improvements in productivity.

Internal Control Systems

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

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

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

The manufacturing plant of the Company has ISO 9001 certification which is renewed from time to time.

Cautionary Statement

The Management Discussion and Analysis Report contains forward looking statement based on data and information available with the Company and on its assumptions on the Company's economic situation and the global economic environment. Actual results might differ materially from those either 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 19th June, 24th July, 14th August, 23rd October in the year 2009 and on 20th January in the year 2010.

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

2.4 Particulars of Remuneration of Directors for the year ended 31st March, 2010:

Rs.Lac

Name of Director	Commission	Sitting Fees	Salary	Perquisites to PF, etc.	Contributions
Mr. K. K. Trivedi Chairman	-	0.15	-	-	-
Mr. Prashant K. Trivedi Deputy Chairman	-	0.15	-	-	-
Mr. M. K. Trivedi Managing Director	-	-	30.00	16.14	6.04
Mr. H. C. Asher Director	1.72	0.65	-	-	-
Mr. M. M. Shah Director	0.88	0.30	-	-	-
Mr. J. M. Kothary Director	1.67	0.65	-	-	-
Mr. C. M. Maniar Director	0.47	0.30	-	-	-
Mr. Sudhir Merchant Director	1.46	0.60	-	-	-

3. AUDIT COMMITTEE

Audit Committee met on 19th June, 24th July, 23rd October in the year 2009 and on 20th January in the year 2010 to review annual and quarterly financial results and to review internal control systems, reports of internal auditor and operational aspects. The composition and particulars of meetings attended by members of the Committee are given below:

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

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

4. REMUNERATION COMMITTEE

The Remuneration Committee did not meet during the year.

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Committee met on 19th June, 24th July, 23rd October in the year 2009 and on 20th January in the year 2010. The constitution and particulars of meetings attended by members of the Committee are given below:

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

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

Number of complaints received from shareholders in the nature of non-receipts of a) dividend warrants b) share certificates after transfer c) annual report: 33. 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
14 th August, 2009	12 noon	Registered office of the Company
12 th August, 2008	12 noon	Registered office of the Company
11 th August, 2007	12 noon	Registered office of the Company.

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

THE INDIAN CARD CLOTHING COMPANY LIMITED

7. DISCLOSURES

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

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

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

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

8. COMMUNICATION TO SHAREHOLDERS

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

9. GENERAL SHAREHOLDER INFORMATION

FINANCIAL CALENDAR:

AGM date, time and venue	Monday at 12 Noon, 9th August, 2010 at the Registered Office
Board Meeting for consideration of accounts and recommendation of dividend	10th May, 2010
Posting of Annual Reports	By 16th July, 2010
Book closure dates	2nd to 9th August, 2010
Last date for receipt of proxy forms	7th August, 2010
Dividend payment date	By 6th September, 2010
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 sensex and nifty.

56th ANNUAL REPORT 2009-2010

Month	NSE		Shares Traded	NIFTY	
	High	Low		High	Low
April-09	62.00	47.00	38,080	3,517.25	2,965.70
May-09	89.00	52.55	160,999	4,354.85	4,254.85
June-09	99.00	69.45	60,405	4,439.95	4,350.9
July-09	82.65	62.05	15,696	4,582.35	4,474.5
August-09	94.00	67.00	36,318	4,743.75	4,651.4
September-09	104.00	83.85	80,002	5,020.25	4,959.1
October-09	104.15	88.60	67,692	5,181.95	4,687.50
November-09	154.00	94.60	103,687	5,138.00	4,538.50
December-09	173.90	134.20	57,557	5,221.85	4,943.95
January-10	201.35	153.10	129,026	4929.90	4,824.95
February-10	176.00	150.10	25,088	4880.55	4,834.65
March-10	171.90	145.00	44,544	5329.55	5,242.15

Source : Downloaded from NSE site, www.nseindia.com

Month	BSE		Shares Traded	SENSEX	
	High	Low		High	Low
April-09	64.00	45.30	53,490	11,492.10	9,546.29
May-09	87.75	53.50	1,68,482	14,930.54	11,621.30
June-09	105.80	70.20	85,441	15,600.30	14,016.95
July-09	82.65	62.00	37,749	15,732.81	13,219.99
August-09	93.80	68.80	52,912	16,002.46	14,684.45
September-09	104.00	84.05	78,347	17,142.52	15,356.72
October-09	104.45	87.60	93,559	17,493.17	15,805.20
November-09	151.45	94.60	1,16,724	17,290.48	15,330.56
December-09	173.65	135.50	69,932	17,530.94	16,577.78
January-10	201.25	153.00	1,36,501	17,790.33	15,982.08
February-10	175.95	151.05	24,498	16,669.25	15,651.99
March-10	170.35	143.15	32,191	17,793.01	16,438.45

Source: Downloaded from BSE site, www.bseindia.com.

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

Distribution of Shareholding :

Category	Shareholders		Shares of Rs.10	
	Number	Percent	Number	Percent
Upto 500	11337	96.07	954940	20.98
501 to 1000	262	2.22	209087	4.60
1001 to 2000	98	0.83	143420	3.15
2001 to 3000	40	0.34	99781	2.19
3001 to 4000	15	0.13	53592	1.18
4001 to 5000	12	0.10	54268	1.19
5001 to 10000	26	0.22	176092	3.87
10001 and above	11	0.09	2859940	62.84
Total	11801	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. 37.89% of shares are held in demat mode by the shareholders.

Outstanding GDRs/ADRs/ Warrants/ convertible instruments: Nil.

Plant location: Mumbai-Pune Road, Pimpri, Pune 411018.

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

THE INDIAN CARD CLOTHING COMPANY LIMITED

AUDITORS' CERTIFICATE

To the Members of

The Indian Card Clothing Company Limited

1. We have examined the compliance of conditions of Corporate Governance by The Indian Card Clothing Company Limited, for the year ended on 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that in respect of investor grievances during the year ended 31st March 2010 no grievances are pending for a period exceeding one month against the Company as per the records maintained by the Share Transfer and Shareholders' Grievance Committee.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For B. K. KHARE & CO.
Chartered Accountants

Santosh Parab
Partner
Membership No. 47942
Firm Registration No.: 105102W

Place: Mumbai
Date: 10th May 2010

Auditors' Report

To the Members of The Indian Card Clothing Company Limited

1. We have audited the attached Balance Sheet of The Indian Card Clothing Company Limited as at 31st March 2010, the Profit and Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India, in terms of section 227 (4A), of the Companies Act, 1956 of India ("the Act"), and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Act;
 - e. On the basis of the written representations received from the Directors, as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010, from being appointed as Director in terms of clause (g) of sub section (1) of Section 274 of the Act; and
 - f. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, together with the Notes thereon and attached thereto, give, in the prescribed manner, the information required by the Act, and also give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **B. K. Khare & Company**
Chartered Accountants

Santosh Parab
Partner
Membership No. 47942
Firm Registration No.: 105102W

Place: Mumbai
Date: 10th May 2010

THE INDIAN CARD CLOTHING COMPANY LIMITED

ANNEXURE TO THE AUDITORS' REPORT

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

- 1) (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (ii) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies reported on such verification have been properly dealt in the accounts.
- (iii) In our opinion, the disposal of fixed assets during the year does not affect the going concern assumption.

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.

- 2) 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.
- 3) 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.
- 4) (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.
- 5) 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.
- 6) The Company has an internal audit system, which in our opinion is commensurate with the size of the Company and nature of its business.
- 7) 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.
- 8) (i) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty were outstanding, at the year end for a period of more than six months from the date they became payable.

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

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

- 9) 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.
- 10) 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.
- 11) 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.
- 12) 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.
- 13) 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.
- 14) 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.
- 15) In our opinion, the term loan obtained during the year, prima facie, have been applied for the purpose for which the loans were raised.
- 17) According to the information and explanations given to us on an overall examination of the Balance Sheet and Cash Flows of the Company, we report that the Company has not utilized funds raised on short-term basis for long term investment.
- 18) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act, during the year.
- 19) The Company did not issue any debentures during the year.
- 20) The Company has not raised any money by public issue during the year.
- 21) Based on the audit procedures performed and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **B. K. Khare & Company**
Chartered Accountants

Santosh Parab
Partner
Membership No. 47972
Firm Registration No. 105102W

Place: Mumbai
Date: 10th May 2010

THE INDIAN CARD CLOTHING COMPANY LIMITED

Balance Sheet as at 31st March, 2010

	Schedule	Rs. lac	As at 31-3-2010 Rs. lac	As at 31-3-2009 Rs. lac
SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
Share Capital.....	1	455.11		455.11
Reserves and Surplus	2	<u>7758.36</u>		7462.69
			8213.47	7917.80
2. Secured Loans.....	3		<u>980.31</u>	<u>307.12</u>
TOTAL			<u>9193.78</u>	<u>8224.92</u>
APPLICATION OF FUNDS				
1. FIXED ASSETS.....				
Gross Block	4	7425.15		4784.15
Less Depreciation.....		<u>3143.45</u>		2847.52
Net Block		<u>4281.70</u>		1936.63
Capital work-in-progress and advances		<u>1917.69</u>		3734.58
			6199.39	5671.21
2. INVESTMENTS.....	5		2505.67	2207.40
3. DEFERRED TAX ASSET.....			21.67	79.73
4. CURRENT ASSETS, LOANS AND ADVANCES				
Inventories.....		1023.98		809.56
Sundry Debtors		862.57		823.23
Cash and Bank Balances.....		40.05		40.77
Loans and Advances		<u>702.98</u>		642.24
		<u>2629.58</u>		2315.80
Less :				
CURRENT LIABILITIES AND PROVISIONS				
Liabilities.....	7	1859.55		1724.77
Provisions.....		<u>302.98</u>		324.45
		<u>2162.53</u>		2049.22
NET CURRENT ASSETS.....			467.05	266.58
TOTAL			<u>9193.78</u>	<u>8224.92</u>
SIGNIFICANT ACCOUNTING POLICIES	10			
NOTES ON ACCOUNTS	11			

As per our report attached
B. K. KHARE & CO.
Chartered Accountants
By the hand of

SANTOSH PARAB
Partner

A.D.DAHOTRE
Chief Financial Officer
and Company Secretary

K.K.TRIVEDI
PRASHANT K. TRIVEDI
M.K.TRIVEDI
HEMRAJ C. ASHER
M.M.SHAH
J.M.KOTHARY
C.M.MANIAR
SUDHIR MERCHANT

Chairman
Deputy Chairman
Managing Director
Director
Director
Director
Director

Mumbai, 10th May, 2010

Mumbai, 10th May, 2010

56th ANNUAL REPORT 2009-2010

Profit & Loss Account for the year ended 31st March, 2010

	Schedule	Rs. lac	Year-Ended 31-3-2010 Rs. lac	Year-Ended 31-3-2009 Rs. lac
INCOME :				
Sales		4924.24		4195.71
Less: Excise Duty		311.33		414.96
Net Sales		4612.91		3780.75
Servicing		45.71		36.02
Other Income	8	751.05		712.87
			5409.67	4529.64
EXPENDITURE :				
Materials, Manufacturing and Other Expenses	9	4432.44		4060.84
Interest on Term Loan		78.84		2.24
Interest Others		14.43		20.37
Depreciation		314.91		255.11
		Sub Total	4840.62	4338.56
Less : Expenses Capitalised		20.70		23.70
			4819.92	4314.86
Profit before tax			589.75	214.78
Provision for taxation				
Current tax.....			96.59	14.50
MAT credit entitlement.....			(19.78)	-
Fringe Benefit Tax			-	15.25
Deferred tax charge/(credit)			58.06	19.74
Profit after tax			454.88	165.29
Balance brought forward			5170.99	5155.82
			5625.87	5321.11
APPROPRIATIONS :				
General Reserve			46.00	17.00
Dividend				
Final - Proposed			136.53	113.78
Interim				
Tax on dividend			22.68	19.34
			205.21	150.12
Balance carried to Balance Sheet.....			5,420.66	5170.99
Earning per share (Rs. per equity share of Rs.10/-).....				
Basic/diluted			9.99	3.63
Average number of equity shares			4551120	4551120
SIGNIFICANT ACCOUNTING POLICIES	10			
NOTES ON ACCOUNTS	11			

As per our report attached

B. K. KHARE & CO.

Chartered Accountants

By the hand of

SANTOSH PARAB

Partner

A.D.DAHOTRE

Chief Financial Officer
and Company Secretary

K.K.TRIVEDI

PRASHANT K. TRIVEDI

M.K.TRIVEDI

HEMRAJ C. ASHER

M.M.SHAH

J.M.KOTHARY

C.M.MANIAR

SUDHIR MERCHANT

Chairman

Deputy Chairman

Managing Director

Director

Director

Director

Director

Director

Mumbai, 10th May, 2010

Mumbai, 10th May, 2010

THE INDIAN CARD CLOTHING COMPANY LIMITED

Cash Flow Statement For The Year Ended 31st March, 2010

	Year Ended 31-03-2010 Rs.lac	Year Ended 31-03-2009 Rs.lac
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items	589.75	214.78
Depreciation	314.91	255.11
Exchange gain/(loss)	(12.13)	-
Interest/Dividend received	(61.50)	(121.11)
(Profit)/Loss on sale of Fixed Assets.....	(2.15)	(0.83)
(Profit)/Loss on sale of Investments.....	(171.75)	(113.86)
Provision for leave salary	8.47	(8.21)
Provision for Gratuity	(56.03)	(78.31)
Provision for bad/doubtful debts/Advances written back	(5.68)	(38.99)
Interest paid	93.27	22.61
	107.41	(83.59)
Operating Profit before Working Capital changes.....	697.16	131.19
Trade and other receivables	(57.81)	119.13
Inventories	(214.42)	213.89
Trade payables	152.32	(34.49)
Direct Taxes paid.....	(101.27)	(110.39)
	(221.18)	188.14
Net Cash generated from /(used in) operating activities	475.98	319.33
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(847.88)	(1440.41)
Sale of Fixed Assets	6.94	6.12
Purchase of Investments	(1,173.00)	87.52
Proceeds from Sale of Investments	1,046.49	845.46
Interest/Dividend received	61.50	121.11
Net cash from/ (used in) investing activities	(905.95)	(380.20)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Short Term Borrowings.....	(80.86)	105.38
Long Term Borrowings	754.05	175.74
Security Deposits	(17.55)	(0.50)
Dividend paid	(113.78)	(273.08)
Tax on dividend	(19.34)	(46.41)
Interest paid	(93.27)	(22.61)
Net Cash from/ (used in) financing activities	429.25	(61.48)
Net increase (decrease) in cash and cash equivalents (A+B+C)	(0.72)	(122.35)
Cash and Cash equivalents		
Beginning of year :		
Cash and Bank balances	40.77	163.12
	40.77	163.12
End of year :		
Cash and Bank balances	40.05	40.77
	40.05	40.77
Increase (decrease) in cash and cash equivalents	(0.72)	(122.35)

Notes on Cash Flow Statement :

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

As per our report attached

B. K. KHARE & CO.

Chartered Accountants

By the hand of

SANTOSH PARAB

Partner

A.D.DAHOTRE

Chief Financial Officer
and Company Secretary

K.K.TRIVEDI

PRASHANT K. TRIVEDI

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J.M.KOTHARY

C.M.MANIAR

SUDHIR MERCHANT

Chairman

Deputy Chairman

Managing Director

Director

Director

Director

Director

Director

Mumbai, 10th May, 2010

Mumbai, 10th May, 2010

56th ANNUAL REPORT 2009-2010

Schedules forming part of the Accounts : 31st March, 2010

SCHEDULE 1

	Rs.lac	As at 31-03-2010 Rs.lac	As at 31-03-2009 Rs.lac
SHARE CAPITAL			
Authorised			
50,00,000 Equity Shares of Rs.10 each..... (previous year 50,00,000 Equity Shares of Rs.10 each)		<u>500.00</u>	<u>500.00</u>
Issued and Subscribed			
45,51,120 Equity Shares of Rs.10 each fully paid up..... (previous year 45,51,120 Equity Shares of Rs.10 each)		<u>455.11</u>	<u>455.11</u>
Of the above shares :			
(a) 26,10,066 Equity Shares are held by the holding Company - Multi Act Industrial Enterprises Ltd. Mauritius			
(b) 26,20,800 Equity Shares were allotted as fully paid bonus shares by capitalisation of General Reserve			

