



The Indian Card Clothing Company Ltd.
58th Annual Report 2011-12

SUMMARY OF FIVE YEAR DATA

(Rs. in Lac)

Sr. No.	Particulars	Year Ended				
		31.03.2012	31.03.2011	31.03.2010	31..03.209	31.3.2008
	PROFIT AND LOSS ACCOUNT					
1.	Sales					
	Metallic Card Clothing	3,661.35	3,699.71	3,303.56	2472.43	3124.14
	Wollen	523.25	480.87	600.92	518.78	473.81
	Other	662.19	650.92	644.55	737.38	727.83
	Trading Goods	118.89	81.43	63.88	52.16	71.79
	Service Income	56.21	55.42	45.71	36.02	45.44
	Total	5,021.89	4,968.35	4,658.62	3816.77	4443.01
	Includes Export	1,484.31	1,086.93	1,069.18	658.44	1070.16
2	Other Income					
	Dividend & Interest	113.21	78.81	61.50	121.11	66.41
	Profit On Sale Of Investment	331.14	210.24	171.75	113.86	353.03
	Profit On Sale Of Assets	1,278.19	114.35	2.15	0.83	4.75
	Rent Received	619.30	477.47	418.51	364.84	343.36
	Others	38.03	50.37	97.14	112.23	58.26
	Total	2,379.87	931.24	751.05	712.87	825.81
3	Material Cost Including Stock Change	1,896.51	1,887.55	1,756.79	1539.72	1642.98
4	Staff Cost	1,738.94	1,617.12	1,366.63	1290.62	1332.46
5	Other Expenses	1,583.18	1,470.28	1,300.48	1209.04	1356.48
6	Depreciation	528.86	547.46	314.91	255.11	242.70
7	Interest	123.15	119.10	81.11	20.37	2.16
8	Profit Before Tax	1,531.12	258.08	589.75	214.78	692.04
9	Current & Deferred Tax	407.36	34.17	134.87	49.49	222.11
10	Profit After Tax	1,123.76	223.91	454.88	165.29	469.93
11	Earning Per Share Rs.	24.69	4.92	9.99	3.63	10.33
12	Divedend Per Share Rs.	13.50	3.00	3.00	2.50	6.00
	BALANCE SHEET					
13	Fixed Assets					
	Gross Block	10,053.98	10,160.95	9,342.84	8518.73	7176.57
	Depreciation	(4,184.05)	(3,647.84)	(3,143.45)	(2847.52)	(2619.31)
	Net Block	5,869.93	6,513.11	6,199.39	5671.21	4557.26
14	Investments	3,085.52	2,579.06	2,505.67	2207.40	3026.52
15	Bank Deposits	4.90	4.78	4.76	2.76	2.53
16	Other Current Assets	3,250.71	2,751.75	2,624.82	2313.03	2582.94
17	Security Deposits	(1,364.46)	(1,165.26)	(817.64)	(835.19)	(835.69)
18	Other Current Liabilities & Provisions	(1,203.19)	(1,580.63)	(1,344.89)	(1214.03)	(1521.39)
19	Deferred Tax	21.61	13.74	21.67	79.73	99.47
	APPLICATION OF FUNDS	9,665.02	9,116.55	9,193.78	8224.91	7911.64
20	Share Capital	455.11	455.11	455.11	455.11	455.11
21	Reserves & Surplus	8,241.57	7,823.58	7,758.36	7462.68	7430.53
22	Loan Funds	968.34	837.86	980.31	307.12	26.00
	SOURCES OF FUNDS	9,665.02	9,116.55	9,193.78	8224.91	7911.64

THE INDIAN CARD CLOTHING COMPANY LIMITED

DIRECTORS

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

MANAGEMENT TEAM

M. K. Trivedi, Managing Director
A. D. Dahotre, Vice President
(Finance) and Company Secretary
Amol Prabhu, Vice President
(Human Resources)
Prasad Mahale, Vice President
(Sales & Marketing)
A. B. Pawar, General Manager
(Production, Pimpri Works)
Sanjeev Kumar Arora, Plant Head
(HP Works)

REGISTERED OFFICE

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

ANNUAL GENERAL MEETING

12.00 noon, Friday,

10th August, 2012 at the Registered Office

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NOTICE

NOTICE is hereby given that the FIFTY-EIGHTH 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 Friday, 10th August, 2012 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, and adopt the Audited Balance Sheet as at 31st March, 2012, 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, 2012.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED pursuant to the provisions of Section 198, 269, 309, 314, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, that the Company hereby approves the re-appointment of Mr. M.K. Trivedi as the Managing Director of the Company, on such remuneration and other terms and conditions as contained in the Agreement dated 3rd November, 2011 entered between the Company and Mr. M.K. Trivedi, with effect from 1st October, 2011 to 30th September, 2014

RESOLVED FURTHER that the remuneration proposed to be paid to Mr. M.K Trivedi in terms of the aforesaid agreement shall be paid as a minimum remuneration even in the absence or inadequacy of profits for any year during the tenure of his holding the office as the Managing Director of the Company."

Registered Office:

Mumbai-Pune Road
Pimpri, Pune 411 018
Pune, 25th May, 2012

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 3rd August, 2012 to 10th August, 2012, both days inclusive. .
3. The final dividend on Equity Shares, as recommended by the Directors for the year ended 31st March, 2012, if declared at the meeting, will be paid within 30 days of the date of the Annual General Meeting to those members whose names appear on the Register of Members of the Company as on the date of the Annual General Meeting.
4. In terms of provisions of section 205A of the Companies Act, 1956, the amount of Rs.952,194/- of interim dividends for year ended 31st March, 2004 and 2005 remaining unpaid or unclaimed for a period of seven years from the date of payment, was transferred to the Investor Education and Protection Fund of the Central Government. Members are requested to claim from the Company any unpaid dividend for subsequent period. As per Section 205C, no claim shall lie against the Company or the said Fund in respect of amounts remaining unclaimed or unpaid for a period of seven years and transferred to the said fund.

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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.

EXPLANATORY STATEMENT

Pursuant to Section 173 of the Companies Act, 1956.

ITEM 4

Mr. Trivedi was appointed as an Executive Director of the Company, for a period of five years with effect from 1st October, 1992 to exercise such management powers and fulfill such duties and functions as may be entrusted to him by the Board of Directors ("the Board"). Mr. Trivedi was re-appointed as Executive Director at the Annual General Meeting held on 17th September, 1998 for a period of five years from 1st October, 1997. Mr. Trivedi was appointed as Managing Director of the Company at the Annual General Meeting held on 6th September, 2001 for a period from 1st January, 2001 to 30th September, 2002. Mr. Trivedi was re-appointed as the Managing Director of the Company at the Annual General Meeting held on (a) 29th August, 2003 for a period from 1st October, 2002 to 30th September, 2005, (b) 22nd September, 2005 for a period from 1st October, 2005 to 30th September, 2008 and (c) 14th August, 2009 for a period from 1st October, 2008 to 30th September, 2011. With the efficient management of affairs by Mr. Trivedi, the Company has improved its profitability. Exports of card clothing increased from Rs.418 lac in the year 1999-2000 to Rs.1484.31 lac in the year 2011-12. New products have contributed substantially to the turnover as well as profitability of the Company in the past couple of years.

Mr. M.K. Trivedi ("Mr. Trivedi"), aged 49 years, a U.K. National, graduated LLB (Hons.) from The London School of Economics is a qualified Solicitor of the Supreme Court of England and Wales (U.K). Prior to joining the Company, Mr. Trivedi practised as a solicitor in United Kingdom, specialising in corporate law (mergers, acquisitions and joint ventures). Mr. Trivedi was inducted in the Company as General Manager with effect from 1st September, 1989 to oversee operations, especially marketing (in India and abroad), production/manufacturing and areas allied thereto.

At a meeting of the Board held on 3rd November, 2011, the Company has re-appointed Mr. Trivedi as the Managing Director of the Company for a period of three years from 1st October, 2011 at a remuneration approved by the Remuneration Committee.

The Company has entered into an Agreement dated 3rd November, 2011 with Mr. Trivedi on the remuneration in accordance with Schedule XIII of the Companies Act, 1956 ("the Act") and on the terms and conditions as under:

The terms of remuneration of the Managing Director subject to ceiling limits laid down in Sections 198 and 309 of the Companies Act, 1956 ("the Act") shall be as follows :

1. Appointment of Mr. M. K. Trivedi (hereinafter referred to as the Managing Director), shall be for a period of three years from 1st October, 2011. The Managing Director shall have general control of the business of the Company in the ordinary course of business.
2. Remuneration:
The terms of remuneration of the Managing Director subject to ceiling limits laid down in Sections 198 and 309 of the Act, shall be as follows :
 - a. Salary:
Salary of Rs.250,000/- (Rupees two lac fifty thousand only) per month with annual increments not exceeding Rs.50,000/- (Rupees fifty thousand only) per month as may be approved by the Board of Directors from time to time.
 - b. Commission:
Amount as the Board may approve.
 - c. Perquisites:
In addition to salary and commission, perquisites as under:
 - i) Housing:
Furnished residential accommodation or in lieu thereof house rent allowance per month of 60% of monthly salary in case accommodation is located at Mumbai and 50% of monthly salary otherwise, with free fuel, gas, electricity, water and furnishings or reimbursement of charges hereof.
 - ii) Medical Reimbursement:
Actual expenses incurred in or outside India for self and family.
 - iii) Personal Travel:
Travel expenses of self and family in or outside India.
 - iv) Club Membership Fees:
Fees (including entrance/admission) subject to a maximum of any two clubs.
 - v) Personal Accident and Health Insurance:
Premium for accident insurance of self and health insurance for self and family.
 - vi) Provident Fund/Super-annuation Fund/Annuity:
Contribution towards the Company's Provident Fund and Super-annuation Scheme, or annuity fund or scheme of any retirement or pension fund or scheme as existing from time to time.
 - vii) Gratuity:
Benefit under the Company's Gratuity Scheme.
 - viii) Car:
Free use of car with driver on Company's business as well as personal use of car for self and family.
 - ix) Telephone:
Use of telephone at residence.
 - x) Leave:
On full pay and allowance as per Rules of the Company. Encashment of leave will be permitted as per the Rules. Leave accumulated on expiry/termination of the Agreement will be allowed to be carried forward or encashed.
 - xi) Leave Travel Concession:
Return passage for self and family, once in a year by business class, in case it is proposed that leave be spent in the home country.

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xii) Others

Any other expenditure as the Board may approve.

- d. For the purpose of calculating the value of perquisites hereinabove, items at (vi), (vii), (ix) (x) and (xi) shall be excluded. Perquisites shall be evaluated as per Income Tax Rules, wherever applicable or at actual cost.
- e. In case, the Company has no profits or has inadequate profits, the Managing Director shall be entitled to be paid remuneration (by way of salary, perquisites and allowances) as mentioned herein.
- f. The Managing Director shall not be entitled to receive any fees for attending meetings of the Board and/or any Committee thereof.
3. The Managing Director shall be entitled to reimbursement of all entertainment and other expenses actually incurred for the business of the Company.
4. The Managing Director shall not become interested or otherwise be concerned through his wife and/or minor children in any selling agency of the Company.
5. The employment of the Managing Director shall forthwith be determined if he shall become insolvent or make any composition or arrangement with his creditors or shall cease to be the Director of the Company.
6. The Company may by a notice in writing to the Managing Director determine the contract if he is guilty of inattention or negligence.
7. The contract may be determined by giving six calendar months' notice in writing in that behalf by either party.
8. As required by Schedule XIII of the Act, the appointment and remuneration of the Managing Director shall be placed for approval by a resolution of the shareholders in a General Meeting.

