Indo Count

Integrating values
Inspiring growth

Indo Count Industries Limited | Annual Report 2012-13

AT INDO COUNT

We have delivered growth that is exceptional as well as extraordinary.

It is exceptional considering it was achieved amidst challenging business environment.

It is extraordinary because of the sheer numbers, we achieved.

CAGR

45%

for the last 5 years

EBIDTA

₹ 114 cr

AT INDO COUNT
WE CONSIDER THIS AS INSPIRING GROWTH.

We believe this inspirational growth is a result of our sustained commitment to values.

As the world becomes more globalised, as the industry we work in becomes more challenging, sustaining growth amidst this volatility comes from integrating values. We believe deeper values like customer oriented services, adapting to changing consumption patterns, technology driven innovation, updating of people skills and becoming more sustainable are what differentiates our current success and drives our future growth.

We believe, inspiring growth is not just about numbers and figures but also reflects our commitment to grow with all stakeholders.

At Indo Count, we are committed to continue this stellar performance, as we believe in

Integrating Values. Inspiring Growth.

CHAIRMAN'S MESSAGE

" DURING THE YEAR WE ACHIEVED A MILESTONE TURNOVER OF ₹ 1211 CR. COMPLEMENTING THIS MILESTONE, WE ALSO DELIVERED AN EXCELLENT EBIDTA OF ₹ 114 CR FOR THE YEAR 2012-13. "

Dear Shareholders,

The year 2012-13 has been an exceptional year for your Company. At the outset, I congratulate all stake-holders of the Company on this outstanding performance. On 15th February 2013, we achieved a very significant milestone – our turnover touched ₹ 1,000 cr! Complementing this milestone, we also delivered an excellent EBIDTA of ₹ 114 cr for the year 2012-13. Thank you for your trust and faith in Indo Count and we assure you we will leave no stone unturned to keep up this performance and continue with our inspiring growth.

The year did present challenges to the Company particularly on the global economic front. Growth in the USA showed positive signs of improvement but was still not as improved as one would have desired it to be. Eurozone continued to remain sluggish with the debt-repayment crisis in Greece in the middle of 2012 and more recently in Cyprus in March 2013 contributing towards an already depressing situation there.

The Indian economic engine too slowed down with GDP growth slowing to its lowest in the last decade at 4.5%. Inflation remained high and as a result the government's fiscal policy remained tight with high interest rates. There was a positive development towards the end of the year when the central government went boldly ahead with the long-pending reforms, particularly allowing FDI in multi-brand retail as well as reforms in the insurance sector.

" I AM GLAD TO INFORM YOU THAT WE ARE APPLYING FOR NEW PATENTS AND TRADE-MARKS TO BE REGISTERED INTERNATIONALLY FOR SOME OF OUR PRODUCTS, WHICH WILL ADD VALUE TO OUR PRODUCT MIX. "

Amidst these challenging circumstances, your Company achieved inspiring growth. During the year, we were successful in growing our business from ₹ 807 cr to ₹ 1,211 cr, an impressive growth of 50%. The improvement was also reflected in our margins. Our EBIDTA improved from ₹ 63 cr to ₹ 114 cr in the current year, signifying an increase of 81%. For the year, our Cash Profit was ₹ 48 cr as compare to ₹ 15 cr in the previous year, an increase of 218%.

Our Revenue CAGR for the last 5 years has been an impressive 45%.

We achieved this INSPIRING GROWTH due to many right things we have been doing over the last few years, of which, adding new customers and serving them well is the foremost.

We have ensured that we utilise our capacity and resources optimally. Through performance, we have once again achieved in securing major business from all our customers, even as volatility in the cotton market-place, higher power costs and wages continued to put pressures on our manufacturing. We continue to take all necessary steps in countering such volatility from time to time on a constant basis.

As we look ahead, the outlook for the next year appears positive with the USA showing encouraging signs of improvements, even though this is yet to reach satisfactory levels. The recession in Europe is still continuing. We soon expect to have the FTA with Europe, which will definitely create a level playing field with our competitors. This will open up new business opportunities in the time to come.