SCHEDULE 2

RESERVES AND SURPLUS

Share Premium Account		910.22	910.22
General Reserve			
As per last Balance Sheet.....	1381.48		1364.48
Add : Transfer from Current Year Profit.....	<u>46.00</u>		<u>17.00</u>
		1427.48	1381.48
Profit and Loss Account		<u>5420.66</u>	<u>5170.99</u>
.....		<u>7758.36</u>	<u>7462.69</u>

SCHEDULE 3

SECURED LOANS

Term Loan		929.79	175.74
Secured by charge on Land, Building and plant and Machinery of Himachal Factory (Rs.200.00 Lacs due with-in a year, previous year Nil.)			
Bank overdraft from Bank		<u>50.52</u>	<u>131.38</u>
Secured by hypothecation of inventory and book-debts		<u>980.31</u>	<u>307.12</u>

SCHEDULE 4 : FIXED ASSETS

ASSETS	Rs. Lac									
	Gross Block				Depreciation				Net Book Value	
	as at 1-4-2009	Addition	Deduction	as at 31-03-2010	up to 31-03-2009	For the year	Deduction	up to 31-03-2010	as at 31-03-2010	as at 31-03-2009
Land (freehold)	7.59	793.72		801.31	0.00	0.00		0.00	801.31	7.59
Buildings	1868.17	1130.16		2998.33	573.31	120.84		694.15	2304.18	1294.86
Plant and Machinery	1839.75	521.23		2360.98	1611.59	96.23		1707.82	653.16	228.15
Electrical Installations	291.36	177.18		468.54	114.64	42.57		157.21	311.33	176.72
Air-conditioning Plant and Machinery	126.25	19.01		145.26	49.80	11.40		61.20	84.06	76.45
Furniture and Fittings.....	101.07	10.44	0.92	110.59	78.15	5.42	0.90	82.67	27.92	22.92
Office Equipments & Computers	313.00	13.03	0.87	325.16	273.38	15.07	0.87	287.58	37.58	39.62
Vehicles	236.96	0.00	21.98	214.98	146.65	23.38	17.21	152.82	62.16	90.31
	4784.15	2664.77	23.77	7425.15	2847.52	314.91	18.98	3143.45	4281.70	
Previous year	4713.37	102.97	32.19	4784.15	2619.31	255.11	26.90	2847.52		1936.63
Capital Work-in-progress and advances									1917.69	3734.58
									6199.39	5671.21

Building include cost of 5 shares Rs.100 each and 10 shares of Rs.50 each in co-operative societies.
(Previous year 5 shares Rs.100 each and 10 shares of Rs.50 each)

THE INDIAN CARD CLOTHING COMPANY LIMITED

Schedules forming part of the Accounts : 31st March, 2010

SCHEDULE 5

	Face Value (Rs.)	As at 31-03-2010 Numbers	As at 31-03-2009 Numbers	As at 31-03-2010 Rs.lac	As at 31-03-2009 Rs.lac
INVESTMENTS					
Long Term Investments-Unquoted :					
In Equity Shares					
Subsidiary Companies					
Garnett Wire Ltd.(in British pounds)	1	210000	210000	136.39	136.39
ICC International Agencies Ltd.	10	500000	500000	31.28	31.28
Shivraj Sugar and Allied Products P Ltd...	100	940	940	0.23	0.23
			Sub total (A)	167.90	167.90
Other Long Term Investments - Unquoted					
In Units - Money Market					
Floating Fund					
HDFC FMP 13 Month	10	0	3000000	0.00	300.00
JM FMP 15 Months	10	0	2000000	0.00	200.00
			Sub total (B)	0.00	500.00
IN BONDS					
Rural Electrification Corporation Ltd.....	10000	0	500	0.00	50.00
			Sub total (C)	0.00	50.00
IN VENTURE CAPITAL FUNDS					
HDFC Property Fund - HDFC India Real Estate Fund.....	1000	49659	49659	496.59	496.59
			Sub total (D)	496.59	496.59
Current Investments					
In Equity Shares - Quoted :					
Abbott India Ltd.	10	0	3500	0.00	23.15
Aventies Pharma	10	0	5000	0.00	65.35
Bharat Electronics Ltd.	10	0	2000	0.00	18.80
Bharati Tele Ltd.....	5	10000	0	29.05	0.00
Bimetal Bearings Ltd.	10	4350	4350	12.30	12.30
Colgate-Palmolive (India) Ltd.	10	5000	10000	6.93	13.86
Corporation Bank.....	10	5000	10000	11.56	23.12
Cummins India Ltd.....	2	0	5000	0.00	14.61
GlaxoSmithkline Consumer Health Care Ltd.	10	0	5000	0.00	27.16
Hindustan Uni-Lever	1	5000	0	11.53	0.00
Hindustan Petroleum Corporation Ltd.	10	0	15000	0.00	46.21
India Nippon Electricals Ltd.....	10	4500	4500	8.18	8.18
Macmillan India Ltd.	10	4800	4800	9.74	9.74
Motor Industries.....	10	2000	2000	78.95	78.95
Nestle India Ltd.	10	5000	6500	28.95	37.64
Panasonic Batteries Ltd.....	10	60000	60000	36.11	36.11
Plastiblends India Ltd.	10	25000	36000	27.92	40.20
Porrits Spencer (Asia) Ltd.	10	20057	20057	39.74	39.74
VST Industries Ltd.	10	10000	20800	37.03	77.03
				337.98	572.15
Less : Dimunation in the Value of Current Investment				0.00	(53.41)
			Sub total (E)	337.98	518.74
				512.31	518.74
Aggregate market value of Equity Shares					
In Units - Money Market - Unquoted					
JM Mutual Fund - High Liquidity Fund	10	0	500000	0.00	50.03
JM Arbitrage	10	0	974716	0.00	100.00
JM Money Manager.....	10	3289688	1407097	329.15	140.69
JM Income Fund.....	10	70432	34,594	20.00	10.00
HDFC - Short Term.....	10	583747	-	100.00	-
HDFC - Cash Management Daily Dividend	10	10507196	1753177	1054.05	175.87
			0	1,503.20	476.59
Less : Dimunation in the Value of Current Investment.....				-	(2.42)
			Sub total (F)	1,503.20	474.17
Total cost of investments			(A to F)	2505.67	2260.81

Schedules forming part of the Accounts : 31st March, 2010

SCHEDULE 6

	Rs, lac	As at 31-3-2010 Rs. lac	As at 31-3-2009 Rs. lac
CURRENT ASSETS, LOANS AND ADVANCES			
A. Inventories			
Raw materials including packing materials		373.58	299.72
Work -in- progress.....		377.43	285.31
Finished goods.....		185.06	149.09
Trading goods		8.20	15.53
Stores and spare parts.....		79.71	59.91
		1023.98	809.56
B. Sundry Debtors (Unsecured)			
Debts outstanding for a period exceeding six months			
Considered doubtful.....	20.35		16.00
Considered good.....	89.92		80.93
Other Debts :			
Considered good.....	772.65		742.30
	882.92		839.23
Less : Provision for doubtful debts	20.35		16.00
		862.57	823.23
C. Cash and Bank Balances			
Cash on hand.....	0.33		0.36
Balance with scheduled banks			
Current Account	1.21		1.18
Unclaimed Dividend Account	33.75		36.49
Term Deposit Account	4.76		2.76
(including interest accrued thereon)			
		40.05	40.79
D. Loans and Advances			
(Unsecured considered good, unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received			
Considered good.....	394.32		409.24
Considered doubtful.....	5.89		15.92
	400.21		425.16
Less : Provision for doubtful advances	5.89		15.92
	394.32		409.24
Balance with Excise Authorities	109.75		78.33
MAT Credit Entitlement	19.78		0.00
Advance payment of tax.....	179.13		154.67
		702.98	642.24
		2629.58	2315.82

THE INDIAN CARD CLOTHING COMPANY LIMITED

Schedules forming part of the Accounts : 31st March, 2010

SCHEDULE 7

	Rs. Lac	As at 31-3-2010 Rs. lac	As at 31-3-2009 Rs. lac
CURRENT LIABILITIES AND PROVISIONS			
A. Current Liabilities			
Sundry Creditors			
Due to Micro and Small Enterprises	8.84		3.26
Due to others	922.06		770.46
Advance payments from customers.....	77.26		79.45
Security Deposits	817.64		835.19
Investor Education and Protection Fund to be credited on respective due dates :			
-Unclaimed dividend	33.75		36.41
		1,859.55	1724.77
B. Provisions			
Provision for Gratuity (Net of plan assets Rs 510.39 lac)	0.00		56.03
Provision for compensated absences	143.77		135.30
Proposed dividend	136.53		113.78
Tax on dividend	22.68		19.34
		302.98	324.45
		2162.53	2049.22

SCHEDULE 8

OTHER INCOME

Dividend from subsidiary company (gross).....	0.00	37.50
Other dividend - Current Investments.....	57.93	78.02
Interest on bonds, deposits and others.....	3.57	5.59
(tax deducted at source Rs. 0.21 lac, previous year Rs.0.24 lac)		
Rent received.....	120.70	122.93
Service charges received.....	297.81	241.91
Profit on sale of assets (net)	2.15	0.83
Profit on sale of investments (net)		
- Long Term.....	65.70	47.46
- Current.....	106.05	66.40
Bad debts/ advances recovered	0.00	7.37
Excess Provision Return-back	61.51	38.99
Exchange Gain	0.00	26.37
Miscellaneous income.....	35.63	39.50
	751.05	712.87

Schedules forming part of the Accounts : 31st March, 2010

SCHEDULE 9

	Rs. lac	Year Ended 31-3-2010 Rs. lac	Year Ended 31-3-2009 Rs. lac
MATERIALS, MANUFACTURING AND OTHER EXPENSES			
Raw materials including packing materials consumed..		1835.38	1413.73
Purchase of trading goods		29.92	21.66
Provision for excise duty on finished goods		12.25	(19.34)
Add/(less) : Decrease / (Increase) in stocks :			
Add : Opening stock -			
Work-in-progress	285.31		303.46
Finished goods.....	149.09		246.99
Trading goods	15.53		23.15
	449.93		573.60
Less : Closing stock -			
Work-in-progress	377.43		285.31
Finished goods.....	185.06		149.09
Trading goods	8.20		15.53
	570.69		449.93
		(120.76)	123.67
		1756.79	1539.72
Stores and spare parts consumed		69.35	59.99
Power and fuel		280.06	225.31
Rent paid		48.22	62.52
Insurance		4.34	6.73
Rates and Taxes.....		98.95	87.73
Repairs : Building	46.80		47.65
Plant and Machinery	104.15		108.34
		150.95	155.99
Salaries, wages and bonus	1156.51		1069.93
Contribution to provident and other funds	144.10		201.93
Workmen and staff welfare expenses	84.58		83.04
Insurance Personal and Accident.....	20.04		22.23
Provision for gratuity and leave and retirement benefit.	(30.06)		(86.51)
		1375.17	1290.62
Freight		41.31	42.21
Travelling.....		102.81	112.43
Communication expenses		24.34	25.99
Commission on sales		131.67	92.35
Customer Compensation claims		9.63	23.00
Bad debts / advances written-off		9.64	0.00
Computer and Software maintenance.....		11.44	11.18
Investment advisory fees		38.21	7.79
Legal and professional fees		112.18	123.27
Auditors' remuneration :			
Audit fees	3.75		2.85
Other services	0.40		0.40
Reimbursement of expenses	0.15		0.14
		4.30	3.39
Commission and sitting fees to non-wholetime Directors		9.00	0.00
Dimunation in Value of Current Investment.....		0.00	55.83
Exchange loss (net)		12.13	0.00
Other expenses.....		141.95	134.80
		4432.44	4060.84

Schedules forming part of the Accounts : 31st March, 2010

SCHEDULE 10

SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Preparation of Financial Statements

The financial statements have been prepared under historical cost convention on accrual basis and comply with accounting standards referred to in section 211(3C) and other relevant provisions of the Companies Act, 1956.

2) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognised in the period in which the results are known or materialised.

3) Fixed Assets

Fixed assets are stated at cost (net of refundable taxes or levies) and include any other attributable cost for bringing the assets to working condition for their intended use. The cost of self-constructed fixed assets are capitalised at the expenditure including an appropriate share of overheads incurred directly for the specific asset.

4) Depreciation

Depreciation on fixed assets is provided by the written down value method in the manner and at the rates prescribed in schedule XIV to the Companies Act, 1956, except in case of data processing equipments, which is depreciated at a higher rate of 60% as compared to 40% specified in Schedule XIV.

5) Asset Impairment

Provision of impairment loss is recognised to the extent by which the carrying amount of an asset exceed its recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is determined on the basis of the present value of estimated future cash flows expected to rise from the continuing use of an asset and from its disposal at the end of its useful life.

6) Investments

Investments classified as long term investments are carried at cost. However provision for diminution is made to recognise a decline, other than temporary in nature, in the carrying amount of such long- term investments. Investments classified as current investments are carried at lower of cost and fair value, computed category-wise.

7) Inventories

Inventories are valued at lower of net realisable value and cost, arrived at on the basis of weighted average cost comprising all cost of purchase, cost of conversion, other costs and where applicable excise duty, in bringing inventories to their present location and condition. Obsolescence is provided on the basis of standard norms.

8) Employee Benefits

Long-Term Benefits

Provident Fund

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

Superannuation Fund

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

Gratuity

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

Fair value of plan assets, being the fund balance on the balance sheet date with Life Insurance Corporation under Group Gratuity-cum-Life Assurance policy is recognised as asset.

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

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

Short-Term Benefits

Leave Encashment

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

Medical and Leave Travel Assistance benefits

Liability on account of the company's obligation under the employee's medical reimbursement scheme and leave travel assistance is provided on actual basis.

Bonus & Employee's Short Term Incentive Plan

Liability on account of the company's obligation under the statutory regulations, agreement with trade union and employee incentive plan as applicable is provided on actual basis as per the relevant terms as determined.

9) Provisions and Contingent Liabilities

Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimates can be made of the amount of the obligation.

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

10) Revenue Recognition

Sales are accounted for on the basis of acknowledgements and are stated net of sales tax, freight, insurance and other charges recoverable from customers.

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

11) Borrowing Costs

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

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

12) Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transactions.

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

13) Income Taxes

Current tax is provided on the basis of estimated tax liability, computed as per applicable provisions of the Income Tax Act, 1961.

