

# 63<sup>rd</sup> ANNUAL REPORT 2016-17

## NOTICE

NOTICE is hereby given that the Sixty-Third Annual General Meeting of the Members of THE INDIAN CARD CLOTHING COMPANY LIMITED will be held at the Registered Office of the Company at Mumbai – Pune Road, Pimpri, Pune 411 018 on Friday, August 11, 2017 at 12.00 noon to transact the following business:

### AS ORDINARY BUSINESS:

01. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 together with the reports of the Board of Directors and the Auditors.
02. To declare final dividend on equity shares for the year ended on March 31, 2017.
03. To appoint a Director in place of Mr. Mehul K. Trivedi (DIN : 00030481), who retires by rotation and being eligible, offers himself for reappointment.
04. To consider, and, if thought fit, to pass the following resolution as an **Ordinary Resolution** :

“**RESOLVED THAT** pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and on the recommendation of the Audit Committee and the Board of Directors, M/s. P.G. Bhagwat, Chartered Accountants, Pune (Firm Registration No. : 101118W) be and are hereby appointed as the Statutory Auditors of the Company to hold the office for a period of five consecutive years commencing from the conclusion of this Annual General Meeting (AGM), subject to ratification by the members at every Annual General Meeting, at such remuneration and reimbursement of actual out of pocket expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors plus taxes, and the Board of Directors (including a Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, relevant, usual and / or expedient for giving effect to this resolution.”

### AS SPECIAL BUSINESS:

05. To consider, and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule V to the Companies Act, 2013, the Articles of Association of the Company, the recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company and subject to such approvals as may be necessary, the approval of the members of the Company be and is hereby accorded to the appointment of Mr. Vinod Vazhapulli as “Manager” of the Company designated as “Chief Executive Officer” for a period of three years with effect from January 16, 2017 on such terms and conditions as are detailed in the explanatory statement annexed to this notice convening the meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include committee) to alter and vary the terms and conditions of the said appointment and /or remuneration as it may deem fit and as may be acceptable to Mr. Vinod Vazhapulli, subject to such approval as may be necessary.

**RESOLVED FURTHER THAT** notwithstanding anything stated herein, where in any financial year during the tenure of the Manager, the Company has no profits or its profits are inadequate, the Company may subject to receipt of such approvals as may be necessary, pay to the Manager as the minimum remuneration, the remuneration as specified in the Statement setting out the material facts annexed to the Notice convening this meeting.

**RESOLVED FURTHER THAT** the Board (including a committee) be and is hereby authorized to do all such acts, deeds, matters and things as, in its absolute discretion, it may think necessary, expedient or desirable; to settle any question or doubt that may arise in order to give effect to this resolution and to seek such approval/ consent from the government or other persons, as may be required in this regard.”

By Order of the Board of Directors  
**For The Indian Card Clothing Company Limited**

Place : Pune  
Date : May 26, 2017

Amogh Barve  
Company Secretary  
Membership No. A33080

**Registered Office:**  
Mumbai – Pune Road,  
Pimpri, Pune – 411 018

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### NOTES:

01. Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the business under Item No. 04 and Item No. 05 is annexed.
02. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON SHALL NOT ACT AS PROXY FOR MORE THAN FIFTY (50) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A PERSON HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.**
03. The instrument appointing the proxy, in order to be effective, must be deposited with the Company at its registered office duly completed and signed not less than forty-eight (48) hours before the time fixed for holding the Annual General Meeting.
04. Every Member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty-four (24) hours before the time fixed for the commencement of the Annual General Meeting. However, a notice of not less than 3 (three) days in writing of the intention to inspect the proxies lodged shall be required to be provided to the Company.
05. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, August 5, 2017 to Friday, August 11, 2017 (both days inclusive).
06. Members are requested to note the following:
  - a) Members holding shares in physical form are requested to intimate any change in their address / name, bank details, ECS Mandates, nominations, power of attorney, etc. to the Company's Registrar and Transfer Agent, Karvy Computershare Private Limited, Karvy Selenium Tower B, 7th Floor, Plot No.31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032. Quote the ledger folio number in respect of shares held in physical form in all the correspondence with the Company
  - b) Members holding shares in dematerialised form are requested to intimate any change in their address / name, bank details, ECS Mandates, nominations, power of attorney, etc. to their respective DPs only. Quote Client ID and DP ID numbers in respect of shares held in dematerialised form in all the correspondence with the Company.
07. Members / Proxies are requested to bring a copy of the Annual Report and attendance slip duly filled in and hand over the attendance slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the Meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification.
08. Corporate Members intending to send their authorized representative to attend the Annual General Meeting are requested to send a certified true copy of Board Resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.
09. Members holding equity shares in multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
10. Members can avail of the nomination facility by filing Form SH – 13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19 (1) of the Companies (Share Capital and Debentures) Rules, 2014, with the Company. Blank forms will be supplied on request.
11. Any query relating to financial statements must be sent to the Company's registered office at least seven (7) days before the date of the Meeting.
12. The dividend, as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid on or after August 11, 2017 to those persons or their mandates:
  - a) whose names appear as beneficial owners as at the end of the business hours on August 4, 2017 in the list of beneficial owners to be furnished by NSDL and CDSL in respect of the shares held in electronic form; and