As required under Section 302 of the Act, an abstract of the terms of appointment and remuneration payable to the Managing Director with effect from 1st October, 2011 and memorandum of interest was circulated to the members on 21st November, 2011.

The Agreement dated 3rd November, 2011 executed between the Company and Mr. Trivedi is open for inspection of members at the registered office of the Company between 11 am and 1 pm on all working days.

Memorandum of concern or interest:

Mr. M. K. Trivedi is the son of Mr. K. K. Trivedi, the Chairman Emeritus of the Company and brother of Mr. Prashant K. Trivedi, Chairman of the Company. Accordingly, Mr. K.K. Trivedi, Mr. Prashant K. Trivedi and Mr. M. K. Trivedi are concerned or interested in the proposed appointment and payment of remuneration.

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

By Order of the
Board of Directors

Pune, 25th May, 2012

A.D. Dahotre
Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Company's Balance Sheet as at 31st March, 2012, together with the Profit and Loss Account for the year ended on that date.

Financial Results

	Year Ended 31-03-2012	(Rupees in Lac) Year Ended 31-03-2011
Sales and Other Income	7459.31	5902.68
Profit before Interest, Depreciation and Tax	2,183.13	946.64
Finance cost	123.15	141.10
Depreciation	528.86	547.46
Profit Before Tax	1531.12	258.08
Provision for Tax	407.36	34.17
Profit(loss) after Tax	1123.76	223.91

Operations-highlights

Your Company's Sales and Servicing Income for the year was Rs.5021.89 lac as compared to Rs.4968.35 lac in 2010-11.

Sale of metallic card clothing decreased by 1% during the year to Rs.3661.35 lac from Rs.3699.71 lac in the previous year. Demand for metallic card clothing was constrained because of low levels of activity in the textile spinning industry in India since many mills reduced production of yarn as it became un-remunerative to convert cotton procured at higher prices into yarn which was trading in the international market at prices lower than the cost of cotton. Sale of woollen card clothing increased by 8.8% during the year to Rs.523.25 lac from Rs.480.87 lac in the previous year due to improvement in procurement of input material. Exports increased significantly by 36.6% to Rs.1484.31 lac during the year from Rs.1086.93 lac in the previous year due to higher exports to Indonesia and Bangladesh.

New Manufacturing Facility at Nalagarh, Himachal Pradesh

Accura carriers and woollen metallic is now made in Nalagarh factory. Various ranges of metallic card clothing are under development, though dispatch of metallic card clothing from Nalagarh factory was limited during the year.

Realty

One floor of the IT Park building in Pimpri constructed in 2009-10 year, was sold to Tata BSS Ltd and another floor was fully let out during the year. Part of premises on the ground floor has been agreed to be sold and balance one floor remains to be un-occupied at the IT Park. During the year, the entire commercial building at Powai, Mumbai was fully occupied.

Dividend

Your Directors recommend final dividend of 35% for the year ended 31st March, 2012 in addition to Special Interim dividend of 100% (30% for the year ended 31st March, 2011).

Subsidiary Companies

ICC International Agencies Ltd.(ICCIAL) recorded increase in income of 22% from Rs.376.06 lac in the previous year to Rs.458.53 lac in the current year. The subsidiary company recorded profit after tax of Rs.57.98 lac in the current year against previous year's profit after tax of Rs.50.00 lac. A higher profit after tax was mainly on account of higher agency income. ICCIAL declared 50% dividend for the year (100% in the previous year).

Garnett Wire Ltd.(GWL), a U.K. Company, in which your Company has 60% of the issued share capital, recorded higher turnover of 22% from PDS 1111,145 to PDS 1356,460 resulting in profit after tax at PDS 45,433/- against PDS 8,716/- in the previous year. Higher turnover for the year was on account of higher sales of wire.

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

Directors

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

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, 2012 and of the profit of the Company for the year 1st April, 2011 to 31st March, 2012;
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 9001:2008 as certified by Bureau Veritas Quality International (BVQI) for Metallic and Flexible Card Clothing and Accura Fixed Flats for Pimpri and Nalagarh factories. The certificate was renewed in November, 2011 for a further period of three years. In-house Research and Development Centre in metallic card clothing and card wire continued to make a contribution to the development of newer and improved products and processes.

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

Foreign Exchange Earnings And Out-go

Total foreign exchange earnings	Rs.1518.99 lac
Total foreign exchange out-go	Rs.908.38 lac

Industrial Relations

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

Particulars Of Employees

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

Conservation Of Energy

LED fittings for lighting in open area and energy saving starter for oxygen generator 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, 25th May, 2012

PRASHANT K. TRIVEDI
Chairman

ANNEXURE I TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012
RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R & D carried out by the Company		New Design of Revolving Tops to improve performance for very high production cards. Improved Metallic Card Clothing suitable for very high production cards. Improvement in Manufacturing Process of Flexible Card Clothing wire Hardening and Tempering.	
2. Benefits derived as a result of above R & D.		Improved performance and longevity of Metallic Card Clothing and Revolving Flats.	
3. Future Plan of Action		Improvement in manufacturing processes to produce Products suitable for Very High Production Cards in terms of better Quality and Longevity.	
4. Expenditure on R & D : a) Capital b) Recurring c) Total d) Total R & D expenditure as a percentage of total turnover.		Expenditure on R & D : a) Rs.Nil lac b) Rs.60.69 lac c) Rs.60.69 lac d) 1.22 %	
Technology Imported	Year of Import	Has technology been fully absorbed?	If not fully absorbed, area where this has not taken place, reasons there-for and future plans of action
Nil	Nil	Nil	Not applicable

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

Currently, in India and globally, there are three distinct customer segments, which established card clothing manufacturers of short staple fibre serve. The premium segment is served by Graf + Cie AG ("Graf") owned by Rieter Holdings Limited and Trutzschler Card Clothing GmbH ("Trutzschler"), a subsidiary of Trutzschler GmbH. Both manufacturers have the advantage that their products are used by their respective parent companies in their carding machines as original equipment supplier. Lakshmi Card Clothing Limited ("LCC"), Bekaert Carding Solutions, ("BCS") and The Indian Card Clothing Co. Limited ("ICC") serve the value segment. Of these three card clothing manufacturers, only LCC have the advantage of being an original equipment supplier to Lakshmi Machine Works Limited. The low cost segment is served by a handful of Chinese card clothing manufacturers of which, White Shark and Gheron are the most prominent. Various common forces affect manufacturers of metallic card clothing and tops for short staple card clothing. There are high barriers to entry since the product is characterized by requirements of high precision engineering from special purpose machines. Since all staple fibre needs to be carded, there are very few substitutes to card clothing. However, critical inputs from suppliers are commodities like steel, cotton and rubber, over which the card clothing manufacturers have very little control. Spinning mills, which are customers of card clothing have low switching costs intra- segment but it is difficult for a manufacturer from one segment to supply a customer in a higher segment, for example a manufacturer of low cost segment supplying to customers in the value segment.

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The long staple carding segment is divided into either manufacturers of metallic card clothing, prominent among them are Trutzschler, Graf, BCS and Garnett Wire Limited (a subsidiary of ICC) and flexible card clothing, such as ICC, Biotti Fabbrica di Scardassi Srl and Arimo s.a.s.

Similar competitive forces affect the long staple manufacturers in the card clothing industry, which affect manufacturers of card clothing for short staple fibre. However, there are a few added complexities. Critical supplies of raw materials required for manufacturing flexible card clothing are available from virtually single source suppliers. In addition, for many product applications, long staple fibre processors have begun experimenting with substituting metallic card clothing instead of flexible card clothing, thereby pushing downward pressure on demand for flexible card clothing.

Opportunities

Brand

ICC has strong brand recognition because of its history of having supplied flexible and metallic card clothing to the domestic Indian market for nearly 60 years. In addition, in many overseas markets, ICC has been supplying card clothing for nearly 30 years. The brand represents a value supplier, which meets customers needs at a reasonable price with on time delivery.

Sales and Service Networks

ICC's brand was partly established on the back of a superlative sales and service network of sales offices at all major established and emerging textile centers in India manned by textile technologists who have gained experience previously in carding departments of spinning mills and trained in the sales function. The network is focused on resolving the customers' carding and spinning concerns difficulties in an expeditious and cost effective manner.

Threats

Cotton Outlook

Although India has significantly improved the yield of cotton production as a result of the development of the BT Cotton seed, over the last financial year, the abrupt changes in the international price of cotton exacerbated by government policies relating to the export of cotton has caused uncertainty in the supply of cotton to domestic spinners at stable prices. Faced with an uncertain supply of cotton, many spinners have postponed their planned replacement of card clothing and investment in capital machinery.

Competition

India's prominent position as a global producer of cotton yarn has attracted all major card clothing manufacturers in different forms, either through establishing a small manufacturing base, like BCS and Trutzschler or through an agent network like Graf and White Shark. ICC is therefore constantly required to differentiate itself from the competitors in a manner, which delivers value to the customer.

Operations

Sale of Company's card clothing in the domestic market for short staple declined marginally as the textile industry found it difficult to compete in the global yarn trade with fluctuating cotton prices. Combined with this fluctuation in prices, a few spinning centers, a chronic lack of power supply, rendered operating spinning mills uneconomical. Sale in the export markets, however, showed a robust increase of 37% from Rs.1086.93 Lacs in the previous fiscal year to Rs. 1484.31 Lacs this fiscal. Sales to textile mills, for use on the latest generation cards improved with a corresponding increase in gross margins.

Sale of flexible card clothing picked up as the Company began to receive regular supplies of cushion foundation from Trutzschler, which overcame the initial difficulties of installing and commissioning the equipment bought from Fytiscar, Belgium.

The Company's new plant at Nalagarh continued to dispatch Accura stationary flats. In addition, the plant was also able to start dispatching metallic wires for long staple fibre application.

The Company has already rented out one floor of the ICC Devi Gaurav Technology Park, ("ICC DGTP") in which the Company owns 159,000 sq.ft. Another floor was sold to another technology company. The Company's property on Saki Vihar Road, Mumbai, was fully let on leave and license through out the last fiscal year.

Outlook

With some stability having returned in the price and supply of cotton, Indian spinners have begun re-clothing their carding machines, albeit at a cautious pace. Damp demand from its major overseas markets in Europe and the US, spinning mills have not yet seen a pick up in orders for yarn.

The government in India has announced the extension of the popular Technology Up-gradation Fund ("TUF"), which is likely to spur further demand for capital expenditure on textile machinery, which should spur demand for card clothing over the medium term.

The Company intends to continue to focus its attention in fiscal 2012-2013 on targeting mills with the latest generation of cards. Thrust on cost reduction, improvements in productivity and training the engineers at the plant in Nalagarh to increase the range of products manufactured in Nalagarh.