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

Schedules forming part of the Accounts : 31st March, 2010

SCHEDULE 11

NOTES ON ACCOUNTS

	Pimpri Plant		HP Plant	
	Installed capacity	Actual production	Installed capacity	Actual production
1. Capacities and Production : (certified by the Managing Director) Class of goods :				
(i) Flexible and metallic card clothing - sets	8,000 (8,000)	4,482 (3,867)	3,000 -	7 -
(ii) Woollen, worsted, cotton waste and asbestos card clothing and raising fillets and sheets - metres	450,000 (450,000)	96,033 (107,909)	- -	- -
(iii) Accura fixed flats - nos	28,800 (28,800)	36,048 (29,409)	72,000 -	8,338 -

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

2. Stocks and Sales :

Class of goods :	Opening Stocks		Closing Stocks		Sales	
	Qty.	Value Rs. lac	Qty.	Value Rs. lac	Qty.	Value Rs. lac
Flexible and metallic card clothing sets*	67 (198)	124.26 (198.07)	116 (67)	155.86 (124.26)	4433 (3998)	3303.56 (2614.97)
Woollen, worsted, cotton waste and asbestos card clothing and raising fillets and sheets-metres.....	4692 (9377)	9.65 (21.21)	5049 (4692)	13.18 (9.65)	95676 (112594)	600.92 (518.78)
Accura fixed flats - nos*	1873 (3022)	15.17 (27.71)	2,780 (1,873)	16.02 (15.17)	35141 (30558)	644.55 (594.84)
Trading goods.....		15.54 (23.15)		8.20 (15.54)		63.88 (52.16)
		164.62 (270.14)		193.26 (164.62)		4612.91 (3780.75)

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

3. Raw materials including packing material consumed :

	Qty	Rs.lac
Steel (wires and strips) - tonnes	1,164 (950)	1,127.88 (909.52)
Industrial cloth and fabric - square meters.....	31,015 (27,099)	341.76 (267.06)
Others		365.74 (237.15)
		1,835.38 (1,413.73)

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

	%	Rs.lac
Imported.....	18.24 (9.37)	366.36 (148.22)
Indigenous	81.76 (90.63)	1642.52 (1433.84)
	100.00 (100.00)	2008.88 (1582.06)

THE INDIAN CARD CLOTHING COMPANY LIMITED

Schedules forming part of the Accounts : 31st March, 2010

	Year ended 31-03-2010 Rs.lac	Year ended 31-03-2009 Rs.lac
5. Value of Imports on C.I.F. basis :		
Raw materials	332.90	116.74
Stores and spare parts.....	18.32	13.36
Capital goods	0.00	8.82
Trading goods	22.09	18.12
6. Expenditure in foreign currency :		
Travelling, commission, technical knowhow, royalty and others.....	145.85	101.57
7 i) Claims against the Company not acknowledged as debts	40.00	53.49
ii) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	612.72	1189.53
iii) Contingent liability in respect of taxation matters in appeal by the Department.....	55.27	11.69
8. Amount remitted in foreign currency on account of dividend to non-resident :		
Year to which dividend relates	Number of	
	Shareholders	Shares
Final Dividend 2007-08	1	2110066
Final Dividend 2008-09	1	2110066
		-
		65.25
		-
9. Earnings in foreign currency :		
Exports realisation on F.O.B. basis	1,069.18	658.44
Others (freight charges on exports).....	25.36	20.01
10. 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.		
	Gratuity (Amount in Rs.)	
Particulars	31st March 2010	31st March 2009
Current Service Cost	2,010,386	1,727,083
Interest Cost	3,840,963	2,821,510
Expected Return on the Plan Assets	(4,050,269)	(3,313,727)
Actuarial (Gain) / Loss recognized	(4,538,175)	8,194,570
Total Expenses	(2,737,095)	9,429,436
a) Net Assets / Liabilities Recognized in the Balance Sheet as at 31st March 2010		
Present Value of Defined Benefit obligation at the year end	49,325,209	48,012,035
Fair value of Plan Asset as at the year end.....	51,039,419	42,409,509
Net Liability at the year end	(1,714,210)	5,602,526
b) Change in the Obligation during the year ended 31st March 2010		
Present Value of Defined Benefit Obligation at the beginning of the year.	48,012,035	30,910,580
Current Service Cost	2,010,386	1,727,083
Interest Cost	3,840,963	2,821,510
Actuarial (Gain) / Losses	(4,538,175)	8,194,570
Benefit Payment	-	4,358,292
Present Value of defined Benefit Obligation as at the end of the year.	49,325,209	48,012,035

Schedules forming part of the Accounts : 31st March, 2010

Particulars	Gratuity (Amount in Rs.)	
	31-03-2010	31-03-2009
c) Actuarial Assumptions		
Discount Rate	8.00%	8.00%
Rate of Return on Plan Assets	7.81%	7.81%
Salary Escalation	5.00%	5.00%
d) Employees cost disclosed in Schedule 9		
Gratuity	(27.37)	(78.30)
Leave Encashment	8.47	(8.20)
Provident Fund	68.87	73.49

11. Sundry Creditors :

Suppliers who are covered under MSMED Act,2006, have been identified to the extent of information available with the company . The principal balance due to Micro and small enterprises as at 31st March, 2010 is Rs. 8.84 lac. Further no interest has been paid or is payable under the terms of MSMED Act, 2006.

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

(i) Managing Director		
Salary	30.00	24.00
Commission	0.00	0.00
Contribution to provident and other funds	6.04	7.63
Perquisites	16.14	12.14
	<u>52.18</u>	<u>43.77</u>
(ii) Non-wholetime Directors' commission (refer note 13)	6.20	0.00

13. Computation of net profit in accordance with Section 198

of the Companies Act, 1956 and the commission payable		
Profit before Tax as per Profit and Loss Account	589.75	214.78
Add : Managerial remuneration	61.18	43.77
	<u>650.93</u>	<u>258.55</u>
Less : Profit on sale of Assets in excess of original cost	2.15	0.83
Net Profit for the year	<u>648.78</u>	<u>257.72</u>
Commission payable to Non-wholetime Directors	6.49	2.58
Restricted to	<u>6.20</u>	<u>0.00</u>

14. The total of research and development costs including depreciation charge to profit and loss Rs. 73.28 lac (previous year Rs.72.44)

15. Deferred Taxes

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

Particulars	As on 31-Mar-10	As on 31-Mar-09
a) Depreciation	(44.97)	(0.03)
b) Provision for doubtful debts/ advances	8.92	10.85
c) Technical know-how	2.91	3.88
d) Employee benefits	54.81	65.03
e) Others	0.00	0.00
Net deferred tax Asset	<u>21.67</u>	<u>79.73</u>

16. Disclosure of Foreign currency exposure

Foreign currency exposure of monetary items as on 31st March 2010 which are not hedged by a derivative instrument or otherwise is as follows -

Nature of Monetary Item	Currency	Amount in foreign currency	
		Foreign Currency	31.03.2009 Rs.
1. Import of Goods	GBP	5,683.50	389,376.59
	EUR	21,285.07	1,299,027.82
2. Export of Goods	USD	594,754.92	26,674,758.16
	GBP	4,208.00	280,379.16
		4,495.97	331,622.75
		6,917.48	470,596.16
		249,415.88	12,645,385.00
		2,006.00	144,953.56

THE INDIAN CARD CLOTHING COMPANY LIMITED

Schedules forming part of the Accounts : 31st March, 2010

17. Related Party Disclosure

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

Name of party	Nature of transaction	Year ended 31-Mar-10 Rs.lac	Year ended 31-Mar-09 Rs.lac	
a) Multi Act Industrial Enterprises Ltd., Mauritius	Dividend paid	65.25	156.60	
b) ICC International Agencies Ltd.	Dividend received	-	37.50	
c) Garnett Wire Ltd., UK	Dividend received	0	0.00	
	Sales	5.55	13.34	
	Purchases	22.08	18.11	
	Amount receivable	2.96	1.42	
	Amount payable	0.02	0.13	
	d) Multi Act Trade & Investments Pvt Ltd.	Dividend paid		
e) Multi Act Equity Consultancy Pvt Ltd.	Investment Advisory fees	38.21	7.79	
f) Kardhar Constructions Pvt. Ltd.	Rent paid	17.52	20.28	
	Deposit Paid	240.00	240.00	
g) Directors & Relatives				
	i) Mr. K K Trivedi - Chairman	Sitting fees as Director	0.15	0.00
	ii) Mr. M K Trivedi - Managing Director (Also key management personnel)	Salary, commission and other perquisites.	52.18	43.77
iii) Mr. Prashant K Trivedi - Deputy Chairman	Sitting fees as Director	0.15	0.00	

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

18. Segment disclosure

A. Primary segment information	Card Clothing	Treasury	Realty	Others/ Unallocable	Total
i. Segment revenue					
External sales	4658.62 (3816.77)	0.00 0.00	0.00 0.00	0.00 0.00	4658.62 (3816.77)
Treasury and other income	44.75 (109.43)	287.71 (194.51)	418.51 (364.84)	0.08 (37.50)	751.05 (706.28)
Total revenue	4703.37 (3926.20)	287.71 (194.51)	418.51 (364.84)	0.08 (37.50)	5409.67 (4523.05)
ii. Segment Results					
Profit before tax and interest	299.40 (16.85)	232.35 (105.85)	215.40 (153.17)	(64.14) 38.49	683.02 (237.38)
Interest expense	93.27 0.00	0.00 0.00	0.00 0.00	0.00 (22.61)	93.27 (22.61)

Schedules forming part of the Accounts : 31st March, 2010

Profit before tax	206.13 (16.85)	232.35 (105.85)	215.40 (153.17)	(64.14) 61.10	589.75 (214.77)
iii. Other Information					
Segment assets	6174.03 (5305.10)	2337.77 (2039.50)	2621.18 (2681.90)	223.32 (247.63)	11356.30 (10274.13)
Segment liabilities	2136.64 (1353.56)	0.00 0.00	813.23 (833.25)	192.96 (169.53)	3142.84 (2356.34)
Capital expenditure during the year	847.88 (1440.41)	0.00 0.00	0.00 0.00	0.00 0.00	847.88 (1440.41)
Depreciation	221.46 (152.74)	0.00 0.00	93.46 (102.37)	0.00 0.00	314.91 (255.11)

B. Secondary Segment Information

Geographical by location of customers

	Revenue	Assets
Domestic sales	3589.44 (3158.33)	593.02 (695.33)
Export sales	1069.18 (658.44)	269.55 (127.90)

THE INDIAN CARD CLOTHING COMPANY LIMITED

Schedules forming part of the Accounts : 31st March, 2010

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

I) REGISTRATION DETAILS

Registration No - State Code

Balance Sheet date -

II) CAPITAL RAISED DURING THE YEAR

Public issue

Bonus issue

Right issue

Private Placement

III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities

SOURCES OF FUNDS

Paid-Up Capital

Secured Loans

APPLICATION OF FUNDS

Net Fixed Assets

Net Current Assets

Accumulated Losses

IV) PERFORMANCE OF THE COMPANY

Turnover

+ - Profit Before Tax

Earning per share on ordinary activities

GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF THE COMPANY

Item Code No.

Total Assets

Reserves and Surplus

Unsecured Loans

Investments

Miscellaneous Expenditure

Deferred Tax Asset

Total Expenditure

+ - Profit After tax on ordinary activities

Dividend Rate %

20. Previous years figures have been regrouped/reclassified wherever necessary.

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

Signature to Schedule 1 to 11

As per our report attached
B. K. KHARE & CO.
Chartered Accountants
By the hand of

SANTOSH PARAB
Partner

A.D.DAHOTRE
Chief Financial Officer
and Company Secretary

Mumbai, 10th May, 2010

For and on behalf of the Board

K.K.TRIVEDI
PRASHANT K. TRIVEDI
M.K.TRIVEDI
HEMRAJ C. ASHER
M.M.SHAH
J.M.KOTHARY
C.M.MANIAR
SUDHIR MERCHANT

Chairman
Deputy Chairman
Managing Director
Director
Director
Director
Director
Director

Mumbai, 10th May, 2010

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

1	Name of the subsidiary	Garnett Wire Ltd., U. K.	ICC International Agencies Ltd.	Shivraj Sugar and Allied Products Pvt. Ltd.
2	Financial year of the subsidiaries ended on	31st March 2010	31st March 2010	31st March 2010
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, 2010.	PDS 12170	Rs. 45,24,783	Rs. Nil
	In the previous financial years	(PDS 114248)	(Rs. 305,11,401)	(Rs. Nil)
5.2	Dealt with in the Holding Company's accounts during 31st March, 2010	Nil	Nil	Rs. Nil
	In the previous financial years	(PDS 128,100)	(Rs. 115,00,000)	(Rs. Nil)

A.D.DAHOTRE
Company Secretary

Mumbai, 10th May, 2010

For and on behalf of the Board

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

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH, 2010**

The directors present their report and the financial statements for the year ended 31 March 2010.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activity of the company remains the manufacture of metallic card clothing and the provision of associated services.

Directors

The directors who served during the year were:

J F H Goodall

R J Goodall

M K Trivedi

S L Shah

M Carline

A Dahotre

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the board

R. J. Goodall

Director

Date : 14th May, 2010

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GARNETT WIRE LIMITED

We have audited the financial statements of Garnett Wire Limited for the year ended 31 March 2010, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report, including our opinion, has been prepared for and only for the company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the provisions of the Companies Act 2006 applicable to small companies.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Mazars LLP

Chartered Accountants
and Registered Auditors

Mazars House, Gelderd Road,
Gildersome

West Yorkshire
LS27 7JN
14th May, 2010

Balance Sheet as at 31st March, 2010

		£	As at 31/03/2010 £	As at 31/03/2009 £
SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS	Schedule			
Share Capital	1	350,000		350,000
Reserves and Surplus.....	2	<u>205,520</u>		<u>225,804</u>
			555,520	575,804
2. LOAN FUNDS				
Secured Loans	3		238,366	212,374
3. DEFERRED TAX LIABILITY			13,370	12,377
	TOTAL		<u>807,256</u>	<u>800,555</u>
APPLICATION OF FUNDS				
1. FIXED ASSETS	4			
Gross Block.....		742,315		732,743
Less Depreciation		<u>375,252</u>		<u>350,594</u>
Net Block.....		<u>367,063</u>		382,149
Capital work-in-progress and advances.....		-		-
			367,063	382,149
2. CURRENT ASSETS, LOANS AND ADVANCES	5			
Inventories.....		199,214		228,081
Sundry Debtors		362,099		270,180
Cash and Bank Balances.....		-		-
Other Current Assets.....		-		-
Loans and Advances.....		-		-
Less :		<u>561,313</u>		498,261
CURRENT LIABILITIES AND PROVISIONS	6			
Liabilities		109,938		63,763
Provisions.....		<u>11,182</u>		<u>16,092</u>
		<u>121,120</u>		79,855
NET CURRENT ASSETS			440,193	418,406
	TOTAL		<u>807,256</u>	<u>800,555</u>
SIGNIFICANT ACCOUNTING POLICIES	8			
NOTES ON ACCOUNTS	9			

As per our report attached

MAZARS LLP
Chartered Accountants
by the hand of

MR. I. G. Wrightson
Partner

R.J. GOODALL Director
M.K. TRIVEDI Director

Leeds, 14th May, 2010

Cleckheaton, 14th May, 2010

GARNETT WIRE LIMITED

Profit and loss Account for the year ended 31st March, 2010

	Schedule	£	Year-Ended 31/03/2010 £	Year-Ended 31/03/2009 £
INCOME :				
Sales.....			<u>874,829</u>	<u>875,426</u>
EXPENDITURE :				
Materials, Manufacturing and Other Expenses.....	7	890,514		853,720
Interest on loans for fixed periods		2,773		7,624
Other Interest inc bank charges £ 3,269 (2009 : £2,431)		6,370		8,497
Depreciation		24,658		26,776
			924,315	896,617
Rent Receivable.....			<u>(24,000)</u>	<u>(21,400)</u>
Profit before tax			(25,486)	209
Provision for taxation				
Current tax.....			(3,488)	3,531
Prior year tax.....			(2,707)	-
Deferred tax charge/(credit).....			993	(795)
Profit after tax from ordinary activities			(20,284)	(2,527)
Balance brought forward			225,804	228,331
			205,520	<u>225,804</u>
APPROPRIATION :				
Dividend				
Final - Paid			-	-
			-	-
Balance carried to Balance Sheet			205,520	<u>225,804</u>
Earning per share (£ per equity share of £1) Basic/diluted			(0.06)	(0.01)
Average number of equity shares.....			350,000	350,000
SIGNIFICANT ACCOUNTING POLICIES	8			
NOTES ON ACCOUNTS	9			

As per our report attached

MAZARS LLP
Chartered Accountants
by the hands of

MR. I. G. WRIGHTSON
Partner

Leeds, 14th May, 2010

R.J. GOODALL Director

M.K. TRIVEDI Director

Cleckheaton, 14th May, 2010

Cash Flow Statement for the year ended 31st March, 2010

Schedule	£	Year-Ended 31/03/2010 £	Year-Ended 31/03/2009 £
Net cash inflow / (outflow)			
from operating activities		(380)	46,951
Returns on investments and servicing of finance			
Interest paid	(5,874)		(13,690)
Net cash outflow for returns on investments and servicing of finance		(5,874)	(13,690)
Taxation		(6,485)	(4,543)
Capital expenditure			
Payments to acquire tangible assets	(9,572)		(22,803)
Receipts from sale of tangible assets	-		-
Net cash outflow for capital expenditure		(9,572)	(22,803)
Net cash inflow / (outflow) before management of liquid resources and financing		(22,311)	5,915
Financing			
Issue of new loan	-		25,936
Repayment of long term loan	(18,579)		(13,651)
Capital element of hire purchase contracts	(3,680)		(3,680)
Net cash outflow from financing		(22,259)	(8,605)
(Decrease) / Increase in cash in the year		<u>(44,570)</u>	<u>14,520</u>

As per our report attached

MAZARS LLP
Chartered Accountants
by the hand of

R.J. GOODALL Director
M.K. TRIVEDI Director

MR. I. G. WRIGHTSON
Partner

Leeds, 14th May, 2010

Cleckheaton, 14th May, 2010

GARNETT WIRE LIMITED

Schedules forming part of the Accounts: 31st March, 2010

SCHEDULE 1 SHARE CAPITAL

	As at 31/03/2010 £	As at 31/03/2009 £
Authorised		
140,000 'A' ordinary shares of £1 each	140,000	140,000
(previous year 140,000 'A' ordinary shares of £1 each)		
210,000 'B' ordinary shares of £1 each	210,000	210,000
(previous year 210,000 'B' ordinary shares of £1 each)		
Issued and Subscribed		
140,000 'A' ordinary shares of £1 each fully paid up	140,000	140,000
(previous year 140,000 'A' ordinary shares of £1 each)		
210,000 'B' ordinary shares of £1 each fully paid up	210,000	210,000
(previous year 210,000 'B' ordinary shares of £1 each)		
	<u>350,000</u>	<u>350,000</u>
Of the above shares :		
(a) 210,000 'B' ordinary shares are held by the holding Company - The Indian Card Clothing Co. Ltd.		