Your Company has always prided itself in being a responsible corporate citizen. We are taking many more steps towards CSR and we shall keep you informed on this appropriately. We are also assessing sustainability factors in our group to assess and identify gaps and ensure these gaps are filled up in the near future.

E-commerce is another evolving space. At Indo Count, we are exploring this upcoming opportunity and assure you that all steps are being taken to expand our domestic and international presence.

We are the third largest bed linen manufacturer and exporter from India and the fourth largest supplier of bed linen into the USA. We have implemented SAP across all locations. All derivatives ceased to exist after October 2012.

I am glad to inform you that we are applying for new patents and trade-marks to be registered internationally for some of our products, which will add value to our product mix.

We are constantly on the lookout for new markets and new customers to increase our business in the near future.

I thank you once again for being the inspiration behind the inspirational growth!

Anil Kumar Jain

Chairman & Managing Director

OUR LATEST VISITING CARD

THE COMPANY

- Incorporated in 1988
- Commenced production in July 1991
- Listed on Mumbai and National Stock Exchanges
- Recognised Trading House under EXIM Policy
- Net Foreign Exchange earner for the country

BUSINESS DIVISIONS

SPINNING DIVISION

- State of the art plant and machinery from Rieter, Schlafhorst, Murata, Luwa, Volkman, Mayer & Cie, Laxmi Machine Works
- Advanced and sophisticated Quality Control instruments from Zellweger Uster
- 100% combed and carded cotton yarn, single and doubled of counts ranging from Ne 20 to Ne 100

Products Manufactured

- Combed & Cotton Grey / Dyed Yarns
- Knitted Grey Fabrics

Product Accreditations

- Amongst the few mills in the world using 'Rieter Yarn' mark
- 'Uster Analysed' certification signifying consistent high quality of yarn. OKO-TEX Certification indicating free from harmful substances

HOME TEXTILE DIVISION

- Built on a spacious plot
- Only integrated Home Textile plant in Maharashtra
- State of the art plant and machinery imported from Benninger (Switzerland), Monforts (Germany), Osthoff (Germany), Tsudakoma Corp. (Japan)
- Air jet looms for wide width grey fabrics, processing (bleaching, mercerizing, dyeing and printing) capacity of 45 million meters per annum
- Stitching facilities for made up : capable of producing a wide product range

PRODUCTS ARE EXPORTED TO

- USA, Canada, Brazil, Mexico
- UK, France, Germany, Austria, Spain
- UAE, Middle East, Australia, South Korea

Products Manufactured

- Bed Sheet Sets
- Pillow Cases
- Duvet Covers
- Bed Skirts
- Comforters
- Window Covering
- Institutional Linen

ELECTRONICS DIVISION

- Started in October 2004
- Manufacture of Electronic goods
- CTV / LCD / LED / Air-Conditioners / Washing Machines

INSPIRING GROWTH

...AMIDST CHALLENGES AND VOLATILITY

EVERY INDUSTRY TODAY IS FACING CHALLENGING WINDS OF BUSINESS ENVIRONMENT. VOLATILITY IS REAL, AND IT IS HERE TO STAY. SUSTAINING GROWTH AMIDST THIS VOLATILITY IS WHAT DIFFERENTIATES INDO COUNT.

Be it the banking crisis that triggered the turbulence in world economy or the debt repayment in the Eurozone, be it the climate change driven irregular monsoons affecting the cotton prices or technological advances, we are today living amidst unprecedented volatility.

This volatility, caused by external factors or factors within the country, is closely correlated to the performance of any sector and likely to affect all industries operating within that sector. The textile sector is no different, having had more than a fair share of volatility in the past few years.

Navigating such strong winds of volatility requires more than a strong sail – it requires a deeper understanding of the winds.

While most react to volatility, at Indo Count, we take special efforts to understand this volatility. Because, we believe, that the first step to inspiring growth amidst challenging volatility is in understanding it.