Efforts are afoot to ensure that leave and license agreements will be completed for 47,000 sq. ft. on the first floor and the balance area of 18,111 sq.ft. on the ground floor will be sold in ICC DGTP.

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. Quality systems and processes at ICC-N is now also ISO 9000 certified.

Cautionary Statement

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

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 16th May, 24th May, 9th August, 25th August, 3rd November in the year 2011 and on 24th January in the year 2012.

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 Emeritus	3	-	-	NIL	No
Mr. Prashant K. Trivedi Chairman	2	-	-	6	Yes
Mr. M.K. Trivedi Managing Director	4	1	-	6	Yes
Mr. H.C. Asher	10	9	3	6	Yes
Mr. M.M. Shah	4	2	1	3	Yes
Mr. J.M. Kothary	3	2	1	6	Yes
Mr. C.M. Maniar	15	11	1	6	Yes
Mr. Sudhir Merchant	3	1	-	4	Yes

2.4 Particulars of Remuneration of Directors for the year ended 31st March, 2012:

Rs.Lac

Name of Director	Commission	Sitting fees	Salary	Perquisites	Contributions to PF, etc.
Mr. K. K. Trivedi Chairman Emeritus	-	-	-	-	-
Mr. Prashant K. Trivedi Chairman	-	0.90	-	-	-
Mr. M. K. Trivedi Managing Director	-	-	30.00	10.41	6.04
Mr. H. C. Asher Director	-	1.60	-	-	-
Mr. M. M. Shah Director	-	0.45	-	-	-
Mr. J. M. Kothary Director	-	1.60	-	-	-
Mr. C. M. Maniar Director	-	0.90	-	-	-
Mr. Sudhir Merchant Director	-	0.90	-	-	-

3. Audit Committee

Audit Committee met on 24th May, 9th August, 3rd November in the year 2011 and on 24th January in the year 2012 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 met on 2nd November, 2011 to approve terms and remuneration for re-appointment of Mr. M K Trivedi as Managing Director of the Company.

5. Shareholders'/investors' Grievance Committee

The Committee met on 24th May, 9th August, 3rd November in the year 2011 and on 24th January in the year 2012. The constitution and particulars of meetings attended by members of the Committee are given below:

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

THE INDIAN CARD CLOTHING COMPANY LIMITED

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

Number of complaints received from shareholders in the nature of non-receipts of a) dividend warrants
b) share certificates after transfer - 12. 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
25 th August, 2011	12 noon	Registered office of the Company
9 th August, 2010	12 noon	Registered office of the Company
14 th August, 2009	12 noon	Registered office of the Company.

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

7. Disclosures

There were no materially significant transactions with promoters, directors or the management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large. Other related party transactions have been disclosed at Note No.38 of 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 Lok Sabha 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	Friday at 12 Noon, 10th August, 2012 at the Registered Office
Board Meeting for consideration of accounts and recommendation of dividend	25th May, 2012
Posting of Annual Reports	By 15th July, 2012
Book closure dates	3rd to 10th August, 2012
Last date for receipt of proxy forms	8th August, 2012
Dividend payment date	By 7th September, 2012
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 sensx and nifty.

Month	NSE		Shares Traded	NIFTY Junior	
	High	Low		High	Low
April-11	127.15	110.00	13785	11,758.15	11,259.70
May-11	118.00	96.05	15314	11,475.40	10,746.70
June-11	113.30	91.60	13398	11,515.30	10,642.20
July-11	116.00	100.05	12365	11,550.00	10,862.10
August-11	109.85	85.20	10534	11,038.60	9,572.55
September-11	99.80	80.50	29624	10,417.15	9,637.20
October-11	93.00	80.20	12082	10,078.60	9,355.80
November-11	99.95	81.95	10667	10,216.45	8,802.90
December-11	90.80	77.00	10929	9,525.10	8,258.50
January-12	142.00	79.00	74843	9,848.65	8,224.15
February-12	172.15	129.00	201232	10,961.35	9,768.90
March-12	136.75	118.60	12433	10,694.40	10,000.95

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

Month	BSE		Shares Traded	BSE Small Cap	
	High	Low		High	Low
April-11	124.90	110.00	26527	8,976.17	8,175.89
May-11	119.90	97.05	11944	8,744.52	7,999.23
June-11	113.80	98.60	20468	8,381.73	7,753.00
July-11	118.00	99.35	14956	8,536.87	8,159.30
August-11	109.40	86.60	10146	8,377.62	6,892.98
September-11	104.60	82.30	10095	7,421.17	6,873.20
October-11	98.65	75.55	8955	6,997.39	6,638.86
November-11	100.00	82.50	12969	7,007.29	5,914.55
December-11	92.90	78.30	17327	6,248.81	5,460.31
January-12	142.70	80.25	63366	6,504.14	5,540.30
February-12	171.65	127.65	170569	7,263.11	6,464.29
March-12	138.70	118.00	28387	6,914.90	6,434.17

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.

THE INDIAN CARD CLOTHING COMPANY LIMITED

Distribution of Shareholding :

Category	Shareholders		Shares of Rs.10	
	Number	Percent	Number	Percent
Upto 500	10866	95.80	913619	20.08
501 to 1000	258	2.27	206166	4.53
1001 to 2000	109	0.96	162655	3.57
2001 to 3000	44	0.39	111215	2.44
3001 to 4000	16	0.14	56905	1.26
4001 to 5000	10	0.09	46829	1.03
5001 to 10000	26	0.23	187199	4.11
10001 and above	13	0.12	2866532	62.98
Total	11342	100.00	4551120	100.00

Dematerialisation of shares and liquidity: Company's shares have been notified by SEBI for transactions in demat mode for all type of investors. 95.68% of shares are held in demat mode by the shareholders. Outstanding GDRs/ADRs/ Warrants/ convertible instruments: Nil.

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

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

AUDITORS' CERTIFICATE

To the Members of

The Indian Card Clothing Company Limited

1. We have examined the compliance of conditions of Corporate Governance by The Indian Card Clothing Company Limited, for the year ended on 31st March 2012, 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 2012 no grievances are pending for a period exceeding one month against the Company as per the records maintained by the Share Transfer and Shareholders' Grievance Committee.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For B. K. KHARE & CO.
Chartered Accountants

Devdatta Mainkar
Partner

Place : Mumbai
Date : 25th May, 2012

Membership No. 109795
Firm Registration No.:105102W

AUDITORS' REPORT**To the Members of
The Indian Card Clothing Company Limited**

1. We have audited the attached Balance Sheet of The Indian Card Clothing Company Limited as at 31st March 2012, 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 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012, 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, 2012;
 - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

Devdatta Mainkar
Partner
Membership No. 109795

Place: Mumbai
Date: May 25, 2012

THE INDIAN CARD CLOTHING COMPANY LIMITED

ANNEXURE TO THE AUDITORS' REPORT

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

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

- (ii) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty or Cess outstanding on account of any dispute
- 10) The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current year and in the immediately preceding financial year.
- 11) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not defaulted in repayment of dues to banks.
- 12) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ societies.
- 14) In our opinion, the Company has maintained proper records of the transactions and contracts of the investments dealt in by the Company and timely entries have been made therein. The investments made by the Company are held in its own name except to the extent of the exemption under section 49 of the Act.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
- 16) In our opinion, the term loan obtained during the year, prima facie, have been applied for the purpose for which the loans were raised.
- 17) According to the information and explanations given to us on an overall examination of the Balance Sheet and Cash Flows of the Company, we report that the Company has not utilized funds raised on short-term basis for long term investment.
- 18) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act, during the year.
- 19) The Company did not issue any debentures during the year.
- 20) The Company has not raised any money by public issue during the year.
- 21) Based on the audit procedures performed and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

Devdatta Mainkar
Partner
Membership No. 109795

Place: Mumbai
Date: May 25, 2012

THE INDIAN CARD CLOTHING COMPANY LIMITED

BALANCE SHEET AS AT 31ST' MARCH, 2012.

(Rs. Lac)

Particulars	Note No.	As at 31-March-2012	As at 31-March-2011
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	455.11	455.11
(b) Reserves and surplus	2	8,241.57	7,823.58
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings	3	400.00	600.00
(b) Deferred tax liabilities (Net)			-
(c) Other Long term liabilities	4	1,364.46	1,165.26
(d) Long-term provisions	5	73.38	74.91
4 Current liabilities			
(a) Short-term borrowings	6	168.34	29.98
(b) Trade payables	7	328.97	666.14
(c) Other current liabilities	8	931.87	817.13
(d) Short-term provisions	9	268.96	230.34
TOTAL		<u>12,232.66</u>	<u>11,862.45</u>
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	5,532.92	5,481.07
(ii) Intangible assets	10	15.50	1.10
(iii) Capital work-in-progress		321.51	891.15
(iv) Intangible assets under development		-	-
(b) Non-current investments	11	2,955.36	1,310.53
(c) Deferred tax assets (net)	36	21.60	13.73
(d) Long-term loans and advances	12	704.21	612.24
2 Current assets			
(a) Current investments	13	130.16	1,268.53
(b) Inventories	14	1,314.91	1,128.46
(c) Trade receivables	15	963.82	817.07
(d) Cash and cash equivalents	16	59.63	89.68
(e) Short-term loans and advances	17	209.85	248.73
(f) Other current assets	18	3.19	0.16
TOTAL		<u>12,232.66</u>	<u>11,862.45</u>

SIGNIFICANT ACCOUNTING POLICIES AND 25 - 40
& NOTES ON ACCOUNTS

As per our report attached

PRASHANT K. TRIVEDI

Chairman

M.K.TRIVEDI

Managing Director

B. K. KHARE & CO.

HEMRAJ C. ASHER

Director

Chartered Accountants

M.M.SHAH

Director

FRN-105102W

By the hand of

J.M.KOTHARY

Director

DEVDATTA MAINKAR

A.D.DAHOTRE

C.M.MANIAR

Director

Partner

Chief Financial Officer
and Company Secretary

SUDHIR MERCHANT

Director

M. No. 109795

Mumbai, 25 May, 2012

Mumbai, 25 May, 2012

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST' MARCH, 2012. (Rs. Lac)

Particulars	Note No.	As at 31-March-2012	As at 31-March-2011
I. Gross Revenue from operations	19	7,106.29	5,841.78
Less : Excise duty		<u>336.94</u>	<u>395.96</u>
Net Income from Operations		6,769.35	5,445.82
II. Other income	20	480.52	342.51
III. Total Revenue (I + II)		<u>7,249.87</u>	<u>5,788.33</u>
IV. Expenses:			
Cost of materials consumed		2,074.91	1,897.64
Purchases of Stock-in-Trade		69.03	54.44
Provision for Excise duty on finished goods		(18.27)	(1.31)
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		(229.16)	(63.22)
Employee benefits expense	21	1,738.94	1,617.12
Finance costs	22	123.15	141.10
Depreciation and amortization expense		528.86	547.46
Other expenses	23	1,583.18	1,448.28
Total expenses		<u>5,870.64</u>	<u>5,641.51</u>
V. Profit before exceptional and extraordinary items and tax (III - IV)		1,379.23	146.82
VI. Exceptional items	24	<u>151.89</u>	<u>111.26</u>
VII. Profit before extraordinary items and tax (V+VI)		1,531.12	258.08
VIII. Extraordinary Items Income / (Expense)		-	-
IX. Profit before tax (VII- VIII)		<u>1,531.12</u>	<u>258.08</u>
X Tax expense:			
(1) Current tax		415.23	26.24
(2) Minimum Alternate Tax			
(3) Deferred tax		(7.87)	7.93
XI Profit (Loss) for the period		<u>1,123.76</u>	<u>223.91</u>
XII Earnings per equity share:			
(1) Basic		24.69	4.92
(2) Diluted		24.69	4.92