SCHEDULE 2 RESERVES AND SURPLUS

Profit and Loss Account	205,520	225,804
	<u>205,520</u>	<u>225,804</u>

SCHEDULE 3 SECURED LOANS

Bank loans and overdrafts are secured by a legal mortgage over	238,366	212,374
units 29 and 30 Stone Street, (Cleckheaton) and a mortgage debenture incorporating a fixed and floating charge over the whole of the company's assets	<u>238,366</u>	<u>212,374</u>

This figure should include interest accrued and due on loan

SCHEDULE 4 Schedules forming part of the Accounts: 31st March, 2010

FIXED ASSETS

ASSETS	Gross Block			Depreciation			Net Book Value			
	As at 1.04.2009	Addition	Deduction	As at 31-3-2010	As at 1-4-2009	For the year	Deduction	Upto 31-3-2010	as at 31-3-2010	as at 31-3-2009
Goodwill	20,000	-	-	20,000	20,000	-	-	20,000	-	-
Land (freehold)	102,500	-	-	102,500	0	-	-	0	102,500	102,500
Buildings	214,686	-	-	214,686	44,205	7,171	-	51,376	163,310	170,481
Leaseholds				0	0	-	-	0	0	0
Plant and Machinery	32,050	0	-	32,050	11,883	3,025	-	14,908	17,142	20,167
Electrical Installations				0	0	-	-	0	0	0
Air-conditioning Plant and Machinery	306,112	9,572	-	315,684	243,153	9,456	-	252,609	63,075	62,959
Furniture and Fittings	21,517	0	-	21,517	7,333	2,127	-	9,460	12,057	14,184
Office Equipments & Computers	5,784	0	-	5,784	4,026	264	-	4,290	1,494	1,758
Vehicles	14,950	0	-	14,950	12,808	555	-	13,363	1,587	2,142
Owned	15,144	0	-	15,144	7,186	2,060	-	9,246	5,898	7,958
On hire purchase	732,743	9,572	0	742,315	350,594	24,658	0	375,252	367,063	
Previous year	709,940	22,803	0	732,743	323,817	26,777	0	350,594		382,149
Capital work-in-progress and advances									0	0
									367,063	382,149

Capital work-in-progress and advances

Additions to Plant and Machinery include £ Nil (previous year £ Nil) on account of exchange difference. Borrowing costs capitalised during the year £ Nil (previous year £ Nil) Accounting Standard 16

In respect of finance lease, the following disclosure is required (AS19)

- Assets acquired under finance lease to be segregated from owned assets for each class of assets in the above schedule.
- Reconciliation between total minimum lease payments at the balance sheet date and their present value for each of the following periods :
 - not later than one year
 - later than one year and not later than five years.
 - later than five years.
- Contingent rents recognised as expense in P&L account.
- A general description of lessee's significant leasing arrangements like basis of contingent rent, purchase options, escalation, restrictions under lease agreements.

Depreciation needs to be provided at the rate specified in Indian Companies Act as per separate file.

GARNETT WIRE LIMITED

Schedules forming part of the Accounts : 31st March, 2010

SCHEDULE 5	£	As at 31/03/2010 £	As at 31/03/2009 £
CURRENT ASSETS, LOANS AND ADVANCES			
A. Inventories			
Raw materials including packing materials	98,344		119,199
Work -in- progress including semi finished goods..	7,761		8,732
Finished goods.....	68,549		89,025
Trading goods	<u>24,560</u>		<u>11,125</u>
		199,214	<u>228,081</u>
B. Sundry Debtors (Unsecured)			
Debts outstanding for a period exceeding six months			
Considered doubtful.....	0		0
Considered good.....	120,820		72,762
Other Debts :			
Considered doubtful.....	0		0
Considered good.....	<u>241,279</u>		<u>197,416</u>
	362,099		<u>270,180</u>
Less : Provision for doubtful debts.....	<u>0</u>		<u>0</u>
		362,099	<u>270,180</u>
		561,313	<u>498,261</u>
 SCHEDULE 6			
CURRENT LIABILITIES AND PROVISIONS			
A. Current Liabilities			
Trade Creditors	82,760		36,224
(dues to SSI unit outstanding for more than 30 days £ Nil previous year £ Nil)			
Net obligations under Hire Purchase contracts.....	3,604		7,284
Other creditors	<u>23,574</u>		<u>20,255</u>
		109,938	<u>63,763</u>
B. Provisions			
Provision for leave salary	0		0
Taxation and social security	<u>11,182</u>		<u>16,092</u>
		11,182	<u>16,092</u>
		121,120	<u>79,855</u>

Schedules forming part of the Accounts : 31st March, 2010

	£	Year-Ended 31/03/2010 £	Year-Ended 31/03/2009 £
SCHEDULE 7			
MATERIALS, MANUFACTURING AND OTHER EXPENSES			
Raw materials including packing materials consumed		337,724	371,505
Purchase of trading goods.....		0	0
Add/(less) : Decrease / (Increase) in stocks :			
Add : Opening stock -			
Raw materials including packing materials....	119,199		101,866
Work-in-progress	8,732		4,269
Finished goods	89,025		75,593
Trading goods	11,125		9,996
	228,081		<u>191,724</u>
Less : Closing stock -			
Raw materials including packing materials....	98,344		119,199
Work-in-progress	7,761		8,732
Finished goods	68,549		89,025
Trading goods	24,560		11,125
	199,214		<u>228,081</u>
		28,867	<u>-36,357</u>
		366,591	<u>335,148</u>
Stores and spare parts consumed.....		16,714	17,738
Power and fuel.....		15,421	13,553
Insurance		18,751	16,478
Rates and Taxes		16,876	17,262
Repairs : Building	-		-
Plant and Machinery	11,176		24,785
Others	-		-
		11,176	<u>24,785</u>
Salaries, wages and bonus.....	295,814		275,860
Contribution to N.I.....	27,007		25,889
Workmen and staff welfare expenses Inc Pensions	6,499		5,998
		329,320	<u>307,747</u>
Process Cost		12,419	26,403
Travelling		28,378	28,065
Telephone, Telex and Fax.....		5,948	5,498
Commission		20,641	12,398
Bad Debts		10,736	1,295
Advertising		2,852	2,072
Motor Vehicle Leasing		6,878	7,385
Legal and professional fees.....		29,819	35,196
Auditors' remuneration :			
Audit fees.....	8,425		8,250
Other services.....	-		-
Reimbursement of expenses	-		-
		8,425	<u>8,250</u>
Exhibition expenses.....		1,966	-2,183
Loss on disposal of tangibles.....		0	0
Entertaining.....		568	950
Printing, stationery and Postage.....		5,406	5,376
Foreign Exchange difference		(26,050)	-13,463
Other expenses		7,679	6,359
		890,514	<u>853,720</u>

Schedules forming part of the Accounts : 31st March, 2010

SCHEDULE 8 SIGNIFICANT ACCOUNTING POLICIES

1. The accounts have been prepared on the accrual basis and going concern principle and are in compliance with the Accounting Standards referred to in section 211 (3C) and other requirements of the Indian Companies Act, 1956.
2. **Revenue Recognition :**
Sales are accounted for on the basis of acknowledgments and are stated net of VAT, freight, insurance and other charges recoverable from customers.
3. **Fixed Assets :**
Fixed assets are stated at cost less depreciation. Cost includes all identifiable expenditure incurred to bring the asset to its working condition for 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 is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life at the following rates :

Factory Building.....	3.34% on straight line (No depreciation to be provided on land)
Plant & Machinery	15% on reducing balance
Motor vehicles	25.89% on reducing balance (Re-computation required)
5. **Leasing :**
Assets held under finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.
6. **Goodwill :**
Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.
7. **Valuation of Inventories :**
Inventories are valued at the lower of cost, determined on weighted average basis, or net realisable value after making provision for obsolescence. Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and where applicable, excise duty.
8. **Borrowing Cost :**
Borrowing cost that is attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.
9. **Foreign Currency Transactions :**
Foreign currency transactions are accounted for at the exchange rate prevailing at the transaction date. Year-end monetary assets & liabilities in foreign currency, other than those pertaining to the acquisition of fixed assets, are translated at the applicable year end exchange rates and the resultant difference is recognised as gain /loss for the year. Year-end translation differences in respect of liabilities pertaining to acquisition of fixed assets are adjusted to the cost of the relevant assets.
10. **Retirement Benefits :**
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.
11. **Provision for Taxation :**
Tax expense for the year, comprising current tax and deferred tax is included in determining net profit for the year. A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing difference which are capable of reversal in the subsequent years arising between taxable income and accounting income at currently enacted tax rates. Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

Schedules forming part of the Accounts : 31st March, 2010

**SCHEDULE 9
NOTES ON ACCOUNTS**

	Installed capacity	Actual production
1. Capacities and Production : (certified by the Managing Director)		
Class of goods :		
(i) Flexible and metallic card clothing - sets	126 (126)	100 (100)
- Industrial Licensing is not applicable and therefore licensed capacity is not given.		

	Opening Stocks		Closing Stocks		Sales	
	Qty. tonnes	Value £	Qty. tonnes	Value £	Qty. tonnes	Value £
Class of goods :						
Raw materials						
- sets	50	119,199	40	98,344		
Work in progress	3	8,732	2	7,761	-	
Finished goods	18	89,025	14	68,549	84	783,935
					(80)	(774,129)
Trading goods	0	11,125	0	24,560		90,894
						(101,297)
					84	874,829
		228,081		199,214	(80)	(875,426)

* Quantity figures for card clothing have been stated with reference to principal items. Comprised in a set of card clothing.

	Qty.	£
3. Raw materials including packing material consumed :		
Steel (wires and strips) - tonnes	106 (96)	317,936 (352,974)
Industrial cloth and fabric - square meters		0
Others		0
		19,788 (18,531)
		337,724 (371,505)

	%	£
4. Value of imported and indigenous raw materials including packing materials, stores and spare parts consumed and the percentage of each to the total consumption :		
Imported	2 4	6,954 (16,437)
Indigenous	98 96	347,484 (291,454)
	100	354,438
	100	(389,243)

	Year ended 31-3-2010 £	Year ended 31-3-2009 £
5. Value of Imports on C.I.F. basis :		
Raw materials	5,578	9,758
Stores and spare parts	1,376	0
Capital goods	0	0
Trading goods	3,001	-

Schedules forming part of the Accounts : 31st March, 2010

	Yeard Ended 31-3-2007 £	Yeard Ended 31-3-2006 £
6. Expenditure in foreign currency :		
Travelling, commission, technical knowhow, royalty and others	0	0
7. i) Claims against the Company not acknowledged as debts	0	0
ii) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	0	0
iii) Contingent liability in respect of taxation matters in appeal by the Department.....	0	0

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

Year to which dividend relates	Number of Shareholders	Number of Shares
--------------------------------	---------------------------	---------------------

9. Earnings in foreign currency :

Exports realisation on F.O.B. basis	0	0
Others (freight charges on exports)	0	0

10. Managerial remuneration under section 198 of the Indian Companies Act, 1956

Provisions of Indian Companies Act, 1956 regarding remuneration are not applicable.

11. Computation of net profit in accordance with Section 198 of the Indian Companies Act, 1956 and the commission payable

Provisions of Indian Companies Act, 1956 regarding remuneration are not applicable.

12. The total of research and development costs including depreciation charge to profit and loss £ nil (previous year £ nil).

13. Segment information

The turnover is attributable to the one principal activity of the company which is that of the manufacture of metallic card clothing. A geographical analysis of turnover is given below:-

	Year ended 31-03-2010 £	Year ended 31-03-2009 £
United Kingdom	371,536	515,579
North America	84,369	104,703
South America.....	0	0
Europe	168,077	133,111
Africa.....	75,235	21,447
Asia	123,761	40,718
Australia.....	38,166	26,839
New Zealand.....	13,685	33,029
	<u>874,829</u>	<u>875,426</u>

14. Related party transactions

During the year the company traded with two other UK companies, Joseph Sellers & Son Limited and Shaped Wires Limited, which are under common control of J F H Goodall and R J Goodall.

The company also traded with The Indian Card Clothing Co. Limited which is the parent company of Garnett Wire Limited.

Schedules forming part of the Accounts : 31st March, 2010

A summary of the transactions, which all took place at arms length, is shown below:-

During the year to 31 March 2010	Rent Received	Goods and services purchased £	Goods supplied £	Included in debtors £	Included in creditors £
Joseph Sellers & Son Limited	-	50,519	53	-	3,133
Shaped Wires Limited.....	24,000	245,647	43,203	-	2,629
The Indian Card Clothing Company Limited		6,954	40,652	18,064	1556
 During the year to 31 March 2009					
Joseph Sellers & Son Limited		51,573	424	-	-
Shaped Wires Limited.....	21,400	268,509	42,406	3,943	-
The Indian Card Clothing Company Limited ...	-	16,437	18,962	2,228	-

	Year ended 31-03-2010	Year ended 31-03-2009
15. Deferred Taxes		
The major components of deferred tax asset/(liability) are as follows		
Particulars		
a) Depreciation.....	<u>13,730</u>	<u>12,377</u>
Net deferred tax Asset.....	<u><u>13,730</u></u>	<u><u>12,377</u></u>

Directors' Report

Your Directors present the Company's Annual Accounts for the year ended 31st March 2010

1 HIGHLIGHTS OF FINANCIAL RESULTS :

	Year Ended 31st March 2010	(Rs. Lac) Year Ended 31st March 2009
Commission, Sales & Income	351.06	590.81
Gross Operating Profit/(Loss) for the Year	43.96	(51.39)
Depreciation	4.13	5.24
Profit/(Loss) Before Tax	39.83	(71.46)
Provision for Tax (net)	(5.42)	4.79
Profit/(Loss) After Tax	45.25	(76.25)
Profit/(Loss) brought forward from the Last Year	183.49	259.74
Retained in Profit and Loss A/c	228.74	183.49

2. OPERATIONS HIGHLIGHTS :

Your Company's income from indenting commission increased by 49.50% from Rs.143.10 Lac last year to Rs.213.93 Lac this year primarily due to a surge in investment in multi head embroidery machines.