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- b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company /Registrar and Transfer Agent on or before August 4, 2017.
13. Pursuant to Sections 124 and 125 of the Companies Act, 2013, dividend for the financial years ended on March 31, 2017, which remained unclaimed for a period of seven years were transferred by the Company to the Investor Education and Protection Fund of the Central Government.
  14. The dividend for the financial year ended March 31, 2010, which remains unclaimed for a period of seven years, becomes due for transfer on October 14, 2017 to the Investor Education and Protection Fund of the Central Government. Members who have not claimed their dividend for the abovementioned year are requested to send their claim to the Company Secretary, at the registered office of the Company as early as possible, but not later than September 10, 2017.
  15. The Company has during the financial year 2016-17, transferred unclaimed dividend declared for the financial year ended March 31, 2009 and earlier periods to the Investor Education and Protection Fund.
  16. Equity Members who have not dematerialised their shareholding are advised to dematerialise the same, to avoid inconvenience in future and to avail the benefits of dematerialisation.
  17. The Notice of 63rd Annual General Meeting of the Company dated May 26, 2017 ("the "Notice") alongwith the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. The same has also been uploaded on the website of the Company, i.e., [www.cardindia.com](http://www.cardindia.com). It is hereby clarified that the Members shall still be entitled to receive physical copies through permitted mode by making a specific request for the same by writing to the Company or to the Registrar and Transfer Agent of the Company mentioning their DP ID and Client ID.
  18. **To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with the Registrar and Transfer Agent / Depositories.**
  19. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DP with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.
  20. All the material documents referred to in the Notice shall be open for inspection by the Members at the registered office of the Company during office hours on all working days from 10:00 a.m. to 12:00 noon up to the date of the Annual General Meeting.
  21. Additional information pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") in respect of directors seeking appointment / reappointment at the Annual General Meeting is furnished as **Attachment – I** to the Notice.
  22. Voting through electronic means:  
  
Complete details and instructions for e-voting are furnished as **Attachment – II** to the Notice. These details form an integral part of the Notice.

**By Order of the Board of Directors  
For The Indian Card Clothing Company Ltd.,**

**Amogh Barve  
Company Secretary  
Membership No. A33080**

Place : Pune  
Date : May 26, 2017

**Annexure to Notice**

As required by Section 102 (1) of the Companies Act, 2013, (hereinafter referred to as "the Act") the following Explanatory Statement sets out material facts relating to the special business mentioned under Item No. 04 and Item No. 05 of the Notice dated May 26, 2017.

**Item No. 04**

This Statement is provided, though strictly not required as per Section 102 of the Act.

Section 139 (2) of the Act *inter alia* provides for appointment of an Audit firm as Company's Auditor for two (2) terms of five (5) consecutive years. The Act also provides for a period of three (3) years to comply with the requirements of section 139(2) in respect to companies existing before the commencement of the Act.