See accompanying notes to the financial statements

As per our report attached

PRASHANT K. TRIVEDI

Chairman

B. K. KHARE & CO.

M.K.TRIVEDI

Managing Director

Chartered Accountants

HEMRAJ C. ASHER

Director

FRN-105102W

M.M.SHAH

Director

By the hand of

J.M.KOTHARY

Director

DEVDATTA MAINKAR

A.D.DAHOTRE

C.M.MANIAR

Director

Partner

Chief Financial Officer
and Company Secretary

SUDHIR MERCHANT

Director

M. No. 109795

Mumbai, 25 May, 2012

Mumbai, 25 May, 2012

THE INDIAN CARD CLOTHING COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST March, 2012

(Rs. Lac)

Particulars	As at 31-March-2012	As at 31-March-2011
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extraordinary items	1531.12	258.08
Depreciation	528.86	547.46
Foreign Exchange (gain) / loss	(13.12)	0.99
Interest/Dividend Income	(113.21)	(78.81)
(Profit)/Loss on sale of Fixed Assets	(1,280.36)	(114.35)
(Profit)/Loss on sale of Investments	(331.14)	(210.24)
Provision for leave encashment and gratuity	98.57	2.78
Provision for bad/doubtful debts/Advances written back	3.07	3.92
Interest paid	123.15	141.10
	<u>(984.18)</u>	<u>292.85</u>
Operating Profit before Working Capital changes	546.94	550.92
Trade and other receivables	(202.87)	(21.23)
Inventories	(186.46)	(104.47)
Trade payables	(337.17)	233.49
Direct Taxes paid	(323.32)	19.22
	<u>(1,049.82)</u>	<u>127.00</u>
Net Cash generated from /(used in) operating activities	(502.88)	677.93
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(385.96)	(899.18)
Sale of Fixed Assets	1,658.07	150.37
Purchase of Investments	(4,064.30)	(181.60)
Proceeds from Sale of Investments	3,616.71	318.45
Interest/Dividend received	113.21	78.81
Net cash from/ (used in) investing activities	937.73	(533.15)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Borrowings	138.36	(20.54)
Long Term Borrowings	0.00	(121.91)
Security Deposits	199.20	347.62
Dividend paid	(591.64)	(136.53)
Tax on dividend	(87.67)	(22.68)
Interest paid	(123.15)	(141.10)
Net Cash from/ (used in) financing activities	(464.90)	(95.14)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(30.05)	49.63
Cash and Cash equivalents		
Beginning of year :		
Cash and Bank balances	89.68	40.05
	<u>89.68</u>	<u>40.05</u>
End of year :		
Cash and Bank balances	59.63	89.68
	<u>59.63</u>	<u>89.68</u>
Increase (decrease) in cash and cash equivalents	(30.05)	49.63

Notes on Cash Flow Statement :

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

As per our report attached

B. K. KHARE & CO.

Chartered Accountants

FRN-105102W

By the hand of

DEVDATTA MAINKAR

Partner

M. No. 109795

Mumbai, 25 May, 2012

A.D.DAHOTRE

Chief Financial Officer
and Company Secretary

PRASHANT K. TRIVEDI

M.K.TRIVEDI

HEMRAJ C. ASHER

M.M.SHAH

J.M.KOTHARY

C.M.MANIAR

SUDHIR MERCHANT

Mumbai, 25 May, 2012

Chairman

Managing Director

Director

Director

Director

Director

Director

NOTES FORMING PART OF THE ACCOUNTS : 31ST MARCH, 2012

(Rs. Lac)

NOTES	As at 31-March-2012	As at 31-March-2011
1 Share Capital		
Authorised share Capital		
50,00,000 Equity shares of Rs. 10 each.	<u>500.00</u>	<u>500.00</u>
Issued, subscribed and fully paid-up		
45,51,120 (45,51,120) Equity shares of Rs.10/- each, fully paid-up.	<u>455.11</u>	<u>455.11</u>
All equity shares have equal rights and restrictions on distribution of dividends and the repayment of capital.		
26,10,066 Equity shares are held by the holding company - Multi Act Industrial Enterprises Ltd.		
2 Reserves and Surplus		
(a) Securities Premium Reserve;	910.22	910.22
(b) General reserve		
Opening balance	1,452.48	1,427.48
Add : Transfer from current year's profit.	120.00	25.00
Closing balance	1,572.48	1,452.48
(c) Profit and Loss Account	5,758.87	5,460.88
TOTAL	<u>8,241.57</u>	<u>7,823.58</u>
Profit and Loss Account		
Profit and Loss Account - Opening balance	5,460.88	5,420.66
Add : Current year's net profit after tax	1,123.76	223.91
Less : Transfer to General reserve	(120.00)	(25.00)
Less : Appropriation towards Interim dividend payment	(520.64)	-
Less : Appropriation towards Proposed dividend	(185.13)	(158.69)
Profit and Loss Account - Closing balance	<u>5,758.87</u>	<u>5,460.88</u>
3 Long-Term Borrowings		
Term loans - Secured from banks	400.00	600.00
(Secured by charge on land , building and plant and machinery. Rate of Interest is 12.5 %)		
Term loan is repayable in equal quarterly instalment in five years.		
TOTAL	<u>400.00</u>	<u>600.00</u>
4 Other Long Term Liabilities		
Security deposits	1,364.46	1,165.26
TOTAL	<u>1,364.46</u>	<u>1,165.26</u>
5 Long-term provisions		
Provision for employee benefits.	73.38	74.91
TOTAL	<u>73.38</u>	<u>74.91</u>
6 Short-term borrowings		
Loans repayable on demand from banks	168.34	29.98
Secured by hypothecation of inventory and book debts and pledge of mutual fund units , rate of interest is 12.50 %.		-
TOTAL	<u>168.34</u>	<u>29.98</u>
7 Trade Payables		
(a) Trade payables	186.37	200.91
(b) Accrued Expenses	142.60	465.23
Total Trade Payables	<u>328.97</u>	<u>666.14</u>

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,2012 is Rs. Nil . Further no interest has been paid or is payable under the Act.

THE INDIAN CARD CLOTHING COMPANY LIMITED

NOTES FORMING PART OF THE ACCOUNTS : 31ST MARCH, 2012

(Rs. Lac)

NOTES	As at 31-March-2012	As at 31-March-2011
8 Other current liabilities		
(a) Current maturities of long-term debt;	400.00	200.00
(b) Other Current liabilities		
Payable to employees	272.41	438.22
Provident fund and ESI payable	34.31	39.26
(c) Advance from Customers	193.24	98.28
(d) Unpaid dividends	25.47	33.49
(e) Interest accrued but not due on borrowings;	6.44	7.88
TOTAL	<u>931.87</u>	<u>817.13</u>
9 Short-term provisions		
(a) Provision for employee benefits.	83.83	71.65
(b) Proposed dividend	185.13	158.69
TOTAL	<u>268.96</u>	<u>230.34</u>

10 : FIXED ASSETS

Rs. Lac

Tangible Assets	Gross at Begin	Additions	Deductions	Gross at End	Depreciation					Net Book	
					Depreciation Op.Bal	Impairment	For the year 2011-12	Deduction	Closing Balance	Value as at 31-03-2012	Value as at 31-03-2011
a. Land.	801.31		0.79	800.52	-		-		-	800.52	801.31
b. Buildings.	4,436.82	541.54	317.73	4,660.63	953.01		267.43	4.08	1,216.36	3,444.27	3,483.81
c. Plant and Equipment.	2,482.93	262.95	0.28	2,745.60	1,858.45		150.50	0.05	2,008.90	736.70	624.48
d. Furniture and Fixtures.	121.58	0.09	0.16	121.51	88.59		6.15	0.16	94.58	26.93	32.99
e. Vehicles.	277.43	112.07	50.50	339.00	175.55		39.82	4.03	211.34	127.67	101.88
f. Office equipment & Computers	333.54	13.63	0.03	347.14	289.41		10.02	0.69	298.74	48.40	44.13
g. Electrical Installation	521.75	4.67	-	526.42	203.14		40.69		243.83	282.59	318.61
h. Air Conditioning Plant	146.95	4.69	0.59	151.05	73.09		12.69	0.57	85.21	65.84	73.86
TOTAL	9,122.31	939.64	370.08	9,691.87	3,641.24	-	527.30	9.58	4,158.96	5,532.92	5,481.07
-											
Intangible Assets	Gross at Begin	Additions	Deductions	Gross at End	Depreciation					Net Book	
					Depreciation Op.Bal	Impairment	For the year 2011-12	Deduction	Closing Balance	Value as at 31-03-2012	Value as at 31-03-2011
a. Computer software.	7.70	15.96		23.66	6.60		1.56		8.16	15.50	1.10
TOTAL	7.70	15.96	-	23.66	6.60	-	1.56	-	8.16	15.50	1.10
Capital Work-in Progress	891.15		509.10	382.05		60.54			60.54	321.51	891.15
TOTAL	10,021.16	955.60	879.18	10,097.58	3,647.84	60.54	528.86	9.58	4,227.66	5,869.93	6,373.32

NOTES FORMING PART OF THE ACCOUNTS : 31ST MARCH, 2012

(Rs. Lac)