Service income has increased by 19% from Rs. 30.03 Lakhs to Rs.35.68 Lakhs as the Company benefited from annual maintenance contracts for embroidery machines on a higher installed base of machines.

Other income has increased from Rs.1.86 Lakhs to Rs.3.50 Lakhs this fiscal year.

3. DIVIDEND :

The Company has paid no interim dividend during the year (No interim and final dividend in the previous year).

4. DIRECTORS :

As per the provisions of Section 255 of the Companies Act 1956, Mr M M Shah retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment.

5. PARTICULARS OF EMPLOYEES:

Your Company continues to enjoy excellent and cordial relations with its employees to achieve its overall organizational vision and performance goals.

None of the employees of the Company was in receipt of remuneration in excess of limits as prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 and, therefore, the said information is not applicable.

6. DISCLOSURE IN RESPECT OF CONSERVATION OF ENERGY ETC.

Since the Company is engaged in the service activity, the information in accordance with the provisions of Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Directors) Rules 1988, is not applicable.

7. FOREIGN EXCHANGE EARNINGS & OUTGO:

Total Foreign Exchange earnings	Rs. 213.93Lac
Total Foreign Exchange outgo	Rs. 30.28Lac

8. 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 available to them:

[i] in the preparation of the annual accounts, the applicable accounting standards have been followed.

[ii] appropriate accounting policies have been selected and applied consistently and judgments and estimate have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2010 and of the profit of the Company for the year 1st April 2009 to 31st March 2010.

[iii] 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.

[iv] the annual accounts have been prepared on a going concern basis.

9. AUDITORS :

M/s B K Khare & Co., Chartered Accountants have signed their consent to be appointed as auditors of the Company.

10. COMPLIANCE CERTIFICATE:

Compliance Certificate pursuant to Section 383A of the Companies Act, 1956 is attached to this report.

For and on behalf of the Board.
For ICC International Agencies Limited

M.K. TRIVEDI
Managing Director

Place: Mumbai
Date: 3rd May, 2010

KUNJAN GANDHI
Director

ICC INTERNATIONAL AGENCIES LIMITED

Compliance Certificate

To,
The Members,
ICC International Agencies Limited.
Mumbai.

CIN: U99999MH1995PLC095231

I have examined the Registers, Records, Books and Papers of ICC International Agencies Limited (hereinafter referred to as "the Company") required to be maintained under the Companies Act, 1956 (hereinafter referred to as "the Act") and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2010. In my opinion and to the best of my information and according to the examination carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. the company has kept and maintained all Registers as stated in Annexure 'A' to this Certificate, as per the provisions and the Rules made thereunder and all entries therein have been duly recorded.
2. the company has duly filed the forms and Returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies within the time prescribed under the Act and the Rules made thereunder.
3. the Company being a Public Company has a minimum prescribed paid- up capital, comments regarding number of members are not required.
4. the Board of Directors duly met 4 (Four) times on 22nd May 2009, 11th September 2009, 21st December 2009 and 31st March 2010 in respect of which the proper notices were given and the proceedings were properly recorded in the Minutes Book.
5. the Company was not required to close its Register of Members during the financial year.
6. the Annual General Meeting for the financial year ended on 31.03.2009 was held on 13th August 2009, after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for this purpose.
7. no Extra Ordinary General Meeting was held during the aforesaid financial year.
8. the Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. the Company has not entered into any contracts falling within the purview of Section 297 of the Act, during the aforesaid financial year.
10. the Company was not required to make any entries in the register maintained under Section 301 of the Act, during the aforesaid financial year.
11. there were no instances falling within the purview of Section 314 of the Act.
12. the company has not issued any duplicate share certificate during the financial year.
13. the Company has:
 - (i) not delivered any certificate during the aforesaid financial year, as there was no allotment of any shares nor any transfer/transmission of the shares.
 - (ii) not declared any dividend during the aforesaid financial year.
 - (iii) duly complied with the requirements of Section 217 of the Act.
14. the Board of Directors of the company is duly constituted.
15. the appointment of Managing Director has been made in compliance with the provisions of the Act during the aforesaid financial year.
16. the company has not appointed any Sole-Selling Agents within the meaning of Section 294 of the Act during the aforesaid financial year.
17. the company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
18. the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. the Company has not issued any shares/debentures/other securities during the financial year.

ICC INTERNATIONAL AGENCIES LIMITED

20. the Company has not bought back any shares during the aforesaid financial year.
21. there was no redemption of preference shares or debentures during the financial year.
22. there were no transactions necessitating the company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares during the aforesaid financial year.
23. the Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the aforesaid financial year.
24. the company has not made any borrowings during the aforesaid financial year.
25. the Company has not made loans or investments or given guarantees or provided securities to other Bodies Corporate during the aforesaid financial year.
26. the Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
27. the Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. the Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. the Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. the Company has not altered its Articles of Association during the aforesaid financial year.
31. no prosecution has been initiated against or show cause notices received by the Company for alleged offences under the Act and also no fines and penalties or any other punishment has been imposed on the Company.
32. the Company has not received any money as security from its employees during the year under certification.
33. the company has deposited both the employee's and employer's contribution to Provident Fund with the prescribed authorities pursuant to section 418 of the Act.

Ajay M. Antarkar
Company Secretary
C. P. # 3022

Place: Mumbai
Date: 3rd May, 2010

Annexure A

Sr. No.	Name of the Register	Maintained U/s
1.	Register of Members	150
2.	Minute Book of proceedings of General Meeting	193
3.	Minute Book of meeting of Board of Directors	193
4.	Books of Accounts	209
5.	Register of Contracts	301
6.	Register of Directors	303
7.	Register of Directors Shareholding	307
8.	Register of Investments	372A
9.	Register of Transfer of Shares	
10.	Attendance Register of Board Meeting	

Annexure B

Sr. No.	Forms>Returns	Filed U/s	Particulars
1.	Annual Return (Form 20B)	159	For the year 2009.
2.	Balance Sheet (Form 23AC + 23ACA)	220	For the Year ended 31.03.2009.
3.	Secretarial Compliance Certificate (Form 66)	383 A	For the Year ended 31.03.2009.
4.	Form 32	302	Mr. Mehul K Trivedi re-appointed as Managing Director w.e.f. 01.04.2009
5.	Form 23	192	Re-appointment of Mr. Mehul K Trivedi as Managing Director w.e.f 01.04.2009

ICC INTERNATIONAL AGENCIES LIMITED

AUDITORS' REPORT

To
The Members

ICC International Agencies Limited

We have audited the attached Balance Sheet of ICC International Agencies Limited as at 31st March 2010, the Profit and Loss Account & Cash Flow Statement for the year ended as on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, as amended from time to time, we enclosed in the annexure a statement on the matters specified in the paragraph 4 and 5 of the said Order on the basis of such checks of the books and records as were considered appropriate, and according to the information and explanations given to us in the course of the audit.
2. Further to our comments in the Annexure referred to above, we report that:
 - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books.
 - c) the Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the said Balance Sheet and Profit Loss Account dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e) on the basis of written representations received from the directors as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
3. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date and
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended as on that date.

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

Devdatta Mainkar
Partner
Membership No.109795
Firm Registration No. 105102W
Mumbai, May 3, 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (1) of our report of even date)

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situations of all fixed assets.
 - (b) The fixed assets have been physically verified by the Management during the year. There is a regular programme of verification which in our opinion is reasonable having regard to size of the company and nature of its assets.
 - (c) During the year, the Company has not disposed off any fixed assets.
- 2) (a) According to the information and explanations given to us, the inventory of trading goods, stores and spare parts have been physically verified by the management during the year and in our opinion, the frequency of such verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable & commensurate with the size of the Company and the nature of its business.
 - (c) The discrepancies noticed on physical verification of stocks as compared to book records, which were not material, have been properly dealt with in the books of account.
- 3) The Company has not taken or given any loans, secured or unsecured, from / to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- 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 purchase of inventory and fixed assets and for the sale of goods and services. No major weaknesses in internal control system were noticed in the course of our audit.
- 5) According to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts and arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 500,000 or more in value in respect of each party.
- 6) The Company has not accepted any deposits from the public, to which the provisions of Section 58A of the Companies Act, 1956 and the rules framed there under, apply.
- 7) In our opinion and according to the information and explanation provided to us, the Company has an Internal Audit System commensurate with its size and the nature of its business.
- 8) According to the information and explanations given to us by the Company, the Central Government has not prescribed maintenance of cost accounts and records under Section 209 (1)(d) of the Companies Act, 1956, for any of the products of the Company.
- 9) (a) On the basis of examination of books of accounts and according to the information and explanations provided to us, the Company is regular in depositing undisputed statutory dues in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other applicable statutory dues with the appropriate authorities.
 - 9)(b) On the basis of examination of books & accounts and according to the information and explanations given to us, there are no amounts payable in respect of Income tax, Wealth tax, Sales tax, Customs duty, Excise duty, Service Tax or cess which were disputed and outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable by the Company.
- 10) The Company had no accumulated losses at the end of the financial year. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding year.
- 11) The Company has not borrowed from financial institutions/through debenture issue.
- 12) The Company has not given any financial guarantee for loans taken by others from bank or financial institutions.
- 13) The Company did not have any term loan outstanding during the year.
- 14) On the basis of overall examination of financial statements of the Company and other financial information furnished to us, we are of the opinion that no funds raised on short-term basis have been utilized for long-term investments.
- 15) According to the information and explanations given to us, during the year, no frauds were noticed or reported by or against the company.
- 16) Sub paragraphs (xii), (xiii), (xiv), (xviii), (xix) and (xx) of the Clause 4 of the Order are not applicable to the Company.

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

Devdatta Mankar
Partner
Membership No.109795
Firm Registration No. 105102W
Mumbai, May 3, 2010

ICC INTERNATIONAL AGENCIES LIMITED

Balance Sheet as at 31st March, 2010

	Schedule	Rs.	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SOURCES OF FUNDS				
SHAREHOLDER'S FUNDS				
Share Capital	1		5,000,000	5,000,000
Reserves & Surplus	2		31,338,049	26,813,265
TOTAL			<u>36,338,049</u>	<u>31,813,265</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	3	5,593,026		6,086,320
Less : Depreciation		4,170,981		4,308,119
Net Block		<u>1,422,045</u>		<u>1,778,201</u>
			1,422,045	1,778,201
INVESTMENTS	4		-	15,000
DEFERRED TAX ASSET	5		1,190,001	-
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	6	6,851,604		12,385,898
Sundry Debtors		13,441,059		16,922,765
Cash and Bank Balances		13,282,081		6,495,315
Other Current assets		55,993		30,866
Loans and Advances		<u>3,862,605</u>		<u>3,814,844</u>
		37,493,342		39,649,688
LESS :- CURRENT LIABILITIES AND PROVISIONS				
Liabilities	7	3,767,339		9,247,771
Provisions	8	-		381,852
		<u>3,767,339</u>		<u>9,629,623</u>
NET CURRENT ASSETS			33,726,003	30,020,065
TOTAL			<u>36,338,049</u>	<u>31,813,265</u>
SIGNIFICANT ACCOUNTING POLICIES	A			
NOTES ON ACCOUNTS	B			

The Schedules referred to above and the notes attached form an integral part of the accounts.

As per our report of even date

For and on behalf of the Board

B. K. KHARE & CO.
Chartered Accountants

M.K.TRIVEDI Managing Director
M.M.SHAH Director
K.N. GANDHI Director
P.K.ASHER Director

DEVDATTA MAINKAR
Partner
Mumbai, 3rd May, 2010

Mumbai, 3rd May, 2010

ICC INTERNATIONAL AGENCIES LIMITED

Profit and Loss Account for the Year ended 31st March, 2010

	Schedule	Rs.	Year ended 31-03-2010 Rs.	Year ended 31-03-2009 Rs.
INCOME				
Commission and Service Revenue	9		24,961,456	17,313,626
Sales - Trading			9,795,101	41,581,151
Other Income	10		349,789	186,144
			<u>35,106,346</u>	<u>59,080,921</u>
EXPENDITURE				
Cost of Goods Sold	11		10,395,489	37,068,735
Personnel Cost	12		8,018,320	8,814,502
Operating, Selling and Administration Expenses	13		11,952,714	18,053,615
Depreciation			413,259	523,780
Interest and Financial Charges				
-Interest for Delayed Payments		315,583		181,131
-Bank Charges.....		27,714		102,084
			<u>343,297</u>	<u>283,215</u>
			<u>31,123,079</u>	<u>64,743,847</u>
Profit / (Loss) for the year			3,983,267	(5,662,926)
Less Prior period Expenses.....			-	1,483,451
Profit / (Loss) before Tax			3,983,267	(7,146,377)
Less :Provision for Tax				
- Current Tax - MAT		623,937		-
- MAT credit entitlement.....		(539,706)		-
- short / (excess) provision of previous year reversed		564,253		(317,677)
- Deferred Tax Liability / (Asset).....		(1,190,001)		577,950
- Fringe Benefit Tax.....		-		218,505
			<u>(541,517)</u>	<u>478,778</u>
Profit / (Loss) after Tax			4,524,784	(7,625,155)
Profit / (Loss) brought forward from previous year			18,349,222	25,974,377
Balance of Profit and Loss Account.....			22,874,006	18,349,222
APPROPRIATION :				
Interim Dividend Declared			-	-
Final Dividend Proposed			-	-
Dividend tax			-	-
General Reserve			-	-
Balance Carried to Balance Sheet			22,874,006	18,349,222
			<u>22,874,006</u>	<u>18,349,222</u>
Earning per share (Basic and diluted)			9.05	(15.25)
SIGNIFICANT ACCOUNTING POLICIES	A			
NOTES ON ACCOUNTS	B			

The Schedules referred to above and the notes attached form an integral part of the accounts.