M/s. B.K. Khare & Co., Chartered Accountants (Firm Reg. No. 105102W), have been acting as auditors of the Company since conclusion of 48th Annual General Meeting of the Company held on September 25, 2002. They were reappointed as the statutory auditors of the Company at the Annual General Meeting of the Company held on August 6, 2015 for two financial years, i.e., for the financial year 2015-16 and 2016-17. Subsequently, in the Annual General Meeting of the Company held on August 12, 2016 their appointment as Statutory Auditors of the Company was ratified by the Members upto the conclusion of this Annual General Meeting. Accordingly, M/s. B.K. Khare & Co., Chartered Accountants, Pune would cease to be the Auditors of the Company from the conclusion of this Annual General Meeting. It is accordingly proposed to appoint M/s P.G. Bhagwat, Chartered Accountants, as the Company's statutory auditors at this Annual General Meeting.

The appointment of M/s. P.G. Bhagwat is being made for the first time under section 139 of the Act, for a term of five consecutive years, subject to the ratification by Members at every Annual General Meeting.

A special notice has been received under section 140(4)(ii) from a shareholder holding not less than 1% of the total voting power for appointment of M/s. P.G. Bhagwat, Chartered Accountants, as the Company's Auditors for the said term of five years

The Audit Committee has considered the qualifications and experience of the proposed auditors and has recommended their appointment. The Board of Directors has also considered the matter and has recommended their appointment.

M/s. P.G. Bhagwat, Chartered Accountant, Pune were holding office as Internal Auditors of the Company for the financial year 2016-17 and years prior to financial year 2016-17.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out at Item No. 04, except to the extent of their shareholding, if any, in the Company.

**Item No. 05**

Mr. Mehul K. Trivedi (DIN : 00030481), pursuant to his letter dated December 5, 2016, resigned from the position of Managing Director of the Company with effect from January 16, 2017. Mr. Mehul K. Trivedi, however, continues to be the Non-Executive Non-Independent Director of the Company. The Board took note of the resignation of Mr. Mehul K. Trivedi in its meeting held on December 7, 2016 and placed its sincere appreciation on record for the contributions made by him.

In view of the resignation of Mr. Mehul K. Trivedi as Managing Director of the Company, the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee and subject to approval of the members in a General Meeting, approved appointment of Mr. Vinod Vazhapulli as Chief Executive Officer and Manager under the provisions of the Companies Act, 2013 at its meeting held on December 7, 2016 for a period of 3 years commencing from January 16, 2017 ("term"). The remuneration approved at the meeting of Board of Directors on December 07, 2016 was later amended to be effective from the date of appointment. The remuneration payable to him is set as hereunder.

Background details of Mr. Vazhapulli, the remuneration payable to him, the terms and conditions of his appointment and other details related to the appointment of the Manager required to be stated in the explanatory statement to the AGM Notice pursuant to the provisions of Secretarial Standard 2 (SS-2), are provided under additional information furnished below as required by Section II of Part II of Schedule V to the Companies Act, 2013.



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Additional information as required by Section II of Part II of Schedule V to the Companies Act, 2013 is given below:

## I. General Information:

### 1) Nature of Industry:

The Indian Card Clothing Company Limited (ICC) is engaged in the manufacturing of flexible and metallic card clothing and providing associated services. The Company's manufacturing plants are located at Pimpri (Maharashtra) and Nalagarh (Himachal Pradesh).

The Company offers a range of wires, tops and flexible card clothing for short staple and long staple fibre as well as non-woven application. The card accessories of the Company include web catcher, accura carding systems and XTRAC systems. The Company has two business segments, namely, card clothing and realty.

### 2) Date or expected date of Commencement of Commercial production:

The Company was incorporated on 24th June, 1955 and commenced its commercial production in the same financial year.

### 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

### 4) Financial performance based on given indicators - as per audited financial results for the year ended March 31, 2017:

Particulars	Rs. in Lakhs
Income from Operations	5,072.74
Other Income	2,653.77
Total Expenses	6,229.94
Net Profit after tax as per Profit & Loss Account	1,267.59
Net worth	9,912.01

### 5) Foreign Investment or collaborations, if any:

Garnett Wire Ltd., UK is a subsidiary of the Company. However, no investment was made in this subsidiary during the Financial Year 2016-17. Further, the Company did not make any collaborations during the Financial Year 2016-17.