NOTES	As at 31-March-2012	As at 31-March-2011
11 Non-current investments		
(a) Investments in debentures or bonds , un-quoted		
REC tax free bonds (6124 units of Rs.1,000 each)	61.24	
NHAI Capital Gain Bonds (500 units of Rs.10,000 each)	50.00	
NHAI Tax Free Bonds (7324 units of Rs.1,000 each)	73.24	
(b) Investments in Mutual Funds , un-quoted		
HDFC FMP 370 Days (50,00,000 units of Rs.10 each)	500.00	500.00
HDFC FMP 375 Days (50,00,000 units of Rs.10 each)	500.00	-
HDFC FMP 24 Months (100,00,000 units of Rs.10 each)	1,000.00	-
HDFC FMP 13 Months (20,00,000 units of Rs.10 each)	200.00	-
HDFC Property Fund - HDFC India Real Estate Fund (Current year 20,298 units of Rs.1000 each, previous year 44,263 units)	202.98	442.63
(c) Investments in Equity Shares - Un-quoted		
Orbis Capital Limited (15,44,000 Shares of Face value Rs. 10/- per share)	200.00	200.00
Investment in subsidiaries, un-quoted		
Garnett Wire Ltd.(in British pounds) (210,000 shares of GBP 1 per share)	136.39	136.39
ICC International Agencies Ltd (500,000 shares of Rs. 10 per share)	31.28	31.28
Shivraj Sugar and Allied Products P Ltd (940 shares of Rs.100 per share)	0.23	0.23
Aggregate amount of unquoted investments;	<u>2,955.36</u>	<u>1,310.53</u>
12 Long-term loans and advances		
(i) Long-term loans and advances - Unsecured		
(a) Capital Advances;	318.04	139.79
(b) Security Deposits;	63.30	55.75
(c) Loans and advances to related parties Multi Act Constructions Pvt. Ltd. - Security deposit	240.00	240.00
(d) Other loans and advances Housing loan to employees	5.15	7.07
(e) Advance income tax paid (net of provision)	77.72	169.63
TOTAL	<u>704.21</u>	<u>612.24</u>
13 Current Investments at cost		
(a) Investments in Equity Instruments - Quoted	-	
Bharati Tele Ltd (Previous year 10,000 shares of Rs. 5/- each)	-	29.05
Bimetal Bearings Ltd. (4,350 shares of Rs. 10/- each)	12.30	12.30
Colgate-Palmolive (India) Ltd. (Previous year 5,000 shares of Rs. 10/- each)	-	6.93
Hindustan Uni-Lever Ltd. (Previous year 5,000 shares of Rs.1/- each)		11.53

THE INDIAN CARD CLOTHING COMPANY LIMITED

NOTES FORMING PART OF THE ACCOUNTS : 31ST MARCH, 2012

(Rs. Lac)

NOTES	As at 31-March-2012	As at 31-March-2011
MPS Ltd. (4,800 shares of Rs. 10/- each)	9.74	9.74
Bosch Limited (Current year 1,000 shares of Rs.10/- each, previous year 2,000 shares)	39.47	78.95
Panasonic Batteries Ltd. (5,000 shares of Rs. 10/- each)	3.01	3.01
Plastiblends India Ltd. (Current year 5,000 shares of Rs.10/- each, previous year 10,000 shares)	5.58	11.17
Voith Paper Fabi Ltd. (20,057 shares of Rs. 10/- each)	39.74	39.74
(b) Investments in Mutual Funds;		
JM Income Fund (Previous year 70,432 units of Rs.10 each)	-	20.00
HDFC - Short Term plan (Current year 102,916 units of Rs.10 each, previous year 583,747)	20.00	100.00
HDFC - Cash Management Daily Dividend (Current year 3211 units of Rs.10 each, previous year 94,31,550)	0.32	946.11
TOTAL	<u>130.16</u>	<u>1,268.53</u>
(a) Aggregate amount of quoted investments	<u>109.84</u>	<u>202.42</u>
(b) Aggregate amount market value thereof;	<u>163.03</u>	<u>300.26</u>
14 Inventories		
(a) Raw materials	365.28	402.82
(b) Work-in-progress	534.66	410.49
(c) Finished goods	317.41	205.25
(d) Stock-in-trade	11.00	18.18
(e) Stores and spares	86.56	91.72
TOTAL	<u>1,314.91</u>	<u>1,128.46</u>
15 Trade Receivables - Unsecured		
(a) considered good;	940.39	766.28
(b) Unsecured considered good , above six months	23.43	50.79
(c) considered doubtful , above six months	27.24	24.17
Less : Provision for doubtful debts	(27.24)	(24.17)
TOTAL	<u>963.82</u>	<u>817.07</u>
16 Cash and cash equivalents		
(a) Balances with banks;	28.81	50.66
(b) Cash on hand;	0.45	0.75
(c) Earmarked balances with banks	25.47	33.49
(d)Bank deposits with more than 12 months maturity .	4.90	4.78
TOTAL	<u>59.63</u>	<u>89.68</u>
17 Short-term loans and advances		
(a) Balance with Excise Authorities	97.58	81.92
(b) Unsecured, considered good;		-
Prepaid expenses	65.13	106.77
Prepayment of Indirect taxes	20.62	14.56
Other Advances	26.52	45.48
(c) Doubtful.	0.70	5.97
(d) Allowance for bad and doubtful loans and advances	(0.70)	(5.97)
TOTAL	<u>209.85</u>	<u>248.73</u>

NOTES FORMING PART OF THE ACCOUNTS : 31ST MARCH, 2012

(Rs. Lac)

NOTES	As at 31-March-2012	As at 31-March-2011
18 Other current assets		
Fixed assets held for disposal.	3.19	0.16
TOTAL	<u>3.19</u>	<u>0.16</u>
19 Revenue from operations		
(a) Sale of products	5,302.62	5,308.89
(b) Sale of services	56.21	55.42
(c) Other operating revenues	1,747.46	477.47
Sub-Total	7,106.29	5,841.78
Less :		
(d) Excise duty.	336.94	395.96
TOTAL	<u>6,769.35</u>	<u>5,445.82</u>
20 Other income		
(a) Interest Income	8.91	1.80
(b) Dividend Income;	104.30	77.01
(c) Net gain on sale of investments	331.14	210.24
(d) Excess provision written-back	5.29	29.24
(e) Exchange gain	13.12	-
(f) Profit on sale of Assets	2.17	3.09
(e) Other non-operating income	15.59	21.13
TOTAL	<u>480.52</u>	<u>342.51</u>
21 Employee Benefits Expense		
(i) Salaries and wages,	1,336.76	1,375.10
(ii) Contribution to provident and other funds,	155.17	102.68
(iii) Provision for gratuity , leave and retirement.	98.57	2.78
(iv) Insurance Personal and accident.	20.88	19.38
(v) Staff welfare expenses	127.56	117.18
TOTAL	<u>1,738.94</u>	<u>1,617.12</u>
22 Finance Costs		
(a) Interest expense;	109.70	119.10
(b) Other borrowing cost	13.45	22.00
TOTAL	<u>123.15</u>	<u>141.10</u>
23 Other Expenses		
Stores and spare parts consumed	116.88	94.39
Power and fuel	311.32	298.47
Rent	32.89	34.08
Insurance	6.23	5.09
Rates and taxes	95.56	86.74
Repairs to building	93.38	60.06
Repairs to plant and machinery	105.57	134.42
Freight and clearing charges	66.59	43.61
Travelling expenses	140.17	115.51
Communication expenses	28.63	24.93
Commission on sales	191.67	147.40
Provision for doubt-ful debts / advances	3.07	3.92
Computer and software maintainance	24.77	20.00
Investment advisory fees	12.84	24.69
Legal and professional fees	109.01	118.97

THE INDIAN CARD CLOTHING COMPANY LIMITED

NOTES FORMING PART OF THE ACCOUNTS : 31ST MARCH, 2012

NOTES	As at 31-March-2012	As at 31-March-2011
Audit Fees	-	
i) As Auditor	3.45	3.45
ii) Other services	0.30	0.30
iii) Reimbursement of expenses	0.24	0.16
Watch and Ward expenses	48.57	49.79
Exchange loss	-	0.99
Directors sitting fees and commission	6.35	8.40
Other sundry expenses	185.69	172.91
TOTAL	<u>1,583.18</u>	<u>1,448.28</u>
24 Exceptional Items		
Profit on sale of Assets	209.44	114.35
Less : Impairment of Assets	<u>(57.55)</u>	<u>(3.09)</u>
Net Exceptional Items	<u>151.89</u>	<u>111.26</u>

25. SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Preparation of Financial Statements

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

2) Use of Estimates

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

3) Fixed Assets

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

4) Depreciation

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

5) Asset Impairment

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

NOTES FORMING PART OF THE ACCOUNTS : 31ST MARCH, 2012**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.

THE INDIAN CARD CLOTHING COMPANY LIMITED

NOTES FORMING PART OF THE ACCOUNTS : 31ST MARCH, 2012

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

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

11) Borrowing Costs

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

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

12) Foreign Currency Transactions

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

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

13) Income Taxes

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

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

26. Stocks and Sales :

	Opening Stocks		Closing Stocks		Sales	
	Qty.	Value Rs.lac	Qty.	Value Rs.lac	Qty.	Value Rs.lac
Class of goods:						
Flexible and metallic card clothing sets	367 (116)	151.92 (155.86)	219 (367)	228.80 (151.92)	4,328 (4,753)	3,661.35 (3,699.71)
Woollen, worsted, cotton waste and asbestos card clothing and raising fillets and sheets-metres	4,623 (5,049)	10.23 (13.18)	6,453 (4,623)	21.29 (10.23)	126,296 (132,185)	523.25 (480.87)
Accura fixed flats - nos	10,119 (2,780)	43.10 (16.02)	9,881 (10,119)	67.32 (43.10)	41,178 (43,988)	662.19 (650.92)
Trading goods		18.18 (8.20)		11.00 (18.18)		118.89 (81.43)
		<u>223.43</u> (193.26)		<u>328.41</u> (223.43)		<u>4,965.68</u> (4,912.93)

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

27. Raw materials including packing material consumed :

	Qty	Rs.lac
Steel (wires and strips) - tonnes	1,061 (1,088)	1,216.39 (1,273.90)
Industrial cloth and fabric - square metres	33,657 (36,922)	436.35 (374.31)
Others		422.17 (249.43)
		<u>2,074.91</u> (1,897.64)

NOTES FORMING PART OF THE ACCOUNTS : 31ST MARCH, 2012
28. Value of imported and indigenous raw materials including packing materials, stores and spare parts consumed and the percentage of each to the total consumption :

NOTES	As at 31-March-2012 Rs. Lac	As at 31-March-2011 Rs. Lac
	%	Rs.lac
Imported	8.50 (12.88)	195.32 (273.95)
Indigenous	91.50 (87.12) 100.00 (100.00)	2,102.04 (1,852.50) 2,297.36 (2,126.45)

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

Raw materials	187.30	225.66
Stores and spare parts	8.02	4.93
Capital goods	132.53	11.02
Trading goods	63.48	37.53

30. Expenditure in foreign currency:

Travelling, commission, technical consultation and others	177.74	186.97
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31 i) Claims against the Company not acknowledged as debts

ii) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	40.00	40.00
iii) Contingent liability in respect of taxation matters in appeal by the Department	777.40	181.61
	15.19	15.19

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

Year to which dividend relates	Number of Shareholders	Number of Shares	Year ended 31-Mar-12 Rs.lac	Year ended 31-Mar-11 Rs.lac
Final Dividend 2009-10	1	2,110,066	-	78.30
Final Dividend 2010-11	1	2,110,066	78.30	-
Interim Dividend 2011-12	1	2,110,066	261.01	

33. Earnings in foreign currency :

Exports realisation on F.O.B. basis	1,484.31	1,086.93
Others (freight charges on exports)	25.39	28.43