We use our knowledge, experience and expertise, to examine and evaluate, assess and analyse each factor of volatility. We visualise multiple scenarios and critically scrutinise all our options. This deep and probing understanding is a core value at Indo Count, and underpins all our strategy and plans, and enables us to take better informed and well-thought decisions.

Globalisation is continuously changing the demand and consumption patterns of customers across the world. New technological advances are giving rise to never-before business models like e-commerce based sale and delivery platforms. Suppliers now need to understand not only their customers but also their customers' customers.

At Indo Count, we have transformed with the times. We believe we are in the service industry. We have adapted our internal capabilities from manufacturing to marketing to meet the growing needs of customisation of our customers. We have leveraged INNOVATION to make our solutions more customer-centric.

At Indo Count, we understand, we adapt, we customise, we transform. We integrate.

NAVIGATING SUCH STRONG WINDS OF VOLATILITY REQUIRES MORE THAN A STRONG SAIL – IT REQUIRES A DEEPER UNDERSTANDING OF THE WINDS.

WHILE MOST REACT TO VOLATILITY, AT INDO COUNT, WE TAKE SPECIAL EFFORTS TO UNDERSTAND THIS VOLATILITY. BECAUSE, WE BELIEVE, THAT THE FIRST STEP TO INSPIRING GROWTH AMIDST CHALLENGING VOLATILITY IS IN UNDERSTANDING IT.

HOME TEXTILES DRIVER OF GROWTH

THE HOME TEXTILES BUSINESS OF THE COMPANY HAS BEEN THE STRONGEST DRIVER OF GROWTH IN THE LAST FEW YEARS. TODAY, IT IS THE 3RD LARGEST EXPORTER OF BED-LINENS FROM INDIA AND THE 4TH LARGEST SUPPLIER INTO THE USA.

The home textiles business of the Company has been the strongest driver of growth in the last few years. Today, it is the 3rd largest exporter of bed-linens from India and the 4th largest supplier into the USA.

Behind the phenomenal success and growth of the Home Textiles business is foresight, planning and execution. Indo Count was early to realise the importance of moving up the value chain, and understand how this shift from spinning yarn to weaving fabrics and production of finished goods would be crucial to compete and deliver growth in market-place that was getting increasingly commoditised and constantly pressurised with high cost of materials and low margins.

Today, Indo Count is one of the leading players in this space. It has made its mark in western markets of the USA and Europe, supplying to all the leading retailers in those countries.

THE COMPANY PLANS TO ADD NEW CAPABILITIES, THEREBY EXPANDING THE PRODUCT MIX AND REACHING NEW CUSTOMERS IN NEW MARKETS.

This dramatic growth has been made possible due to :

- Enhancing capacity
- Customising capabilities
- Constant innovation
- Bringing new products to the market
- Expanding services and developing newer markets
- Growing with customers

AWARDS AND ACCOLADES

- Gold Trophy for Special Achievement in export of Made Up in the business in the year 2009-10 and 2011-12
- Gold Trophy for Exports of other Made Up in the business in the year 2007-08
- Silver Trophy for Exports of other Made Up in the business in the year 2008-09
- Bronze Trophy for 5 consecutive years as highest exporter of Bed Linen from India for the year 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12

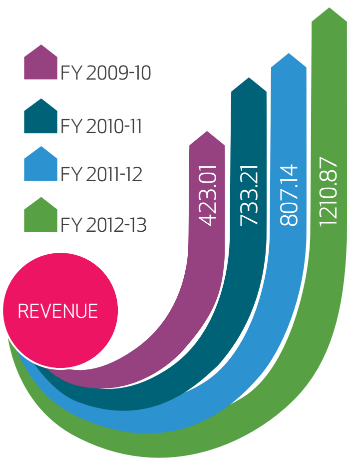
DID YOU KNOW?