## II. Information about the appointee:

### 1) Background Details:

Brief resume giving the background details of Mr. Vinod Vazhapulli is as given below:+

Mr. Vazhapulli, age 41 years is a B. Tech in Mechanical Engineering and has overall working experience of 17 years in the precision light engineering sector. Mr. Vazhapulli has good understanding of Metallurgy and a wide experience in sales and international marketing. Mr. Vazhapulli's last employment of approximately 1 year was with Skanem Interlabels Industries Private Limited, a Company engaged in the manufacturing of self-adhesive labels and labeling solutions in India, as Vice President & Business Unit Head. Prior to Skanem Interlabels Industries Private Limited, Mr. Vazhapulli had a long association of approximately 11 years with Associated Capsules Group (ACG) worldwide. Mr. Vazhapulli held key positions in the ACG Group such as Business Unit Head of the Tablet Tooling Division, Head of International Business, Senior Manager – International Business (Europe Region) and Manager (North America).

### 2) Past Remuneration/Last remuneration drawn from the Company:

Not Applicable

### 3) Job profile and his suitability:

Mr. Vinod Vazhapulli, Chief Executive Officer and Manager under the provisions of the Companies Act, 2013, is responsible for day-to-day management of the Company, subject to overall supervision, control and direction of the Board of Directors. Taking into consideration his qualifications, experience and expertise, he is best suited for the responsibilities of current assigned role.

4) Remuneration proposed:

The remuneration payable to Mr. Vazhapulli and the terms and conditions of his appointment as approved by the Nomination & Remuneration Committee and the Board of Directors of the Company are as given below:

**Option A**

In case of the Company having adequate profits, the Manager will be paid such remuneration within the limits specified from time to time under Section 197, read with Section I of Part II of Schedule V to the Act;

Or

**Option B**

Where in any financial year during the currency of the term of the Manager, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the Manager, within the maximum ceiling from time to time (at present the maximum ceiling is Rs. 168 Lakhs per annum, considering the effective capital of the Company being Rs.5 Crores and above but less than Rs.100 Crores) given under Section II of Part II of Schedule V to the Act, (including the payment of double the limits, subject to the approval of shareholders by Special Resolution) as detailed below:

**a. Salary:**

Basic salary of Rs. 1,50,000/- (Rupees one lakh fifty thousand only) per month was determined to be paid vide appointment letter dated January 14, 2017.

**b. Variable Pay:**

An amount not exceeding Rs. 39 Lakhs to be paid over a period of 3 years as may be approved by the Board based on the annual assessment of performance and subject to limits specified under Schedule V of the Companies Act, 2013.

**c. Benefits, Perquisites and Allowances:**

In addition to salary and variable pay, perquisites shall be as under:

• House rent allowance:

Manager shall be entitled for house rent allowance of Rs. 60,000/- (Rupees sixty thousand only) per month.

• Educational allowance:

Manager shall be entitled for educational allowance of Rs. 250/- (Rupees two fifty only) per month.

• Bonus:

Manager shall be entitled for bonus of Rs. 12,495/- (Rupees twelve thousand four hundred and ninety five only) per month.

• Car:

Company owned / leased car is provided for both business as well as personal purpose to the Manager, for a period of 3 years commencing from January 16, 2017. In addition to this Manager shall be entitled to vehicle running and maintenance expenses of Rs. 10,000/- (Rupees ten thousand only) per month on submission of the bills.

Any lease rental in respect of such leased car provided to the Manager beyond the term of appointment of the Manager and/or in addition to the monetary limits specified above and, shall be borne by the Manager.

Daily expenses towards the Petrol, Driver, maintenance of the Car etc. shall be borne by the Manager.

• Leave Travel Allowance:

Entitlement to Leave Travel Allowance of Rs. 1,50,000/-/- (Rupees One lakh fifty thousand only) per annum, i.e., Rs. 12,500/-/- (Rupees twelve thousand five hundred only) per month.

• Cell Phone:

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The Company shall provide for employee owned mobile expenses upto Rs. 1,600/- (Rupees one thousand six hundred only) per month on submission of bill.

- **Medical Reimbursement:**

Coverage under Group Mediclaim Floater Policy upto Rs. 9 Lakhs for self and family. The Company shall provide reimbursement of medical expenses to maximum of Rs. 15,000 (Rupees fifteen thousand only) per annum. The entitlement of medical expenses not availed by the Manager during the financial year shall be in the first month of next year.