As per our report of even date

For and on behalf of the Board

B. K. KHARE & CO.
Chartered Accountants

M.K.TRIVEDI Managing Director
M.M.SHAH Director
K.N. GANDHI Director
P.K.ASHER Director

DEVDATTA MAINKAR
Partner
Mumbai, 3rd May, 2010

Mumbai, 3rd May, 2010

ICC INTERNATIONAL AGENCIES LIMITED

Cash Flow Statement for the year ended 31st March, 2010

	Rs.	Year Ended 31/03/2010 Rs.	Year Ended 31/03/2009 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES :			
Net Profit Before Tax & Extraordinary items		3,983,267	(7,146,377)
Depreciation.....	413,259		523,780
Sundry Balances Written Off	666,737		854,390
Provision for Doubtful Debts	55,160		1,301,610
Loss on Sale of Fixed Assets.....	68,198	1,203,354	2,679,780
		<u>5,186,621</u>	<u>(4,466,597)</u>
Less:			
Sundry Balances Written Back	147,363		112,317
Interest / Dividend received	194,346		47,373
		341,709	159,690
Operating Profit before Working Capital Changes		4,844,912	(4,626,287)
Decrease / (Increase) in Inventories.....	5,534,294		(1,738,419)
Decrease / (Increase) in Debtors	2,814,968		11,363,980
Decrease / (Increase) in Other Current Assets	(687,429)		2,290,097
(Decrease) / Increase in Creditors	(4,574,177)		3,466,169
(Decrease) / Increase in Other Current Liabilities	(906,255)		(2,995,979)
(Decrease) / Increase in Provision.....	(381,852)		329,383
Direct Tax paid (including Fringe Benefit Tax)	145,760		(2,019,078)
		1,945,309	10,696,152
Net Cash Generated from / (used in) operating activities		6,790,221	6,069,865
B CASH FLOW FROM INVESTING ACTIVITES :			
Purchase of Fixed Assets	(209,800)		(324,456)
Sale proceeds of Fixed Assets	84,500		-
Interest / Dividend recived	121,845		38,332
Net cash from / (used in) Investment activities		(3,455)	(286,124)
C CASH FLOW FROM FINANCING ACTIVITES :			
Dividend Paid.....	-		(3,750,000)
Tax on Dividend	-		(637,313)
Net cash from /(used in) financing activities		-	(4,387,313)
Net increase (decrease) in cash and cash equivalent (A+B+C).....		6,786,766	1,396,428
Cash and Bank balance opening		6,495,315	5,098,887
Cash and Bank balance closing		13,282,081	6,495,315
Increase (Decrease) in Cash & Bank (for check)		<u>6,786,766</u>	<u>1,396,428</u>

As per our report of even date

For and on behalf of the Board

B. K. KHARE & CO.
Chartered Accountants

M.K.TRIVEDI Managing Director
M.M.SHAH Director
K.N. GANDHI Director
P.K.ASHER Director

DEVDATTA MAINKAR
Partner
Mumbai, 3rd May, 2010

Mumbai, 3rd May, 2010

ICC INTERNATIONAL AGENCIES LIMITED

Schedules forming part of the Accounts : 31st March 2010

	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE 1		
SHARE CAPITAL		
Authorised :-		
10,00,000 Equity Shares Of Rs 10/- each (Previous year 10,00,000 Equity Shares of Rs 10/- each)	<u>10,000,000</u>	<u>10,000,000</u>
Issued, Subscribed and Paid Up Capital		
5,00,000 Equity Shares Of Rs. 10 /- each fully paid up (Previous year 5,00,000 Equity Shares of Rs 10/- each) (The entire share capital is held by the holding company, The Indian Card Clothing Company Limited, ultimate holding Company Multi-Act Industrial Enterprises Ltd.)	<u>5,000,000</u>	<u>5,000,000</u>
TOTAL	<u><u>5,000,000</u></u>	<u><u>5,000,000</u></u>
SCHEDULE 2		
RESERVES & SURPLUS		
(1) General Reserve		
Opening Balance	8,464,043	8,464,043
Less : Provision for leave encashment (net of deferred tax)		
Add : Transferred during the year		
Closing Balance	<u>8,464,043</u>	<u>8,464,043</u>
(2) Surplus in Profit & Loss A/c		
	<u>22,874,006</u>	<u>18,349,222</u>
	<u><u>31,338,049</u></u>	<u><u>26,813,265</u></u>

SCHEDULE 3 FIXED ASSETS

Description	Rate	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01.04.2009 Rs.	Additions Rs.	Deletions Rs.	As At 31.03.2010 Rs.	As At 01.04.2009 Rs.	For The Year Rs.	On Deletions Rs.	As At 31.03.2010 Rs.	As At 31.03.2010 Rs.	As At 31.03.2009 Rs.
Computers	40.00	1,305,107	111,500	-	1,416,607	1,137,031	100,432	-	1,237,463	179,144	168,076
Furniture	18.10	1,039,266	-	32,968	1,006,298	744,993	51,257	21,882	774,368	231,930	294,273
Vehicles	25.89	2,698,082	-	592,976	2,105,106	1,859,804	189,072	484,987	1,563,889	541,217	838,278
Office Equip	13.91	1,043,865	98,300	77,150	1,065,015	566,291	72,498	43,528	595,261	469,754	477,574
Total		6,086,320	209,800	703,094	5,593,026	4,308,119	413,259	550,397	4,170,981	1,422,045	1,778,201
As at 31.03.2009		5,761,864	324,456	-	6,086,320	3,784,339	523,780	-	4,308,119	1,778,201	-

ICC INTERNATIONAL AGENCIES LIMITED

Schedules forming part of the Accounts : 31st March 2010

SCHEDULE 4

	Rs.	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
INVESTMENTS			
Long Term Investments (Non Trade)			
Others :			
National Savings Certificates.....		-	15,000
(Written off during the year)		-	15,000
		<u>-</u>	<u>15,000</u>

SCHEDULE 5

DEFERRED TAX BALANCES

Deferred Tax Assets.....	1,190,001		-
Less : Deferred Tax Liability.....	-		-
		<u>1,190,001</u>	<u>-</u>

(Refer note no. 13 of the notes to the accounts of Schedule 'B')

SCHEDULE 6

CURRENT ASSETS, LOANS

AND ADVANCES

Inventories (As certified by Management) (at lower of cost or net realisable value)

Finished Goods - Trading	6,851,604		12,385,898
		<u>6,851,604</u>	<u>12,385,898</u>

Sundry Debtors

(Unsecured)

Debts outstanding for a period exceeding six months

Considered good :	1,237,034		9,157,543
Considered doubtful :	2,381,133		2,325,973
	<u>3,618,167</u>		<u>11,483,516</u>
Less : Provision for Doubtful Debts	2,381,133		2,325,973
	<u>1,237,034</u>		<u>9,157,543</u>

Other Debts:

Considered good :	12,204,025		7,765,222
		<u>13,441,059</u>	<u>16,922,765</u>

Cash and Bank Balances

Cash On Hand	22,550		54,824
Balance with Scheduled Banks			
- Current Account.....	3,259,531		1,422,747
- Fixed Deposit.....	10,000,000		5,017,744
		<u>13,282,081</u>	<u>6,495,315</u>

Other Current Assets

Interest Accrued	55,993		30,866
		<u>55,993</u>	<u>30,866</u>

Loans and Advances

(Unsecured Considered good,
unless otherwise stated)

Advances recoverable in cash or in
kind or for value to be received

- Considered Good	979,822		520,584
- Considered Doubtful.....	83,205		
Less : Provision for Doubtful Advances	83,205		83,205
	<u>979,822</u>		<u>437,379</u>

Prepaid Benefits

Gratuity	69,598		-
Leave Encashment.....	75,388		-
Security and Other Deposits.....	1,113,721		1,113,721
MAT credit entitlement	539,706		
Advance tax and Tax deducted at source (net of provision for taxation)	1,084,370		2,263,744
		<u>3,862,605</u>	<u>3,814,844</u>

ICC INTERNATIONAL AGENCIES LIMITED

Schedules forming part of the Accounts : 31st March 2010

SCHEDULE 7

	Rs.	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
LIABILITIES			
Trade Creditors		1,659,776	6,233,953
(Refer Note No. 3 of Notes to Accounts)			
Other Liabilities		2,107,563	3,013,818
		<u>3,767,339</u>	<u>9,247,771</u>

SCHEDULE 8 PROVISIONS

For Employee Benefits		-	381,852
		-	<u>381,852</u>

SCHEDULE 9 COMMISSION AND OTHER REVENUE

Commission		21,393,420	14,310,277
Service Revenue & AMC		3,568,036	3,003,349
		<u>24,961,456</u>	<u>17,313,626</u>

SCHEDULE 10 OTHER INCOME

Interest (Gross)			
- From Banks	194,346		47,373
- From Others	-		-
(Tax deducted at source Rs.83,101/-..... Previous year Rs.50,106/-)		194,346	47,373
Income on long term investments (non trade)			
-Interest.....	-		-
-Dividend.....	-		-
Excess Provision for Income tax.....		-	-
Unclaimed balances / Excess provisions written back (Net)		147,363	112,317
Exchange fluctuation (Net)		-	-
Miscellaneous Income		8,080	26,454
		<u>349,789</u>	<u>186,144</u>

SCHEDULE 11 COST OF GOODS SOLD - TRADING

Opening Stock		12,385,898	10,647,479
Add :- Purchases (Net)		4,861,195	38,807,154
Less :- Closing Stock		(6,851,604)	(12,385,898)
		<u>10,395,489</u>	<u>37,068,735</u>

ICC INTERNATIONAL AGENCIES LIMITED

Schedules forming part of the Accounts : 31st March 2010

	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE 12		
STAFF AND WELFARE		
Salaries, Benefits and Bonus.....	7,182,043	7,571,046
Contributions to Provident Fund, ESIC, Gratuity etc.	493,519	569,629
Staff Welfare Expenses	342,758	673,827
	<u>8,018,320</u>	<u>8,814,502</u>
SCHEDULE 13		
OPERATING, SELLING AND ADMINISTRATION EXPENSES		
Electricity Charges.....	237,977	341,269
Repairs and Maintenance		
-Building	-	-
-Vehicle	318,289	354,622
-Others	<u>356,049</u>	<u>397,888</u>
	674,338	752,510
Freight and Forwarding Expenses.....	252,089	603,732
Auditors remuneration :		
Statutory Audit Fees	54,047	73,549
Other Services	<u>75,283</u>	<u>27,575</u>
	129,330	101,124
Rent	1,752,182	2,127,129
Rates and Taxes	48,971	15,200
Insurance	174,719	154,525
Bad debts/Sundry Bal written off	666,737	854,390
Travelling and Conveyance	3,774,549	3,579,255
Provision for Bad Debts	55,160	1,301,610
Communication Expenses	659,156	735,227
Legal and Professional Fees	330,965	250,803
Sitting Fees.....	67,500	75,998
Loss on sale of assets	68,197	-
Postage & Courier	491,592	491,631
General Expenses	362,918	309,540
Exhibition Expenses	20,942	1,818,744
Custom Duty - Others	225,187	818,449
Exchange Fluctuation Loss (Net).....	364,522	2,124,922
Discount.....	1,124,207	536,155
Miscellaneous Expenses	471,476	1,061,403
	<u>11,952,714</u>	<u>18,053,615</u>

Schedules forming part of the Accounts : 31st March 2010

SCHEDULE A: SIGNIFICANT ACCOUNTING POLICIES.

1. Basis of Accounting:

The accounts have been prepared using historical cost convention and on the basis of a going concern principles, with revenues recognised and expenses accounted on accrual basis, including for committed obligations and are in compliance with the Accounting Standards referred to in Section 211(3C) and other requirements of the Companies Act, 1956 to the extent applicable.

2. Revenue Recognition:

Commission income and service revenue is recognised on crystallization of transaction which coincides with despatch of material / completion of services as per terms of contract and are net of taxes recovered. Revenue from the sale of trading goods is accounted net of sales tax recovered, (wherever applicable) and discounts and is recognised upon passage of title to the customer and generally coincides with delivery and acceptance.

3. Fixed Assets:

Fixed assets are capitalized at acquisition cost including all attributable expenditure incurred for bringing the asset to working condition for its intended use.

4. Impairment:

Carrying amount of cash generating units / assets is reviewed at Balance sheet date to determine whether there is any indication of impairment. If any such indication exists the recoverable amount is estimated as the higher of net realizable price and value in use. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

5. Depreciation:

Depreciation is provided on the Written Down Value method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956, except for Computers, which are written off equally over a period of three years from the year of acquisition.

6. Investments:

Long term investments are valued at cost unless there is a decline other than temporary in the value of the long term investments. Current Investments are valued at cost or fair value which ever is lower.

7. Inventories:

Inventory of trading goods are valued at lower of cost or net realisable value after providing for damages and obsolescence and are determined on first-in-first-out basis. However, items of inventory procured against customers orders are valued by specific identification.

8. Foreign Currency Transactions:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions.

Assets and liabilities in foreign currency remaining unsettled at the year-end are converted at the year end rates. Exchange gains or losses on settlement / conversion are recognised in the Profit & Loss account.

9. Employee Benefits:

i) Defined contribution Plans

Company's contributions paid / payable during the year to Provident Fund is recognised in the Profit and Loss Account.

(ii) Defined Benefit Plan

Company's liabilities towards gratuity and leave encashment are determined on actuarial basis using the projected unit credit method, which consider each period of service as giving rise to an additional unit of benefit and measures each unit separately to build up the final obligation. Past services are recognised on straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

10. Segment Reporting:

The Company operates in two segments: Commission & servicing Activity and Trading Activity. Segments have been identified and reported taking into account the nature of activity undertaken, the differential risks and return of the segments, the organization structure and the internal financial reporting systems.

Revenue and expenses have been accounted on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on the reasonable basis, have been included under "Unallocable Expenses". Assets and

ICC INTERNATIONAL AGENCIES LIMITED

Schedules forming part of the Accounts : 31st March 2010

Liabilities which relate to the enterprise as a whole but not allocable to segments on a reasonable basis, have been included under "Unallocable Assets / Liabilities".

11. Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the period. 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.

12. Earning Per Share:

The earning considered in ascertaining the company's earning per share comprises the net profit / (loss) for the period attributable to equity shareholders. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year.

13. Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction, or production of qualifying assets are capitalised as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

14. Contingent Liability:

Present possible obligations are disclosed in the notes to accounts. Provision is made in the accounts in respect of present probable obligations.

SCHEDULE B: NOTES TO ACCOUNTS

- Contingent liabilities for the Current year Rs Nil (Previous year Rs. Nil)
- Estimated amount of contracts remaining to be executed on capital account (net of advances) is Rs. Nil (Previous Year Rs. Nil).
- According to the information available with the company, there are no dues payable to micro and small enterprises as defined under 'Micro, Small and Medium Enterprises Development Act, 2006', as at March 31,2010
- Provision for doubtful debts include Rs. 55,160/ - (Previous year Rs. 24,09,178/-) due from Foreign Company.

5. Stocks and Sales of Trading Goods :

Class of Goods		Embroidery Accessories		Embroidery Spares		Embroidery Machine	
		31-03-10	31-03-09	31-03-10	31-03-09	31-03-10	31-03-09
Units		Nos.	Nos.	Nos.	Nos.	Nos.	Nos.
Opening Stock	Quantity	61,290	92,971	67,353	42,816	1	1
	Value	5,770,315	3,058,388	6,465,583	7,439,091	150,000	150,000
Closing Stock	Quantity	28	61,290	57,310	67,353	1	1
	Value	3,302,439	5,770,315	3,399,165	6,465,583	150,000	150,000
Sales	Quantity	61,262	31,721	92,471	14,972	-	7
	Value	1,303,866	2,246,769	8,491,235	9,858,087	-	29,476,296

6. Purchases :

Class of Goods		Embroidery Accessories		Embroidery Spares		Embroidery Machine	
		31-03-10	31-03-09	31-03-10	31-03-09	31-03-10	31-03-09
Units		Nos.	Nos.	Nos.	Nos.	Nos.	Nos.
Purchase	Quantity	-	40	82,428	39,509	-	7
	Value in Rs.	-	4,759,856	4,861,195	7,600,125	-	27,930,624

ICC INTERNATIONAL AGENCIES LIMITED

Schedules forming part of the Accounts : 31st March 2010

7. Value of Imports (on CIF basis) :

Particulars	31.03.10 Rs.	31.03.09 Rs.
Trading Goods	505,656	36,907,492

8. Expenditure in foreign currency :

Particulars	31.03.10 Rs.	31.03.09 Rs.
Travelling	461,975	177,288
Import of Trading goods	2,436,006	35,796,315
penalty and Interest	130,782	149,166

9. Earning in foreign currency :

Particulars	31.03.10 Rs.	31.03.09 Rs.
Commission and Service revenue	21,393,420	14,310,277

10. Disclosure as per AS 15

Gratuity

(1) Description of the Plan:

The Company has covered its gratuity liability by a Group Gratuity Policy issued by LIC of India. Under the plan, employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the plan asset.