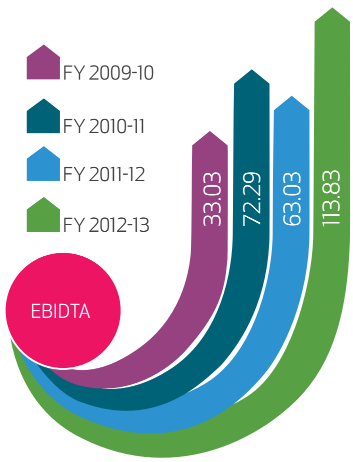
- We are the only integrated home textile manufacturing unit in Maharashtra.
- We are the PRIDE OF MAHARASHTRA as our unit was supported by the Maharashtra Government under the MEGA PROJECT.
- We came into existence in the year 1991. Our sale during the current year is equal to sales generated during the first 13 years of the operations of the company. **1:13** !
- We received for Exports-LARGE SCALE INDUSTRIES AWARD from the Government of Maharashtra for 2010 - 11 performance.
- We have received GOLD, SILVER AND BRONZE award from TEXPROCIL continuously for the last 7 years.

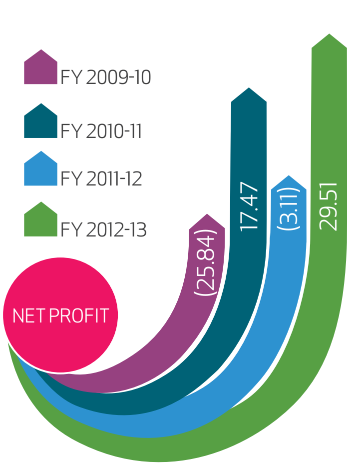
KEY FINANCIAL INDICATORS

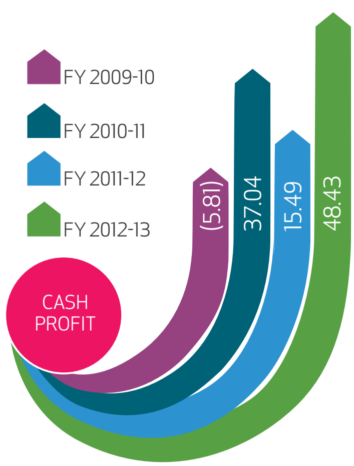
Value ₹ In Crores (Except EPS)

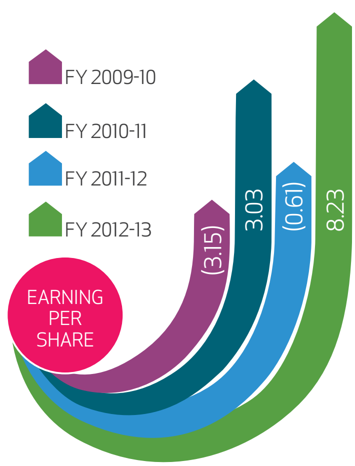
	2012-13	2011-12	2010-11	2009-10
Financial Information				
Revenue	1210.87	807.14	733.21	423.01
EBIDTA	113.83	63.03	72.29	33.03
Net Profit	29.51	(3.11)	17.47	(25.84)
Cash Profit	48.43	15.49	37.04	(5.81)
Earning Per Share	8.23	(0.61)	3.03	(3.15)











CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS
Mr. Anil Kumar Jain - Chairman & Managing Director
Mr. R. N. Gupta - Joint Managing Director
Mr. K. R. Lalpuria - Executive Director
Mr. Kamal Mitra - Director (Works)

INDEPENDENT DIRECTORS
Mr. R. Anand - Director
Mr. P. N. Shah - Director
Mr. Sushil Kumar Jiwrajka - Director
Mr. Dilip Thakkar - Director
Mr. Prem Malik - Director

NOMINEE DIRECTORS
Mr. Nadeem Panjetan - Director
(Nominee Director of Export Import Bank of India)

Mr. R. Subramanian - Director
(Nominee Director of Union Bank of India)

COMPANY SECRETARY
Mr. R. Sundaram - President Finance &
Company Secretary

AUDITORS
B. K. Shroff & Company
Chartered Accountants
3/7-B, Asaf Ali Road
New Delhi - 110 002.