34. Employee Benefits : Post Retirement Benefit – Defined Contribution Plans

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

Particulars	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Current Service Cost	2,095,511	2,061,515	2,010,386	1,727,083	4,175,463
Interest Cost	3,992,302	3,946,017	3,840,963	2,821,510	3,313,451
Expected Return on the Plan Assets	(4,908,595)	(4,678,873)	(4,050,269)	(3,313,727)	2,695,748
Actuarial (Gain) / Loss recognized	7,863,156	(3,499,866)	(4,538,175)	8,194,570	(16,399,384)
Total Expenses	9,042,374	(2,171,207)	(2,737,095)	9,429,436	(6,214,722)

a) Net Assets / Liabilities

Particulars	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Present Value of Defined Benefit obligation at the year end	55,356,351	49,903,771	49,325,209	48,012,035	35,268,872
Fair value of Plan Asset as at the year end	58,356,257	57,547,438	51,039,419	42,409,509	34,737,490
Net Liability at the year end	(2,999,906)	(7,643,667)	(1,714,210)	5,602,526	531,382

THE INDIAN CARD CLOTHING COMPANY LIMITED

NOTES FORMING PART OF THE ACCOUNTS : 31ST MARCH, 2012

b) Change in the Obligation

Particulars	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Present Value of Defined Benefit Obligation at the beginning of the year.	49,903,771	49,325,209	48,012,035	35,268,872	44,179,342
Current Service Cost	2,095,511	2,061,515	2,010,386	1,727,083	4,175,463
Interest Cost	3,992,302	3,946,017	3,840,963	2,821,510	3,313,451
Actuarial (Gain) / Losses	7,863,156	(3,499,866)	(4,538,175)	8,194,570	(16,399,384)
Benefit Payment	(8,498,389)	(1,929,104)	-	-	-
Present Value of defined Benefit Obligation as at the end of the year.	55,356,351	49,903,771	49,325,209	48,012,035	35,268,872

c) Actuarial Assumptions

Particulars	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Discount Rate	8.00%	8.00%	8.00%	8.00%	8.00%
Rate of Return on Plan Assets **	8.47%	8.62%	7.81%	7.81%	7.81%
Salary Escalation	5.00%	5.00%	5.00%	5.00%	5.00%

** = Expected return on plan assets / (op plan asset + clo plan asset) / 2

d) Employees cost disclosed in Schedule 9

Particulars	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Gratuity	90.31	(21.71)	(27.37)	(78.30)	48.81
Leave Encashment	8.26	30.78	8.47	(8.20)	12.54
Provident Fund	69.97	70.39	68.87	73.49	59.28

35. The total of research and development costs including depreciation charge to profit and loss Rs. 60.69 lac (previous year Rs.70.62 lac).

36. Deferred Taxes

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

Particulars	As at 31-March-2012 Rs. Lac	As at 31-March-2011 Rs. Lac
a) Depreciation	(50.09)	(59.29)
b) Provision for doubtful debts/ advances	9.06	10.25
c) Technical know-how	1.56	2.18
d) Employee benefits	61.07	60.59
Net deferred tax Asset / (Liability)	21.60	13.73

37. Disclosure of Foreign currency exposure

Foreign currency exposure of monetary items as on 31st March 2012 which are not hedged by a derivative instrument or otherwise is as follows -

Nature of Monetary Item	Name of Currency	Foreign Currency	31.03.2012 Rs. Lac	Foreign Currency	31.03.2011 Rs. Lac
1. Import of Goods	GBP	-	-	(151.99)	(0.11)
	EUR	133,250.00	91.82	(70,020.00)	(44.46)
2. Export of Goods	USD	949,805.00	470.86	553,712.00	246.62
	GBP	5,616.00	4.48	1,836.00	1.31

38. Related Party Disclosure

- a) Controlling Company - Multi Act Industrial Enterprises Ltd., Mauritius
- b) Wholly Owned Subsidiaries controlled by the Company-
 - i) ICC International Agencies Ltd.
- c) Other Subsidiary controlled by the Company-
 - i) Garnett Wire Ltd., UK
 - ii) Shivraj Sugar and Allied Products P Ltd.

NOTES FORMING PART OF THE ACCOUNTS : 31ST MARCH, 2012
d) Enterprise over which any key management personnel and relative of such personnel is able to exercise significant influence

- i) Multi Act Trade & Investments Pvt Ltd.
- ii) Multi Act Equity Consultancy Pvt Ltd.
- iii) Multi Act Constructions Pvt. Ltd.

e) Transactions with related Parties

	Name of Party	Nature of transaction	Year Ended 31-March-2012 Rs. Lac	Year Ended 31-March-2011 Rs. Lac
a)	Multi Act Industrial Enterprises Ltd., Mauritius	Dividend paid	339.31	78.30
b)	Garnett Wire Ltd., UK	Sales	5.95	5.88
		Purchases	13.54	37.53
		Amount receivable	3.59	1.03
		Amount payable	-	1.53
c)	ICC International Agencies Limited	Dividend Received	50.00	0.00
d)	Multi Act Equity Consultancy Pvt Ltd.	Investment Advisory fees	12.84	24.69
e)	Multi Act Constructions Pvt. Ltd.	Rent paid	17.52	17.52
		Deposit Paid	240.00	240.00
f)	Directors & Relatives			
i)	Mr. K K Trivedi Chairman Emeritus	Sitting fees as Director	-	0.30
ii)	Mr. Prashant K Trivedi - Chairman	Sitting fees as Director	0.90	0.75
iii)	Mr. M K Trivedi - Managing Director	Salary, commission and other perquisites.	46.45	50.51

(Also key management personnel)

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

39. Segment Disclosure

(Rs. Lac)

A) Primary Segment Information	Card Clothing	Treasury	Realty	Other% Unallocable	Total
i. Segment revenue					
External sales	5023.75	0.00	0.00	%	5023.75
	(4968.35)	0.00	0.00	0.00	(4968.35)
Treasury and other income	254.18	385.78	1745.60	50.00	2435.56
	(169.61)	(287.25)	(477.47)	0.00	(934.33)
Total revenue	5277.93	385.78	1745.60	50.00	7459.31
	(5137.96)	(287.25)	(477.47)	0.00	(5902.68)
ii. Segment Results					
Profit / (loss) before tax and interest	(162.08)	360.76	1,463.05	(7.46)	1,654.27
	19.30	(250.80)	(230.65)	62.97	(399.18)
Interest expense	123.15	0.00	0.00	0.00	123.15
	(141.10)	0.00	0.00	0.00	(141.10)
Profit / (loss) before tax	(285.23)	360.76	1,463.05	(7.46)	1,531.12
	160.40	(250.80)	(230.65)	62.97	(258.08)
iii. Other Information					
Segment assets	6,728.59	2,917.62	2,293.41	293.05	12,232.66
	(6715.85)	(2411.16)	(2520.30)	(215.13)	(11862.44)
Segment liabilities	1,966.36	-	1,358.40	211.22	3,535.98
	(2224.11)	0.00	(1165.56)	(194.08)	(3583.75)
Capital expenditure during the year	385.96	0.00	0.00	0.00	385.96
	(897.20)	0.00	0.00	0.00	(897.20)
Depreciation	404.65	0.00	124.21	0.00	528.86
	(448.51)	0.00	(98.95)	0.00	(547.46)

THE INDIAN CARD CLOTHING COMPANY LIMITED

NOTES FORMING PART OF THE ACCOUNTS : 31ST MARCH, 2012

B. Secondary Segment Information

Geographical by location of customers

	Revenue	Assets
Domestic sales	3537.58	615.10
	(3881.42)	(570.45)
Export sales	1484.31	325.29
	(1086.93)	(246.62)

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

As per our report attached

B. K. KHARE & CO.

Chartered Accountants
FRN-105102W
By the hand of

DEVDATTA MAINKAR

Partner
M. No. 109795
Mumbai, 25 May, 2012

A.D.DAHOTRE

Chief Financial Officer
and Company Secretary

PRASHANT K. TRIVEDI

M.K.TRIVEDI

HEMRAJ C. ASHER

M.M.SHAH

J.M.KOTHARY

C.M.MANIAR

SUDHIR MERCHANT

Mumbai, 25 May, 2012

Chairman

Managing Director

Director

Director

Director

Director

Director

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

1	Name of the subsidiary	Garnett Wire Ltd., U. K.	ICC International Agencies Ltd.	Shivraj Sugar and Allied Products Pvt. Ltd.
2	Financial year of the subsidiaries ended on	31st March 2012	31st March 2012	31st March 2012
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, 2012.	PDS 27,260	Rs. 7,98,329/-	Rs. Nil
	In the previous financial years	PDS 107,308	Rs. 400,36,707/-	Rs. Nil
5.2	Dealt with in the Holding Company's accounts during 31st March, 2012	Nil	Rs. 50,00,000/-	Rs. Nil
	In the previous financial years	PDS 1,28,100	Rs. 165,00,000/-	Rs. Nil

For and on behalf of the Board
PRASHANT K. TRIVEDI

Chairman

M.K.TRIVEDI

Managing Director

HEMRAJ C. ASHER

Director

M.M.SHAH

Director

J.M.KOTHARY

Director

C.M.MANIAR

Director

SUDHIR MERCHANT

Director

A.D.DAHOTRE

Company Secretary

Mumbai, 25 May, 2012

Mumbai, 25 May, 2012

THE INDIAN CARD CLOTHING COMPANY LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST' MARCH, 2012.

(Rs. Lac)

Particulars	Note No.	As at 31-March-2012	As at 31-March-2011
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	455.11	455.11
(b) Reserves and surplus	2	8,760.13	8,252.25
2 Foreign Currency Translation Reserve		35.66	63.51
Minority Interest		200.05	190.11
3 Non-current liabilities			
(a) Long-term borrowings	3	458.37	607.88
(b) Deferred tax liabilities (Net)			-
(c) Other Long term liabilities	5	1,364.46	1,154.12
(d) Long-term provisions	6	73.38	62.95
4 Current liabilities			
(a) Short-term borrowings	7	303.01	176.60
(b) Trade payables	8	510.18	804.25
(c) Other current liabilities	9	964.46	826.27
(d) Short-term provisions	10	276.06	242.51
TOTAL		<u>13,400.87</u>	<u>12,835.56</u>
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	4	5,922.52	5,791.56
(ii) Intangible assets	4	23.81	23.47
(iii) Capital work-in-progress	4	321.51	894.15
(iv) Intangible assets under development			
(b) Non-current investments	11	2,787.46	1,142.63
(c) Deferred tax assets (net)		20.27	12.19
(d) Long-term loans and advances	12	639.28	452.88
2 Current assets			
(a) Current investments	13	130.16	1,268.53
(b) Inventories	14	1,613.50	1,359.36
(c) Trade receivables	15	1,357.95	1,156.82
(d) Cash and cash equivalents	16	195.01	295.28
(e) Short-term loans and advances	17	386.21	438.53
(f) Other current assets	18	3.19	0.16
TOTAL		<u>13,400.87</u>	<u>12,835.56</u>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 24 - 35

As per our report attached

PRASHANT K. TRIVEDI

Chairman

M.K.TRIVEDI

Managing Director

B. K. KHARE & CO.

HEMRAJ C. ASHER

Director

Chartered Accountants

M.M.SHAH

Director

FRN-105102W

By the hand of

J.M.KOTHARY

Director

DEVDATTA MAINKAR

A.D.DAHOTRE

C.M.MANIAR

Director

Partner

Chief Financial Officer
and Company Secretary

SUDHIR MERCHANT

Director

M. No. 109795

Mumbai, 25 May, 2012

Mumbai, 25 May, 2012

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST' MARCH, 2012.