(2) Principal actuarial assumptions:

	Current Year 31/03/2010	Previous Year 31/03/2009
Discount rate	8.00%	7.75%
Rate of Return on Plan Assets	8.00%	8.00%

(3) Reconciliation of Benefit Obligation:

Liability at the beginning of the year	756,392	839,606
Interest Cost	67,707	67,911
Current Service Cost	117,252	137,911
Benefit Paid	-	(257,262)
Actuarial (Gain) / Loss on Obligations	(203,145)	(31,774)
Liability at the end of the year	738,206	756,392
Fair Value of Plan Assets at the end of the year	807,804	741,105
Amount recognised and disclosed under the head "Prepaid expense for Gratuity"	69,598	(15,287)

(4) Reconciliation of Fair value of Plan Assets:

Fair Value of Plan Assets at the beginning of the year	741,105	934,731
Expected Return on Plan Assets	59,288	64,488
Contributions	-	-
Benefit Paid	-	(257,262)
Actuarial (Gain) / Loss on Obligations	7,411	(852)
Fair Value of Plan Assets at the end of the year	807,804	741,105

(5) Expenses recognised in the Profit and Loss Account

Current Service Cost	117,252	137,911
Interest Cost	67,707	67,911
Expected Return on Plan Assets	(59,288)	(64,488)
Net Actuarial (Gain) / Loss recognized	(210,556)	(30,922)
Expenses recognised in Profit and Loss Account	(84,885)	110,412

ICC INTERNATIONAL AGENCIES LIMITED

Schedules forming part of the Accounts : 31st March 2010

11. SEGMENT REPORTING :

	Segment Disclosure	Commission & Servicing activity	Trading activity	Others/ Unallocable	Total
I	Segment Revenue	24,961,456 (17,313,626)	9,795,101 (41,581,151)	349,789 (186,144)	35,106,346 (59,080,921)
II	Segment Result Profit / (Loss)before tax	15,877,130 (5,354,550)	(8,870,315) (5,876,977) loss	(3,023,548) (6,623,951) loss	3,983,267 (7,146,377) loss
III	Other information Segment assets	13,087,184 (12,431,670)	24,003,148 (4,491,094)	3,015,056 (24,520,124)	40,105,388 (41,442,888)
	Segment Liabilities	--	1,659,776 (5,545,852)	2,107,563 (4,083,771)	3,767,339 (9,629,623)
	Capital expenditure during the year	--	--	209,800	209,800
		(--)	--	(324,456)	(324,456)
	Depreciation	--	--	413,259	413,259
		(--)	--	(523,780)	(523,780)

Note : Figures in brackets indicates figures for previous year.

12. Related Party Disclosures

Related party disclosures as required by Accounting Standard - 18, "Related Party Disclosures" are given below :

1. Relationship :

Sr. No.	Name of the Related Party	Relationship
1	The Indian Card Clothing Company Ltd.	Holding Company
2	Multi Act Industrial Enterprises Ltd.	Ultimate Holding Company
3.	Garnett Wire Limited	Fellow Subsidiary
4	Mr. Mehul Trivedi	Key Managerial Personnel - Managing Director
5	Mr. K. K. Trivedi Mr. P. K Trivedi	Relatives of Managing Director

There are no transactions with any of the related parties during the year as well as previous year.

ICC INTERNATIONAL AGENCIES LIMITED

Schedules forming part of the Accounts : 31st March 2010

13. The break up of deferred tax assets and liabilities into major components at the year end is as below :

Particulars	31/03/2010 (Rs.)	31/03/2009 (Rs.)
43B items	-	1,29,791
Provision for Bad & Doubtful Debts	8,09,347	7,90,600
Fiscal difference relating to depreciation	2,23,075	1,91,354
Unabsorbed losses and depreciation	1,57,759	13,15,753
DEFERRED TAX ASSETS	11,90,001	24,27,499(*)

(*) In accordance with the Accounting Standard 22 on "Accounting for Taxes" (AS 22), deferred tax assets and deferred tax liabilities should be recognised for all timing differences. However, considering the financial position and the requirements of AS 22 regarding certainty / virtual certainty, deferred tax asset as computed above was not recognised in the books as on 31st March 2009. Based on assessment of present financial position and in view of fulfilment of conditions of certainty / virtual certainty, deferred tax asset of Rs. 11,90,001 is recognised in the books as on 31st March 2010.

14. Earning Per Share

Particulars	31.03.2010	31.03.2009
a) Profit/(Loss) after tax	Rs. 4,524,783	Rs. (7,625,155)
b) Weighted average number of equity share	500,000	500,000
c) Earning Per Share(EPS)		
Basic & Diluted (a/b)	Rs.9.05	Rs. (15.25)
Nominal value of share	Rs . 10	Rs . 10

15. Comparative figures for the previous year are regrouped accordingly, wherever necessary.

ICC INTERNATIONAL AGENCIES LIMITED

Schedules forming part of the Accounts 31st March, 2010

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

I) REGISTRATION DETAILS

Registration No -

1 1 - 9 5 2 3 1

State Code

1 1

Balance Sheet date -

3 1 0 3 2 0 1 0

II) CAPITAL RAISED DURING THE YEAR

(Amt. in Rs. thousand)

Public issue

N I L

Right issue

N I L

Bonus issue

N I L

Private Placement

N I L

III) POSITION OF MOBILISATIONS AND DEPLOYMENT OF FUNDS

Total Liabilities

3 6 3 3 8

Total Assets

3 6 3 3 8

SOURCES OF FUNDS

Paid-Up Capital

5 0 0 0

Reserves and Surplus

3 1 3 3 8

Secured Loans

N I L

Unsecured Loans

N I L

APPLICATION OF FUNDS

Net Fixed Assets

1 4 2 2

Investments

N I L

Net Current Assets

3 3 7 2 6

Miscellaneous Expenditure

N I L

Deferred Tax (Liability) Asset

1 1 9 0

IV) PERFORMANCE OF THE COMPANY

Turnover (including other income)

3 5 1 0 6

Total Expenditure

3 1 1 2 3

Profit /Lpss Before Taxation

3 9 8 3

Profit (Loss) after tax

4 5 2 4

Earning per share (Refer Note No. 14)

9 . 0 5

Dividend Rate %

V) GENERIC NAMES OF THE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY

Product Description

C O M M I S S I O N A G E N T

Item Code No.

N O T A P P L I C A B L E

M/S B. K. KHARE & CO.

Chartered Accountants

DEVDATTA MAINKAR

Partner

Mumbai, 3rd May, 2010

M.K.TRIVEDI Managing Director

M. M. SHAH Director

K.N.GANDHI Director

P.K.ASHER Director

Mumbai, 3rd May, 2010

SHIVRAJ SUGAR & ALLIED PRODUCTS PRIVATE LIMITED

DIRECTORS REPORT

Your Directors present the Company's fourth Balance Sheet as at 31st March, 2010. The Company was incorporated on 13th March, 2006 and the accounts for the period up to 31st March, 2010 have been drawn for the fourth time. Since the Company has not yet started the operations, Profit and Loss Account has not been drawn up.

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 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 31st March, 2010;
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.

DIRECTORS

Present directors were appointed as additional directors on 15th March, 2007. The term of present directors expires in the ensuing Annual General Meeting. All the present directors are eligible for reappointment. It is proposed to appoint them for a period of three years.

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 Director

Mumbai
Date : 10th May, 2010

M.K. Trivedi
Director

SHIVRAJ SUGAR & ALLIED PRODUCTS PRIVATE LIMITED

Auditors' Report

To the Members of Shivraj Sugar & Allied Products Private Limited

1. We have audited the attached Balance Sheet of Shivraj Sugar & Allied Products Private Limited as at 31st March 2010, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. Further, we report that :
 - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit ;
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books ;
 - c. The Balance Sheet dealt with by this report are in agreement with the books of account ;
 - d. In our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Act ;
 - e. On the basis of the written representations received from the Directors, as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act; and
 - f. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, together with the Notes thereon and attached thereto, given, in the prescribed manner, the information required by the Act and also give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;

For **B.K. Khare & Company**
Chartered Accountants

Devdatta Mainkar
Partner
(Membership No.109795)

Place : Mumbai
Date : 10th May, 2010

SHIVRAJ SUGAR & ALLIED PRODUCTS PRIVATE LIMITED

Balance Sheet as at 31st March, 2010

	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
I SOURCES OF FUNDS		
1. SHARE HOLDER'S FUNDS		
Share Capital Authorised 10,000 equity shares of Rs. 100 each	10,00,000.00	<u>10,00,000.00</u>
Issued, Subscribed and Paid up 1,000 Equity Shares of Rs. 100 each (940 shares are held by the holding company, The Indian Card Clothing Co. Ltd.)	100,000.00	100,000.00
2. RESERVES AND SURPLUS	-	--
Total	<u>100,000.00</u>	<u>100,000.00</u>
II APPLICATION OF FUNDS		
1. FIXED ASSETS		
2. INVESTMENTS		
3. CURRENT ASSETS, LOANS AND ADVANCES	(4,500.00)	(4,500.00)
4. MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED		
Preliminary Expenses	104,500.00	104,500.00
Total	<u>100,000.00</u>	<u>100,000.00</u>

NOTES :

1. Since the Company has not yet started the operations, Profit and Loss Account has not been drawn up including relevant disclosures under schedule VI to Companies Act, 1956.
2. The financial statements have been prepared under historical cost convention on accrual basis and comply with accounting standards referred to in section 211 (3C) and other relevant provisions of the Companies Act, 1956

As per our report attached

B. K. KHARE & CO.
Chartered Accountants

Devdatta Mainkar
Partner

Mumbai
Date : 4th May, 2010

K. K. TRIVEDI Director

M. K. TRIVEDI Director

SUDHIR MERCHANT Director

Mumbai
Date : 4th May, 2010

56th ANNUAL REPORT 2009-2010

Consolidated Balance Sheet as at 31st March, 2010

	Schedule	Rs. lac	As at 31/03/2010 Rs. lac	As at 31/03/2009 Rs. lac
SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
Share Capital	1	455.11		455.11
Reserves and Surplus	2	8146.41		7839.11
			8601.52	8294.22
Foreign Currency Translation Reserve			60.82	50.60
Minority Interest			187.74	189.70
Secured Loans	3		1,141.92	463.76
Deferred Tax liability			9.06	9.13
	TOTAL		10001.06	9007.41
APPLICATION OF FUNDS				
1. FIXED ASSETS				
Gross Block	4	8079.82		5436.97
Less Depreciation		3474.51		3162.51
Net Block		4605.31		2274.45
Capital work-in-progress and advances		1917.68		3734.58
			6522.99	6009.03
2. INVESTMENTS	5		2337.77	2039.65
3. DEFERRED TAX ASSET			33.57	79.73
4. CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	6	1230.58		1104.25
Sundry Debtors		1239.51		1190.13
Cash and Bank Balances		172.88		105.73
Other Current Assets		0.51		0.31
Loans and Advances		733.99		668.53
		3377.47		3068.95
Less :				
CURRENT LIABILITIES AND PROVISIONS				
Liabilities	7	1968.81		1862.73
Provisions		302.98		328.27
		2271.79		2191.00
NET CURRENT ASSETS			1,105.68	877.95
PRELIMINARY EXPENSES TO THE EXTENT NOT WRITTEN OFF				
Preliminary expenses to the extent not written off			1.05	1.05
	TOTAL		10001.06	9007.41
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS				
	10			

As per our report attached

B. K. KHARE & CO.
Chartered Accountants

SANTOSH PARAB
Partner

Pune, 10th May, 2010

M.K.TRIVEDI Managing Director

A.D.DAHOTRE Chief Financial Officer
and Company Secretary

Mumbai, 10th May, 2010

THE INDIAN CARD CLOTHING COMPANY LIMITED

Consolidated Profit and Loss Account for the year ended 31st March, 2010

	Schedule	Rs. lac	Year ended 31/03/2010 Rs. lac	Year ended 31/03/2009 Rs. lac
INCOME :				
Sales		5602.52		5246.95
Less : Excise Duty		311.33		414.96
Net Sales		<u>5291.19</u>		4831.99
Servicing		81.39		66.06
Other Income	8	<u>928.95</u>		818.13
			6301.53	<u>5716.18</u>
EXPENDITURE :				
Materials, Manufacturing and Other Expenses	9	5292.24		5314.04
Interest		102.90		36.80
Depreciation		<u>336.49</u>		280.90
Sub-Total			5731.63	<u>5631.74</u>
Less : Expenses Capitalised			<u>20.70</u>	23.70
			5710.93	<u>5608.04</u>
Profit before prior period expenses			590.60	108.14
Less : Prior Period Expenses			<u>-</u>	14.83
Profit before tax			590.60	93.31
Provision for taxation				
Current tax			110.94	14.03
Mat Credit Entitlement			<u>(25.18)</u>	-
Fringe Benefit Tax			-	17.44
Deferred tax charge/(credit)			<u>45.46</u>	24.91
Profit after tax and before minority interest			459.38	36.93
Less : Minority Interest			<u>(7.13)</u>	(5.19)
Profit after tax and minority interest			466.51	42.12
Balance brought forward			5451.89	5559.89
			5918.40	5602.01
APPROPRIATIONS :				
General Reserve			46.00	17.00
Dividend				
Final - Proposed			136.53	113.78
Interim				
Tax on dividend			<u>22.68</u>	19.34
			205.21	150.12
Balance carried to Balance Sheet			5713.19	5451.89
Earning per share (Rs. per equity share of Rs.10/-)				
Basic/diluted			10.09	0.81
Average number of equity shares			4551120	4551120
SIGNIFICANT ACCOUNTING POLICIES	10			
AND NOTES TO ACCOUNTS				

As per our report attached

B. K. KHARE & CO.
Chartered Accountants

SANTOSH PARAB
Partner

Pune, 10th May, 2010

M.K.TRIVEDI Managing Director

A.D.DAHOTRE Chief Financial Officer
and Company Secretary

Mumbai, 10th May, 2010

Consolidated Cash Flow Statement for the year ended 31st March, 2010

	Year Ended 31/03/2010 Rs. lac	Year Ended 31/03/2009 Rs. lac
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items.....	590.60	93.31
Depreciation.....	336.49	280.90
Exchange (gain) / loss.....	15.52	(5.12)
Interest/Dividend received.....	(63.44)	(84.08)
(Profit)/Loss on sale of Fixed Assets.....	(1.47)	(0.83)
(Profit)/Loss on sale of Investments.....	(171.75)	(113.86)
Provision for bad/doubtful debts written back.....	(5.13)	(25.98)
Interest paid.....	102.90	36.80
	<u>213.12</u>	<u>87.83</u>
Operating Profit before Working Capital changes.....	803.72	181.14
Trade and other receivables.....	(108.48)	339.81
Inventories.....	(126.33)	180.75
Trade payables.....	124.26	(44.48)
Provision for Gratuity & Leave salary.....	(51.38)	(105.29)
Direct Taxes paid	(102.71)	(127.28)
	<u>(264.64)</u>	<u>243.51</u>
Net Cash generated from /(used in) operating activities.....	<u>539.08</u>	<u>424.65</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets.....	(856.76)	(1,461.17)
Sale of Fixed Assets.....	7.78	6.12
Purchase of Investments.....	(1,172.86)	87.52
Proceeds from Sale of Investments.....	1,046.49	845.46
Interest/Dividend received.....	63.44	84.08
Net cash from/ (used in) investing activities.....	<u>(911.91)</u>	<u>(437.99)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Borrowings.....	678.16	266.46
F C Reserve, Minority interest and Cost of control	15.39	1.68
Security Deposits.....	(17.55)	(0.50)
Dividend paid.....	(113.78)	(273.07)
Tax on dividend.....	(19.34)	(52.80)
Interest paid	(102.90)	(36.80)
Net Cash from/ (used in) financing activities.....	<u>439.98</u>	<u>(95.03)</u>
Net increase (decrease) in cash and cash equivalents (A+B+C).....	<u>67.15</u>	<u>(108.37)</u>
Cash and Cash equivalents		
Beginning of year :		
Cash and Bank balances	105.73	214.10
	<u>105.73</u>	<u>214.10</u>
End of year :		
Cash and Bank balances	172.88	105.73
	<u>172.88</u>	<u>105.73</u>
Increase (decrease) in cash and cash equivalents.....	<u>67.15</u>	<u>(108.37)</u>

Notes on Cash Flow Statement :