- **Uniform allowance:**

Manager shall be issued clothing for uniform to wear. He will be entitled to uniform accessories allowance of Rs. 72,000/- (Rupees seventy thousand only) per annum i.e Rs. 6000/- (Rupees six thousand only) per month. In addition to this he will be entitled for uniform maintenance allowance of Rs., 1250/- (One thousand two hundred and fifty only) per month.

- **Gift voucher:**

Manager shall be entitled for gift voucher of Rs. 5,000/- (Rupees five thousand only) per annum.

- **Miscellaneous allowance:**

Manager shall be eligible for a miscellaneous allowance of Rs. 1,41,025/- (One lakh forty one thousand twenty five only) per month.

**d. Provident Fund:**

Covered under the Provident Fund Scheme prevailing in the Company.

Contribution of Rs. 18,000/- per month (approx. 12% of Basic Salary) shall be made by the Company on behalf of the Manager to the Company's Provident Fund scheme or any other similar scheme of the Company as may be existing from time to time.

**e. Gratuity:**

Covered under prevailing Gratuity Scheme of the Company.

Contribution of Rs. 7,215/- per month (approx. 4.81% of Basic Salary) shall be made by the Company on behalf of the Manager to the Company's Gratuity scheme or any other similar scheme of the Company as may be existing from time to time.

**f. 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 (In the case of encashment of leave at the end of the tenure, the same will not be considered as prerequisite).

**g. Termination:**

This contract may be terminated by giving three calendar months' notice in writing by either party.

The employment shall stand automatically terminated if the Manager applies for insolvency or becomes insolvent.

The Management reserves the right to terminate the employment without any prior notice if in its opinion the Manager is guilty of inattention to or negligence, omission or commission inconsistent with the duties and responsibilities.

The employment shall be automatically terminated if the Manager attains age of 60 years.

Upon termination of the employment, however, arising:

- i) The Manager shall deliver to the Company all the letters, lists, reports, documents etc.
- ii) The Manager shall not either directly or indirectly entice any employee of the Company.
- iii) The Manager shall not either directly or indirectly for a period of three (3) years carry on alone or in association with others any business, which is about to be in competition with the Company.

### **h Others:**

The Management reserves the right to transfer the Manager from one section / department / function / division to another, either in this city or any other place in India or abroad and also to transfer / lend the services to any of its associates.

The Manager shall be required to perform his duties not only for the Company, but also for its division / associates without any additional remuneration.

The Manager shall not during the term of his employment, except as a representative of the Company or with the consent in writing of the Company be directly or indirectly engaged or concerned in the conduct of any other business including consultancy.

The Manager shall not communicate to any person who does not have proper authority any of the trade secrets or other confidential information of the Company.

The Manager shall be entitled to reimbursement of entertainment, traveling and all other expenses actually incurred for the business of the Company or any other expenditure as the Board may approve.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable or at actual cost.

In case, the Company has no profits or has inadequate profits, the Manager shall be entitled to be paid remuneration (by way of salary, perquisites and allowances) as mentioned above.

The Manager shall not be entitled to receive any fee for attending meetings of the Board and/or any Committee thereof. The Manager shall not receive remuneration in any other capacity except as approved in this resolution.

The Manager either by himself or through his related parties shall not enter into any contract or arrangement or transaction with the Company, except with the prior approval of the Audit Committee or such other approval as may be required under the Act or its Rules.

- 5) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the qualifications, experience and expertise of Mr. Vinod Vazhapulli, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid commensurates with the remuneration packages paid to similar senior level counterpart(s) in other companies.

- 6) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:

Mr. Vazhapulli is not related to any of the Directors or Key Managerial Personnel of the Company and does not hold any shares of the Company.

- 7) Number of meetings of the Board attended during the financial year 2016-17:

Mr. Vazhapulli has attended one board meeting of the Board of Directors of the Company held on February 11, 2017.

- 8) Directorships, Memberships/Chairmanship of Committees of other Companies: Nil

### **III. Other Information**

#### **i) Reasons for loss or inadequate profits:**

The Company earned a total income of Rs. 7,726.51 Lakhs for the year ended March 31, 2017 as against Rs. 8,610.92 Lakhs for the previous year ended March 31, 2016. The net profit earned by the Company for the financial year 2016-17 is Rs. 1,267.59 Lakhs as against Net Profit of Rs. 1,360.21 Lakhs during the previous financial year.