		(Rs. Lac)	
Particulars	Note No.	As at 31-March-2012	As at 31-March-2011
I. Gross Revenue from operations	19	8,564.59	6,947.28
Less : Excise duty		336.94	395.96
Net Income from Operations		8,227.65	6,551.32
II. Other income	20	464.12	345.10
III. Total Revenue (I + II)		8,691.77	6,896.42
IV. Expenses:			
Cost of materials consumed		2,573.26	2,248.98
Purchases of Stock-in-Trade		100.68	64.60
Provision for Excise duty on finished goods		(18.27)	(1.31)
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		(292.57)	(52.48)
Employee benefits expense	21	2,166.85	1,974.59
Finance costs	22	130.61	148.76
Depreciation and amortization expense		553.07	568.18
Other expenses	23	1,992.75	1,719.45
Total expenses		7,206.38	6,670.77
V. Profit before exceptional and extraordinary items and tax (III - IV)		1,485.39	225.65
VI. Exceptional items (Profit on sale of Assets & Loss on Impairment of Assets)		151.89	111.26
VII. Profit before extraordinary items and tax (V+VI)		1,637.28	336.91
VIII. Extraordinary Items Income / (Expense)		-	-
IX. Profit before tax (VII- VIII)		1,637.28	336.91
X Tax expense:			
(1) Current tax		452.69	65.60
(2) Minimum Alternate Tax		-	(16.75)
(3) Deferred tax		(9.70)	11.77
XI Profit (Loss) after tax and before minority interest.		1,194.29	276.29
Less : Minority Interest		25.54	2.42
Profit (Loss) after tax and minority interest.		1,168.75	273.87
XII Earnings per equity share:			
Basic and diluted		25.68	6.07

As per our report attached

B. K. KHARE & CO.

Chartered Accountants
FRN-105102W
By the hand of

DEVDATTA MAINKAR
Partner
M. No. 109795
Mumbai, 25 May, 2012

A.D.DAHOTRE
Chief Financial Officer
and Company Secretary

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

Mumbai, 25 May, 2012

Chairman

Managing Director

Director

Director

Director

Director

Director

THE INDIAN CARD CLOTHING COMPANY LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST' MARCH, 2012.

Particulars	As at 31-March-2012	(Rs. Lac) As at 31-March-2011
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extraordinary items	1,637.28	336.91
Depreciation	553.07	568.18
Exchange (gain) / loss	(13.58)	0.00
Interest/Dividend received	(75.84)	(85.94)
(Profit)/Loss on sale of Fixed Assets	(1,490.49)	(114.35)
(Profit)/Loss on sale of Investments	(331.14)	(210.24)
Provision for leave encashment and gratuity	98.57	2.78
Provision for bad/doubtful debts written back	5.29	5.76
Interest paid	130.61	126.76
	<u>(1,123.51)</u>	<u>292.95</u>
Operating Profit before Working Capital changes	513.77	629.86
Trade and other receivables	(338.24)	21.47
Inventories	(201.13)	(128.78)
Trade payables	(111.90)	271.05
Direct Taxes paid	(378.97)	(13.67)
	<u>(1,030.24)</u>	<u>150.07</u>
Net Cash generated from /(used in) operating activities	(516.47)	779.93
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(432.17)	(932.04)
Sale of Fixed Assets	1,658.07	151.17
Purchase of Investments	(4,064.30)	(181.60)
Proceeds from Sale of Investments	3,643.30	318.45
Interest/Dividend received	75.84	85.94
Net cash from/ (used in) investing activities	<u>880.74</u>	<u>(558.08)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Borrowings	126.41	(157.44)
F C Reserve, Minority interest and Cost of control	7.63	7.48
Security Deposits	210.34	336.48
Dividend paid	(591.64)	(136.53)
Tax on dividend	(86.67)	(22.68)
Interest paid	(130.61)	(126.76)
Net Cash from/ (used in) financing activities	(464.54)	(99.45)
Net increase (decrease) in cash and cash equivalents (A+B+C)	<u>(100.27)</u>	<u>122.40</u>
Cash and Cash equivalents		
Beginning of year :		
Cash and Bank balances	<u>295.28</u>	<u>172.88</u>
	<u>295.28</u>	<u>172.88</u>
End of year:		
Cash and Bank balances	<u>195.01</u>	<u>295.28</u>
	<u>195.01</u>	<u>295.28</u>
Increase (decrease) in cash and cash equivalents	<u>(100.27)</u>	<u>122.40</u>

As per our report attached

B. K. KHARE & CO.

Chartered Accountants

FRN-105102W

By the hand of

DEVDATTA MAINKAR

Partner

M. No. 109795

Mumbai, 25 May, 2012

A.D.DAHOTRE

Chief Financial Officer
and Company Secretary

PRASHANT K. TRIVEDI

M.K.TRIVEDI

HEMRAJ C. ASHER

M.M.SHAH

J.M.KOTHARY

C.M.MANIAR

SUDHIR MERCHANT

Mumbai, 25 May, 2012

Chairman

Managing Director

Director

Director

Director

Director

Director

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS : 31ST MARCH, 2012

Notes	As at 31-March-2012	Rs. Lac As at 31-March-2011
1 Share Capital		
Authorised share Capital		
50,00,000 Equity shares of Rs. 10 each.	<u>500.00</u>	<u>500.00</u>
issued, subscribed and fully paid-up		
45,51,120 Equity shares of Rs.10/- each , fully paid-up.	<u>455.11</u>	<u>455.11</u>
All equity shares have equal rights and restrictions on distribution of dividends and the repayment of capital.		
26,10,066 Equity shares are held by the holding company - Multi Act Industrial Enterprises Ltd.		
2 Reserves and Surplus		
(i)Reserves and Surplus shall be classified as:		
(a) Securities Premium Reserve;	910.22	910.22
(b) General reserve		
Opening balance	1,567.12	1,512.12
Add : Transfer from current years profit.	126.00	55.00
Closing Balance	1,693.12	1,567.12
(c) Capital Reserve	10.88	10.88
(d) Profit and Loss Account	6,145.91	5,764.03
TOTAL	8,760.13	8,252.25
Profit and Loss Account		
Profit and Loss Account - Opening Balance	5,764.03	5,713.19
Add : Current years net profit after tax	1,168.75	273.87
Less : Transfer to General reserve	(126.00)	(55.00)
Less : Appropriation towards Interim dividend payment	(520.64)	-
Less : Appropriation towards Proposed dividend payment	(135.13)	(158.68)
Less : Dividend tax payment	(4.05)	(8.30)
Less : Preliminary expenses	(1.05)	(1.05)
Profit and Loss Account - Closing Balance	6,145.91	5,764.03
3 Long-Term Borrowings		
Term loans from bank - Secured	458.37	607.88
(Secured by charge on Land, Building and Plant and Machinery of Himachal Pradesh Factory, Rate of Interest is 12.5%)		
Term loan is repayable in equal quarterly instalment in five years.		
TOTAL	458.37	607.88
4 Fixed Assets - PI refer page 44		
5 Other Long Term Liabilities		
Security Deposits	<u>1,364.46</u>	<u>1,154.12</u>
TOTAL	1,364.46	1,154.12
6 Long-term provisions		
Provision for employee benefits.	73.38	62.95
TOTAL	73.38	62.95
7 Short-term borrowings		
(a) Loans repayable on demand		
-from banks Secured	303.01	176.60
(Secured by Hypothication of Inventory and Book debts and pledge of Mutual fund units, Rate of Interest is 12.50 %)		
TOTAL	303.01	176.60
8 Trade Payables		
Sundry Creditors	344.28	326.36
Accrued Expenses	165.90	477.89
TOTAL	510.18	804.25

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, 2012 is Rs. Nil . Further no interest has been paid or is payable under the terms of MSMED Act, 2006.

THE INDIAN CARD CLOTHING COMPANY LIMITED

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS : 31ST MARCH, 2012

Notes	As at 31-March-2012	Rs. Lac As at 31-March-2011
9 Other current liabilities		
(a) Current maturities of long-term debt;	400.00	200.00
(b) Other Current liabilities		
Payable to employees	279.06	438.22
Providend Fund and ESI Payable	36.81	48.40
(c) Advance from Customers	216.68	98.28
(d) Unpaid dividends	25.47	33.49
(e) Interest accrued but not due on borrowings;	6.44	7.88
TOTAL	964.46	826.27
10 Short-term provisions		
(a) Provision for employee benefits.	90.93	83.83
(b) Others - Proposed Dividend	185.13	158.68
TOTAL	276.06	242.51
11 Non-current investments		
(a) Investments in debentures or bonds;	184.48	184.48
(b) Investments in Mutual Funds;	2,402.98	758.15
(c) Investments in Equity Shares - Un-quoted	200.00	200.00
TOTAL	2,787.46	1,142.63
12 Long-term loans and advances		
(i) Long-term loans and advances - Unsecured		
(a) Capital Advances;	318.04	136.79
(b) Security Deposits;	76.09	70.44
(c) Loans and advances to related parties		
Multi Act Constructions Pvt. Ltd.	240.00	240.00
(d) Other loans and advances	5.15	5.65
TOTAL	639.28	452.88
13 Current Investments		
(a) Investments in Equity Instruments;	109.84	202.41
(b) Investments in Mutual Funds;	20.32	1,066.12
TOTAL	130.16	1,268.53
14 Inventories		
(a) Raw materials;	513.17	504.55
(b) Work-in-progress;	537.46	416.19
(c) Finished goods;	398.30	311.39
(d) Stock-in-trade	78.01	35.51
(e) Stores and spares;	86.56	91.72
TOTAL	1,613.50	1,359.36
15 Trade Receivables - Unsecured		
(a) considered good;	1,319.87	1,059.26
(b) Unsecured considered good , above 180 days	38.08	97.56
(c) considered doubtful , above 180 days	53.72	50.65
Less : Provision for doubtful debts	(53.72)	(50.65)
TOTAL	1,357.95	1,156.82
16 Cash and cash equivalents		
(i) Cash and cash equivalents shall be classified as:		
(a) Balances with banks;	55.92	131.24
(b) Cash on hand;	1.33	0.77
(ii) Earmarked balances with banks	25.47	33.49
(iii) Bank deposits with more than 12 months maturity shall be disclosed separately.	112.29	129.78
TOTAL	195.01	295.28