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

As per our report attached

B. K. KHARE & CO.

Chartered Accountants

SANTOSH PARAB

Partner

Mumbai, 10th May, 2010

M.K.TRIVEDI Managing Director

A.D.DAHOTRE Chief Financial Officer
and Company Secretary

Mumbai, 10th May, 2010

THE INDIAN CARD CLOTHING COMPANY LIMITED

Schedules forming part of the Consolidated Accounts 31st March, 2010

	Rs. lac	As at 31/03/2010 Rs. lac	As at 31/03/2009 Rs. lac
SCHEDULE 1			
SHARE CAPITAL			
Authorised			
50,00,000 Equity Shares of Rs.10 each.....		<u>500.00</u>	<u>500.00</u>
(previous year 50,00,000 Equity Shares of Rs.10 each)			
Issued and Subscribed			
45,51,120 Equity Shares of Rs.10 each fully paid up		455.11	455.11
(previous year 45,51,120 Equity Shares of Rs.10 each)			
Of the above shares :			
(a) 26,10,066 Equity Shares are held by the holding			
Company - Multi Act Industrial Enterprises Ltd., Mauritius			
(b) 26,20,800 Equity Shares were allotted as fully paid			
bonus shares by capitalisation of General Reserve			
		<u>455.11</u>	<u>455.11</u>
 SCHEDULE 2			
RESERVES AND SURPLUS			
Capital Reserve.....		10.88	10.88
Share Premium Account.....		910.22	910.22
General Reserve			
As per last Balance Sheet.....	1466.12		1449.12
Add : General Reserve.....	46.00		17.00
Less : Deficit in respect of transitional compensated		-	
absences liability as on 01.04.2007		-	
Less : Deficit in respect of transitional gratuity liability		-	
		<u>1512.12</u>	<u>1466.12</u>
Profit and Loss Account		<u>5713.19</u>	<u>5451.89</u>
		<u>8146.41</u>	<u>7839.11</u>
 SCHEDULE 3			
SECURED LOANS			
Term Loan Secured by mortgage and hypothication of Assets		929.79	175.74
Overdraft secured by mortgage and.....		212.13	288.02
hypothication of Assets.....		-	-
		<u>1,141.92</u>	<u>463.76</u>

Schedules forming part of the Consolidated Accounts 31st March, 2010

SCHEDULE 4

FIXED ASSETS

Rs. lac

ASSETS	Gross Block				Depreciation				Net Book Value	
	Cost As at 1.04.2009	Addition	Deduction	Cost As at 31.03.10	Upto 31.03.09	For the Year 2009-10	Deduction	Upto 31.03.10	as at 31.03.10	as at 31.03.09
	Land (freehold)	93.97	793.72		887.69	0.00			0.00	887.69
Buildings	2044.43	1130.16		3174.59	607.82	125.91		733.73	2440.86	1436.61
Plant and Machinery	1839.74	521.23		2360.97	1611.59	96.23		1707.82	653.15	228.15
Electrical Installations	317.33	177.18		494.51	123.93	44.71		168.64	325.87	193.39
Air-conditioning Plant and Machinery	368.62	25.79		394.41	238.65	18.09		256.74	137.67	129.97
Furniture and Fittings	128.53	10.44	1.25	137.72	91.35	7.44	1.12	97.67	40.05	37.18
Office Equipments & Computers	341.03	15.13	1.64	354.52	293.43	16.99	1.31	309.11	45.41	47.60
Vehicles	288.21		27.91	260.30	180.63	27.12	22.06	185.69	74.61	107.58
Goodwill (Bought out)	15.11			15.11	15.11			15.11	0.00	0.00
	5436.97	2,673.65	30.80	8079.82	3162.51	336.49	24.49	3474.51	4605.31	2274.45
Previous year	5345.43	123.73	32.19	5436.97	2908.51	280.90	26.90	3162.51		
Capital work-in-progress and advances									1917.68	3734.58
Total Net Block									6522.99	6009.03

As at 31/03/2010 As at 31/03/2009
Rs. lac Rs. lac Rs. lac

SCHEDULE 5

INVESTMENTS

Long Term Investments-Unquoted :

Aggregate cost of Long Term Investments - Unquoted **496.59** 1,046.74

Aggregate cost of Long Term Investments - Unquoted **496.59** 1046.74

Current Investments :

In Equity Shares - Quoted :

Aggregate cost of quoted investments

LESS : Dimunation in Value.....

Total Current Investment - Quoted.....

Aggregate market value of quoted investments

Current Investments - Un-Quoted :

In Money Market

LESS : Dimunation in Value.....

Aggregate cost of Current Investments - Unquoted ..

TOTAL COST OF INVESTMENTS.....

2337.77 2039.65

THE INDIAN CARD CLOTHING COMPANY LIMITED

Schedules forming part of the Consolidated Accounts 31st March, 2010

SCHEDULE 6	Rs. lac	As at 31/03/2010 Rs. lac	As at 31/03/2009 Rs. lac
CURRENT ASSETS, LOANS AND ADVANCES			
A. Inventories			
Raw materials including packing materials	440.26		387.64
Work -in- progress	382.69		291.75
Finished goods.....	231.54		214.75
Trading goods	96.38		150.20
Stores and spare parts.....	79.71		59.91
		1,230.58	1,104.25
B. Sundry Debtors (Unsecured)			
Debts outstanding for a period exceeding six months			
Considered doubtful.....	44.16		39.26
Considered good.....	184.21		226.17
Other Debts :			
Considered doubtful.....	-		-
Considered good.....	1,055.30		963.96
	1,283.67		1,229.39
Less : Provision for doubtful debts.....	44.16		39.26
		1,239.51	1,190.13
C. Cash and Bank Balances			
Cash on hand.....	0.56		0.89
Balance with scheduled banks			
Current Account	33.81		15.41
Unclaimed Dividend Account	33.75		36.49
Term Deposit Account	104.76		52.94
	172.32		104.84
		172.88	105.73
D. Other Current Assets			
Interest accrued on investments		0.51	0.31
E. Loans and Advances			
(Unsecured considered good, unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received			
Considered doubtful.....	6.72		16.75
Considered good.....	416.67		424.76
	423.39		441.51
Less : Provision for doubtful advances	6.72		16.75
	416.67		424.76
Balance with Excise Authorities	109.75		78.33
MAT Credit Entitlement	25.18		-
Advance payment of tax	182.39		165.44
		733.99	668.53
		3377.47	3068.95

Schedules forming part of the Consolidated Accounts 31st March, 2010

SCHEDULE 7	Rs. lac	As at 31/03/2010 Rs. lac	As at 31/03/2009 Rs. lac
CURRENT LIABILITIES AND PROVISIONS			
A. Current Liabilities			
Sundry Creditors	1,040.16		911.68
Advance payments from customers	77.26		79.45
Security Deposits	817.64		835.19
Investor Education and Protection Fund to be credited on respective due dates :			
-Unclaimed dividend	33.75		36.41
		1,968.81	1,862.73
B. Provisions			
Provision for leave salary	143.77		139.12
Provision for gratuity	-		56.03
Proposed dividend	136.53		113.78
Tax on dividend	22.68		19.34
		302.98	328.27
		2,271.79	2,191.00

SCHEDULE 8	Year ended 31-03-2010 Rs.lac	Year ended 31-03-2009 Rs.lac
OTHER INCOME		
Other dividend - Long Term investments	-	-
- Current investments	57.93	78.02
Interest on deposits and others	5.51	6.06
(tax deducted at source Rs. 0.21 lac; previous year Rs.0.24 lac)		
Rent received	137.69	139.36
Service charges received	297.81	241.91
Profit on sale of assets (net)	1.47	0.83
Profit on sale of - Long Term Investments (net)	65.70	47.46
Profit on sale of - Current Investments (net)	106.05	66.40
Bad debts/ advances recovered	-	8.36
Excess Provision Written-back	7.15	27.09
Commission received	213.93	143.10
Exchange gain (net)	-	26.37
Miscellaneous income	35.71	33.17
	928.95	818.13

THE INDIAN CARD CLOTHING COMPANY LIMITED

Schedules forming part of the Consolidated Accounts 31st March, 2010

SCHEDULE 9

	Year ended	
	31-3-2010	31-3-2009
	Rs. Lac	Rs. Lac
MATERIALS, MANUFACTURING AND OTHER EXPENSES		
Raw materials including packing materials consumed		2044.35
Purchase of trading goods.....		1641.13
Provision for excise duty on finished goods		378.28
Add/(less) : Decrease / (Increase) in stocks :		(19.34)
Add : Opening stock -		
Work-in-progress.....	291.75	303.46
Finished goods.....	214.75	400.02
Trading goods	150.21	121.87
	656.71	825.35
Less : Closing stock -		
Work-in-progress.....	382.69	291.75
Finished goods.....	231.54	214.75
Trading goods	96.38	150.21
	710.61	656.71
		(53.90)
		2111.19
Stores and spare parts consumed.....		168.64
Power and fuel.....		73.61
Rent paid		239.13
Insurance.....		101.98
Rates and Taxes.....		14.35
Repairs : Building	46.80	102.56
Plant and Machinery.....	112.06	47.65
		127.37
		158.86
Salaries, wages and bonus	1437.71	175.02
Provision for gratuity and leave salary.....	(30.06)	1357.47
Contribution to provident and other funds ..	168.16	(86.51)
Insurance Personal and Accident	20.04	227.51
Workmen and staff welfare expenses.....	92.61	22.23
		94.39
		1688.46
Freight		1615.09
Travelling		43.83
Communication expenses		48.25
Commission on sales		160.65
Compensation claims on sales.....		169.77
Provision for doubtful debts and advances.		40.06
Bad debts and Advances written off		146.28
Computer software and maintenance.....		9.63
Investment advisory fees		23.00
Legal and professional fees.....		0.55
Auditors' remuneration :		-
Audit fees	10.25	19.09
Other services	1.84	8.52
Reimbursement of expenses	0.15	11.25
		7.79
		135.91
		152.84
Commission and sitting fees to non-wholetime Directors		12.24
Dimunation in Value of Investments		9.00
Exchange loss (net).....		(55.83)
Other expenses		15.52
		176.14
		5292.24
		5314.04

Schedules forming part of the Consolidated Accounts 31st March, 2010

SCHEDULE 10

1) Basis Of Preparation Of Financial Statements Significant Accounting Policies And Notes To Accounts

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

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

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

a 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.

b The consolidated financial statements have been prepared by combining individual financial statements of the parent and its subsidiaries on a line by line basis by adding together the balances of assets, liabilities, income and expenditures after eliminating intra group Transactions.

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

a To the extent attributable to the Parent's interest, they are accumulated in "Foreign Currency Translation Reserve", and

b To the extent attributable to the Minority interest, they are adjusted to the "Minority Interest".

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

5. In respect of the Accounts of The ICC International Agencies Limited :

Provision for doubtful debts Previous year Rs.23.26 lac due from a non resident company.

6. 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) Kardhar Constructions Pvt. Ltd.

iii) Joseph Sellers & Sons Ltd.

iv) Shaped Wires Ltd.

c) Transactions with related Parties

Name of party	Nature of transaction	Year ended	Year ended
		31-03-2010	31-03-2009
		Rs.lac	Rs.lac
i) Multi Act Industrial Enterprises Ltd.,	Dividend paid	65.25	156.60
ii) Multi Act Equity Consultancy Pvt Ltd.	Investment Advisory fees	38.21	7.79
iii) Kardhar Constructions Pvt. Ltd.	Rent paid	17.52	20.28
	Deposit Paid	240.00	240.00
iv) Joseph Sellers & Sons Limited	Sales	0.08	0.33
	Purchases	35.76	39.60
	Amount receivable	-	-
	Amount payable	2.12	-
v) Shaped Wires Ltd.	Sales	30.58	32.56
	Purchases	173.92	206.19

THE INDIAN CARD CLOTHING COMPANY LIMITED

Schedules forming part of the Consolidated Accounts 31st March, 2010

	Rent Received	16.99	16.43
	Amount receivable	-	2.91
	Amount payable	1.78	-
vi) Directors & Relatives			
a) Mr. K K Trivedi - Chairman	Sitting fees paid	0.15	-
b) Mr. Mehul K Trivedi - Managing Director (Also key management personnel)	Salary, commission and other perquisites.	52.18	43.77
c) Mr. Prashant K Trivedi - Deputy Chairman	Sitting fees paid	0.15	-
(No amounts pertaining to related parties have been written off or written back during the year)			

7. Segment Disclosure

	Card Clothing	Treasury	Realty	Others/ Unallocable	Rs.lac Total
A. Primary Segment Information					
i. Segment Revenue					
External Sales	5372.58	0.00	0.00	0.00	5372.58
	(4482.24)	0.00	0.00	(415.81)	(4898.05)
Treasury and other income	278.56	231.88	418.51	0.00	928.95
	(258.78)	(194.51)	(364.84)	0.00	(818.13)
Total revenue	5651.14	231.88	418.51	0.00	6301.53
	(4741.02)	(194.51)	(364.84)	(415.81)	(5716.18)
ii. Segment Results					
Profit before tax and interest	300.89	232.35	215.40	(55.14)	693.50
	90.42	(105.85)	(153.17)	38.49	(130.11)
Less : Interest expense	102.90	0.00	0.00	0.00	102.90
	(36.80)	0.00	0.00	0.00	(36.80)
Profit from ordinary activities before tax	197.99	232.35	215.40	(55.14)	590.60
	127.22	(105.85)	(153.17)	38.49	(93.31)
iii. Other Information					
Segment Assets	6966.72	2337.77	2621.18	347.18	12272.85
	(6192.75)	(2039.65)	(2681.90)	(284.11)	(11198.41)
Segment Liabilities	2441.27	0.00	813.23	356.01	3610.51
	(1688.39)	0.00	(833.25)	(331.95)	(2853.59)
Capital Expenditure during the year	856.76	0.00	0.00	0.00	856.76
	(1461.17)	0.00	0.00	0.00	(1461.17)
Depreciation	243.03	0.00	93.46	0.00	336.49
	(178.53)	0.00	(102.37)	0.00	(280.90)

B. Secondary Segment Information (by geographical segment)

	Revenue	Assets
Domestic	4123.10	969.96
	(4096.51)	(1063.52)
Overseas	1249.48	269.55
	(801.54)	(126.61)

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

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

Signatures to Schedules 1 to 10

As per our report attached

B. K. KHARE & CO.
Chartered Accountants

M. K. TRIVEDI Managing Director

SANTOSH PARAB
Partner

A. D. DAHOTRE Chief Financial Officer
and Company Secretary

Pune, 10th May, 2010

Mumbai, 10th May, 2010

THE INDIAN CARD CLOTHING COMPANY LIMITED

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

We have examined the attached Consolidated Balance Sheet of The Indian Card Clothing Company Limited and its subsidiaries as at 31st March, 2010 and the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year then ended.

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

We did not audit the financial statements of one of its subsidiaries, whose financial statements reflect total assets of Rs.547.32 lakhs as at 31st March, 2010 and total revenues of Rs. 636.19 lakhs (including inter-company transaction Rs. 27.63 Lakhs) for the year ended. These financial statements have been audited by other auditors whose reports has been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

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

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

- (a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of The Indian Card Clothing Company Limited and its subsidiaries as at 31st March, 2010,
- (b) The Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of The Indian Card Clothing Company Limited and its subsidiaries for the year then ended, and
- (c) The Consolidated Cash Flow Statement gives a true and fair view of the Consolidated Cash Flows of The Indian Card Clothing Company Limited and its subsidiaries for the year then ended.

For B. K. KHARE & CO.
Chartered Accountants

Place : Pune
Date : 10th May, 2010

SANTOSH PARAB
Partner
(Membership No. 47942)

THE INDIAN CARD CLOTHING CO. LTD.
Registered Office : Mumbai- Pune Road, Pimpri, Pune - 411 018

PROXY FORM

I/We
of being a Member /
Members of The Indian Card Clothing Company Limited hereby appoint.....
of.....
or failing him.....
of.....

as my/our proxy to vote for me/us on my/our behalf, at the FIFTY SIXTH ANNUAL GENERAL MEETING of the Company to be held at Company's Registered Office at Mumbai Pune Road, Pimpri, Pune - 411018. on Monday, 9th August, 2010 at 12 noon and at any adjournment thereof.

Signed at.....

Re.1
Revenue
Stamp

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

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

ATTENDANCE SLIP

56th Annual General Meeting - 9th August, 2010

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 56th Annual General Meeting of the Company at Company's Registered Office at Mumbai Pune Road, Pimpri, Pune - 411018 on Monday, 9th August, 2010 at 12 noon

Signature of Shareholder /Proxy