The profit mentioned above includes profit on sale of assets to the tune of Rs. 1,831.81 Lakhs earned during the financial year 2016-17 which, pursuant to the provisions of section 198 (2) (d) of the Companies Act, 2013, is not required to be considered for the purpose of calculation of profits. Thus, pursuant to the provisions of section 198 of the Companies Act, 2013, the Company has incurred loss of approx. Rs.190.74 Lakhs during the financial year 2016-17.

The loss incurred during the financial year was mainly on account of reduced sales, increase in manpower cost and increase in finance cost.

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

Since the above issues have resulted in inadequate profits for the Company, the Company proposes to take the following steps for improvement:

- a) Improvement of operations, in particular to:
  - Improve sales and marketing efforts to increase sales volume;
  - focus on reducing material cost and overheads;
  - bring operational efficiency in line with industry benchmarks; and
- b) Special focus on improving operations at Nalagarh Plant.

### iii) Expected increase in productivity and profits in measurable terms:

After taking improvement steps as stated above, the Company shall be in a position to strengthen its capabilities, as well as address future opportunities in India and other markets of choice. The above measures undertaken are expected to yield positive results and improve the financial performance of the Company in the coming years.

Pursuant to the proviso to Section II of Part II of Schedule V to the Companies Act, 2013, if the resolution approving the appointment of and remuneration payable to the Manager is passed by the members by way of a special resolution, the maximum ceiling on remuneration would be doubled. Considering the fact that the effective capital of the Company falls within the range of Rs. 5 Crores and above but less than Rs.100 Crores, the ceiling limit provided Section II of Part II of Schedule V to the Companies Act, 2013 is Rs. 168 Lakhs per annum. In view of the remuneration proposed to be paid to Mr. Vazhapulli, it is proposed to pass the resolution as a special resolution for enhancing the ceiling limit upto Rs. 168 Lakhs.

Your Directors recommend Resolution at Item No. 05 as a special resolution for approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out at Item No. 05 of the Notice, except to the extent of their shareholding in the Company.

# THE INDIAN CARD CLOTHING COMPANY LIMITED

## ATTACHMENT – I TO THE AGM NOTICE

### ADDITIONAL INFORMATION PURSUANT TO REGULATION 36 (3) OF THE LISTING REGULATIONS IN RESPECT OF DIRECTORS SEEKING RE-APPOINTMENT

Name of the Director	Mr. Mehul Kunjbihari Trivedi
Director Identification Number (DIN)	00030481
Date of Birth/Age	July 6, 1962 – 54 Years
Date of Appointment	October 1, 1992
Qualifications	Graduated LLB (Hons.) from The London School of Economics.
Brief Resume	Mr. Mehul Kunjbihari Trivedi, a U.K. National, graduated LLB (Hons.) from The London School of Economics is a non-practising Solicitor in the United Kingdom. Prior to joining the Company, Mr. Trivedi practiced as a Solicitor in United Kingdom specializing in corporate law (mergers, acquisitions and joint ventures). Mr. Mehul Kunjbihari 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. Currently, Mr. Mehul Kunjbihari Trivedi is a Non-Independent Non-Executive Director of the Company.
Expertise in specific functional area	Corporate Law (Mergers, Acquisitions and Joint Ventures), General Management
Directorships in other Companies as on the date of appointment	1) ICC International Agencies Limited 2) Garnett Wire Ltd., UK 3) Multi-Act Industrial Enterprises Ltd. 4) Modern Textile Machinery Ltd., Israel
Chairperson/Member of the Committees of Directors of the Company	Member of the following Committees of the Company : 1) Stakeholders' Relationship Committee 2) CSR Committee
Chairman/Member of the Committees of other public limited Companies as on the date of appointment	NIL
Shareholding in the Company as on the date of appointment as required under Regulation 36 (3) (e)	NIL