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS : 31ST MARCH, 2012

Notes	As at 31-March-2012	Rs. Lac As at 31-March-2011
17 Short-term loans and advances		
(a) Balance with Excise Authorities	97.58	81.92
(b) Unsecured, considered good; Prepaid Expenses	70.49	99.93
Prepayment of Taxes	115.41	189.13
Other Advances	102.73	67.55
(c) Doubtful.	0.70	5.99
(d) Allowance for bad and doubtful loans and advances shall be disclosed under the relevant heads separately.	(0.70)	(5.99)
TOTAL	386.21	438.53
18 Other current assets		
Fixed assets / C WIP held for disposal.	3.19	0.16
TOTAL	3.19	0.16
19 Revenue from operations		
(A) In respect of a company other than a finance company revenue from operations shall disclose separately in the notes revenue from		
(a) sale of products;	6,399.05	6,134.04
(b) sale of services;	90.19	81.52
(c) Commission received	329.75	237.73
(d) Rent and Service Charges received	619.30	493.99
(e) Profit on sale of asset	1,126.30	-
Sub-Total	8,564.59	6,947.28
Less :		
(d) Excise duty.	336.94	395.96
TOTAL	8,227.65	6,551.32
20 Other income		
(a) Interest Income	21.54	8.93
(b) Dividend Income;	54.30	77.01
(c) Net gain on sale of investments	331.14	210.24
(d) Excess provision written-back	5.29	27.78
(e) Exchange gain	13.58	-
(f) Profit on sale of Asset	4.03	-
(g) Other non-operating income	34.24	21.14
TOTAL	464.12	345.10
21 (a) Employee Benefits Expense		
(i) salaries and wages,	1,756.10	1,701.34
(ii) contribution to provident and other funds,	162.63	129.56
(iii) Provision for gratuity , leave and retirement.	98.57	2.78
(iv) Insurance Personal and accident.	20.88	19.38
(v) staff welfare expenses	128.67	121.53
TOTAL	2,166.85	1,974.59
22 Finance Costs		
(a) Interest expense;	114.29	126.76
(b) Other borrowing cost	16.32	22.00
TOTAL	130.61	148.76
23 Other Expenses		
Stores and spare parts consumed	133.04	110.62
Power and Fuel	324.87	309.45
Rent	53.25	52.29
Insurance	28.53	20.13
Rates and taxes	109.68	100.05
Repairs to Building	93.38	60.06

THE INDIAN CARD CLOTHING COMPANY LIMITED

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS : 31ST MARCH, 2012

	As at 31-March-2012	Rs. Lac As at 31-March-2011
Repairs to Plant and Machinery	112.89	144.71
Freight and Clearing charges	66.59	46.20
Travelling expenses	209.11	180.58
Communication expenses	28.63	42.78
Commission on sales	233.02	161.95
Provision for doubtful debts / advances	3.07	6.59
Computer and software maintenance	24.77	20.00
Investment advisory fees	12.84	24.69
Legal and professional fees	109.01	142.95
Audit Fees		
As Auditor	10.85	10.33
Other Services	0.96	0.75
Reimbursement of expenses	0.24	0.16
Watch and Ward expenses	48.57	49.79
Exchange loss	-	1.54
Directors Sitting Fees and commission	6.35	9.00
Other sundry expenses	383.10	224.83
TOTAL	<u>1,992.75</u>	<u>1,719.45</u>

24. Basis of Preparation of Financial Statements

- 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%

25. 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

26. 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".

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

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

29. Related Party Disclosure

- a) Controlling Company - Multi Act Industrial Enterprises Ltd., Mauritius
- b) Enterprise over which any key management personnel and relative of such personnel is able to exercise significant influence
 - i) Multi Act Trade & Investments Pvt Ltd.
 - ii) Multi Act Constructions Pvt. Ltd.
 - iii) Joseph Sellers & Sons Ltd.
 - iv) Shaped Wires Ltd.

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS : 31ST MARCH, 2012
c) Transactions with related Parties

Name of party	Nature of transaction	Year ended 31-Mar-12 Rs.lac	Year ended 31-Mar-11 Rs.lac
i) Multi Act Industrial Enterprises Ltd., Mauritius	Dividend paid	339.31	78.30
ii) Multi Act Equity Consultancy Pvt Ltd.	Investment Advisory fees	12.84	24.69
iii) Multi Act Constructions Pvt. Ltd.	Rent paid	17.52	17.52
	Deposit Paid	240.00	240.00
iv) Joseph Sellers & Sons Limited	Sales	0.04	0.04
	Purchases	42.81	34.78
	Amount receivable	0.04	-
	Amount payable	-	2.23
v) Shaped Wires Ltd.	Sales	153.17	29.75
	Purchases	363.50	169.13
	Rent Received	16.55	16.52
	Amount receivable	41.68	-
	Amount payable		1.87
vi) Directors & Relatives			
a) Mr. K K Trivedi - Chairman Emeritus	Sitting fees paid	-	0.30
b) Mr. Prashant K Trivedi - Chairman	Sitting fees paid	0.90	0.75
c) Mr. Mehul K Trivedi - Managing Director (Also key management personnel)	Salary, commission and other perquisites.	46.45	50.51

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

30. Segment Disclosure

A. Primary Segment Information	Card Clothing	Treasury	Realty	Others/ Unallocable	Rs.lac Total
I. Segment Revenue					
External Sales	6,096.27	-	-	-	6,096.27
	(5,819.60)	-	-	-	(5,819.60)
Treasury and other income	464.12	385.78	1,745.60	-	2,595.50
	(426.45)	(287.25)	(477.47)	-	(1,191.17)
Total revenue	6,560.39	385.78	1,745.60	-	8,691.77
	(6,246.05)	(287.25)	(477.47)	-	(7,010.77)
ii. Segment Results					
Profit before tax and interest	(43.99)	360.76	1,463.05	(57.46)	1,722.36
	(43.29)	(250.80)	(230.65)	61.07	(463.67)
Less : Interest expense	130.61	-	-	-	130.61
	(126.76)	-	-	-	(126.76)
Profit from ordinary activities before tax	(174.60)	360.76	1,463.05	(57.46)	1,591.75
	83.47	(250.80)	(230.65)	61.07	(336.91)
iii. Other Information					
Segment Assets	7,896.79	2,917.62	2,293.41	293.05	13,400.87
	(7,690.02)	(2,411.16)	(2,520.30)	(215.13)	(12,836.61)
Segment Liabilities	2,582.24	-	1,358.40	26.09	3,966.73
	(2,857.34)	-	(1,165.56)	(33.49)	(4,056.39)
Capital Expenditure during the year	422.81	-	-	-	422.81
	(927.98)	-	-	-	(927.98)
Depreciation	428.86	-	124.21	-	553.07
	(469.23)	-	(98.95)	-	(568.18)

THE INDIAN CARD CLOTHING COMPANY LIMITED

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS : 31ST MARCH, 2012

B. Secondary Segment Information (by geographical segment)

	Revenue	Assets
Domestic	4,746.33	1,032.66
	(4,219.37)	(912.76)
Overseas	1,814.06	325.29
	(1,600.23)	(244.06)

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

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

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

34. Information related to subsidiary companies,

Particulars	ICC INTERNATIONAL AGENCIES LTD.	SHIVRAJ SUGAR AND ALLIED PRODUCTS PVT. LTD.	GARNET WIRE LTD.	
	Rs. Lac	Rs. Lac	GBP' 000	Rs. Lac
(a) capital	50.00	1.00	350.00	285.14
(b) reserves	334.01	0.00	260.91	185.67
(c) total assets	484.59	0.05	979.25	770.90
(d) total liabilities (excluding Capital & Reserves)	100.58	0.05	368.34	300.09
(e) details of investment (except in case of investment in the subsidiaries)	0.00	0.00	0.00	0.00
(f) turnover	445.08	0.00	1356.46	1034.57
(g) profit before taxation	84.87	0.00	56.97	41.33
(h) provision for taxation	26.88	0.00	11.45	8.74
(i) profit after taxation	57.99	0.00	45.52	32.59
(j) proposed dividend	25.00	0.00	0.00	0.00

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

As per our report attached

B. K. KHARE & CO.

Chartered Accountants
FRN-105102W
By the hand of

DEVDATTA MAINKAR
Partner
M. No. 109795
Mumbai, 25 May, 2012

A.D.DAHOTRE
Chief Financial Officer
and Company Secretary

M.K.TRIVEDI
Managing Director
Mumbai, 25 May, 2012

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS : 31ST MARCH, 2012
4 : FIXED ASSETS
Rs. Lac

					Depreciation					Net Book	
Tangible Assets	Gross at Begin	Additions	Deductions	Gross at End	Depreciation Op.Bal	Impairment	For the year 2011-12	Deductions	Closing Balance	Value as at 31-03-2012	Value as at 31-03-2011
a.Land.	887.69		0.79	886.90	-				-	886.90	887.69
b.Buildings.	4,613.08	541.54	317.73	4,836.89	997.54		258.68	4.08	1,252.14	3,584.75	3,615.53
c. Plant and Equipment.	2,482.92	298.90	0.28	2,781.54	1,858.46		150.72	0.05	2,009.13	772.41	624.46
d.Furniture and Fixtures.	148.86	0.09	0.16	148.79	105.26		7.69	0.16	112.79	36.00	43.60
e.Vehicles.	335.76	112.07	62.87	384.96	204.85		45.15	48.30	201.70	183.26	130.91
f. Office equipment & Computers	341.60	15.05	0.03	356.62	312.00		11.84	8.84	315.00	41.62	29.60
g.Electrical Installation	547.72	4.67	-	552.39	216.34		42.36	-	258.70	293.69	331.38
h.Air Conditioning Plant	404.44	17.04	0.59	420.89	276.05		21.52	0.57	297.00	123.89	128.39
TOTAL	9,762.07	989.36	382.45	10,368.98	3,970.50	-	537.96	62.00	4,446.46	5,922.52	5,791.56

					Depreciation					Net Book	
Intangible Assets	Gross at Begin	Additions	Deductions	Gross at End	Depreciation Op.Bal	Impairment	For the year 2011-12	Deductions	Closing Balance	Value as at 31-03-2012	Value as at 31-03-2011
a.Computer software.	30.73	15.45		46.18	7.26		15.11		22.37	23.81	23.47
TOTAL	30.73	15.45	-	46.18	7.26	-	15.11	-	22.37	23.81	23.47
Capital Work-in Progress	894.15		572.64	321.51						321.51	894.15
TOTAL	10,686.95	1,004.81	955.09	10,736.67	3,977.76	-	553.07	62.00	4,468.83	6,267.84	6,709.18

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 2012 and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended.

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

We did not audit the financial statements of one of its subsidiaries, whose financial statements reflect total assets of Rs. 802.17 lacs as at 31st March, 2012 and total revenues of Rs. 1052.88 lacs and net cash inflows of Rs. 82.88 Lacs for the year ended. These financial statements have been audited by other auditors whose reports has been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

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

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

- (a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of the The Indian Card Clothing Company Limited and its subsidiaries as at 31st March, 2012.
- (b) The Consolidated Statement of Profit and Loss gives a true and fair view of the consolidated results of operations of The Indian Card Clothing Company Limited and its subsidiaries for the year then ended, and
- (c) The Consolidated Cash Flow Statement gives a true and fair view of the Consolidated Cash Flows of The Indian Card Clothing Company Limited and its subsidiaries for the year then ended.

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

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

Mumbai, May 25, 2012

[illegible]

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 EIGHTH ANNUAL GENERAL MEETING of the Company to be held at Company's Registered Office at Mumbai Pune Road, Pimpri, Pune - 411018. on Friday 10, August, 2012 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

58th Annual General Meeting - 10th August, 2012

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 58th Annual General Meeting of the Company at Company's Registered Office at Mumbai Pune Road, Pimpri, Pune - 411018 on Friday 10, August, 2012 at 12 noon



LIST OF OFFICES

PIMPRI WORKS

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BOOK-POST

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