**ATTACHMENT – II TO THE NOTICE**

**INSTRUCTIONS FOR E-VOTING**

01. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is pleased to provide its Members a facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means. The Members may cast their votes using an electronic voting system from a place other than the venue of the Annual General Meeting ('remote e-voting').
02. The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.
03. The facility for voting by Ballot Form shall be made available at the Annual General Meeting and the Members attending the Annual General Meeting who have not cast their vote by remote e-voting, shall be able to vote at the Annual General Meeting by Ballot Form.
04. The Members who have cast their vote by remote e-voting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
05. The Board of Directors of the Company has approved appointment of Mr. Ved Prakash, Practising Company Secretary, as Scrutinizer to scrutinize the voting at the Annual General Meeting and remote e-voting process in a fair and transparent manner and both of them have communicated their willingness to get appointed as Scrutinizer of the Company for the said purpose.
06. **Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. August 4, 2017.**
07. **A person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the Depositories as on the cut-off date, i.e. August 4, 2017 only shall be entitled to avail the facility of either remote e-voting or voting at Annual General Meeting by Ballot Form.**
08. Any person who becomes a Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. August 4, 2017, may obtain the User ID and password in the manner as mentioned below:
  - a) If the mobile number of the Member is registered against Folio No. / DP ID Client ID, the Member may send SMS: **MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399**  
  
Example for NSDL: MYEPWD <SPACE> IN12345612345678  
Example for CDSL : MYEPWD <SPACE> 1402345612345678  
Example for Physical : MYEPWD <SPACE> XXXX1234567890
  - b) If e-mail address or mobile number of the Member is not registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - c) Member may call Karvy's toll free number 1800-3454-001.
  - d) Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).
  - e) If the Member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote by remote e-voting.
09. The remote e-voting facility will be available during the following period:
  - Commencement of remote e-voting : From 9.00 a.m. (IST) on August 8, 2017
  - End of remote e-voting : At 5.00 p.m. (IST) on August 10, 2017

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting Module shall be disabled by Karvy upon expiry of aforesaid period.

## THE INDIAN CARD CLOTHING COMPANY LIMITED

10. The Scrutinizer, after scrutinising the votes cast at the Annual General Meeting and by remote e-voting, will, not later than forty eight (48) hours from the conclusion of the Annual General Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company, i.e., [www.cardindia.com](http://www.cardindia.com) and on the website of Karvy, i.e., <https://evoting.karvy.com>. The results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited.
11. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Annual General Meeting, i.e. August 11, 2017.
12. **Other information and instructions relating to remote e-voting:**
  - i) **In case of Members receiving the Notice by e-mail:**
    - a) Open e-mail and open PDF File viz. "ICC e-voting 2017.pdf" with your Client ID or folio No. as password. The said PDF File contains your user ID and password for e-voting. Please note that the password is an initial password.
    - b) Use the following URL for e-voting: From Karvy website: <http://evoting.karvy.com>
    - c) Members of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date, i.e., August 4, 2017, may cast their vote electronically.
    - d) Enter the login credentials. Your Folio No/DP ID Client ID will be your user ID.
    - e) After entering the details appropriately, click on LOGIN.
    - f) You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - g) You need to login again with the new credentials.
    - h) On successful login, the system will prompt you to select the EVENT i.e., **The Indian Card Clothing Company Limited**.
    - i) On the voting page, enter the number of shares as on the cut-off date under FOR/AGAINST or alternatively you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed your total shareholding. You may also choose the option ABSTAIN.
    - j) Members holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
    - k) Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.
    - l) Once the vote on the resolution is cast by the Member, he shall not be allowed to change it subsequently.
    - m) Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [gains108@yahoo.com](mailto:gains108@yahoo.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com).
    - n) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members available at the download section of <http://evoting.karvy.com> or contact Karvy Computershare Private Limited at Tel No. 1800 345 4001 (toll free).
  - ii) **In case of Members receiving the Notice by post/courier:**
    - a) Initial password is provided in the attendance slip of the Notice.
    - b) Please follow all steps mentioned in Sr. No. 12 (i) (b) to Sr. No. 12 (i) (n) to cast your vote by electronic means.



**ROUTE MAP TO THE VENUE OF THE AGM**

The Indian Card Clothing Company Limited  
Mumbai – Pune Road,  
Near Hindustan Antibiotics Factory,  
Pimpri, Pune – 411 018,  
Maharashtra, India.