REGISTERED OFFICE
Village : Alte, Taluka : Hatkanangale,
Dist. Kolhapur - 416 109, Maharashtra.

REGISTRAR & SHARE TRANSFER AGENT
Link Intime India Pvt. Ltd.
A-40, Naraina Industrial Area,
Phase-II, 2nd Floor,
New Delhi - 110 028.

AUDIT COMMITTEE
Mr. P. N. Shah - Chairman
Mr. R. Anand
Mr. Nadeem Panjetan
Mr. R. N. Gupta

SHAREHOLDERS' & INVESTORS' GRIEVANCES COMMITTEE
Mr. Anil Kumar Jain - Chairman
Mr. R. N. Gupta
Mr. Kamal Mitra

SHARE TRANSFER COMMITTEE
Mr. Anil Kumar Jain - Chairman
Mr. R. N. Gupta
Mr. Kamal Mitra

REMUNERATION COMMITTEE
Mr. R. Anand - Chairman
Mr. P. N. Shah
Mr. Dilip Thakkar - Director

WORKING CAPITAL BANKERS
Union Bank of India
Bank of India
Bank of Baroda
Canara Bank

TERM LENDING BANKERS
Exim Bank of India
Axis Bank of India
State Bank of India
State Bank of Patiala
State Bank of Hyderabad
ICICI Bank Limited
IDBI Bank Limited

Directors' Report

Your Directors are pleased to present the TWENTY FOURTH ANNUAL REPORT together with the audited financial statements and auditors' report for the financial year ended 31st March 2013.

(₹ in Crore)

	Standalone			Consolidated		
Financial Results	2012-13	2011-12	Change	2012-13	2011-12	Change
Revenue	1163.51	776.78	50%	1210.87	807.14	50%
EBIDTA	107.85	65.70	64%	113.83	63.02	80%
Less : Interest	43.39	35.01		43.58	35.19	
Cash Profit (before exceptional items)	64.46	30.69		70.85	27.83	
Less : Depreciation	17.76	17.69		18.48	18.60	
Profit before Tax (before exceptional items)	46.70	13.00	259%	51.77	9.23	461%
Less: Exceptional Item	15.69	12.35		15.69	12.35	
Provision for Taxation	3.90	0.53		6.75	(0.81)	
Net Profit After Taxation	27.11	0.13		29.33	(2.31)	

Dividend

Your Directors intend to plough back available resources for financial requirements and express their inability to recommend any dividend for the year under review.

Management Discussion and Analysis

Report on MDA is given in Annexure 'B' forming part of this report.

Business Operations Overview and Outlook

In the year 2012 growth in the USA showed positive signs of improvement and provided a semblance of stability to the world economy. However, it is still not as improved as one would have desired it to be. Europe continued to remain sluggish.

The year also marked significant volatilities in foreign exchange rates. The rupee continued to be under pressure and has touched an all time low during the year.

Even under these difficult economic conditions, your company delivered a good performance with the group revenue increasing by 50% to ₹1,210.87 crore and EBIDTA growing by 80% to ₹113.83 crore. The increase in EBIDTA was driven mainly by growth in sales, increased efficiency and continued optimization of the cost across the group.

Exceptional items in the standalone results include a loss of ₹15.69 crore due to depreciation of rupee on the old forward contracts which has ceased to exist from October 2012.

Your company's wholly owned subsidiary, Indo Count Global Inc, had completed first full year of operation. The revenue generated was US $ 18 million. Your company is confident that this channel of marketing will generate substantial revenue in the coming years by expanding the customer base.

Awards/Recognition

Your Directors are privileged to inform you that during the year under review the TEXPROCIL, an apex body in Textiles has conferred upon the Company:-

1) GOLD TROPHY for special achievement in cotton Madeups for their export performance during 2011-12

2) BRONZE TROPHY for Third Highest top exporter award in cotton Madeups (Bed Linen/Bed Sheets/Quilts) for their export performance during 2011-12.

Your company also received Third Award in Large Scale Industry Textile Category for the export performance from The Government of Maharashtra.

Segment

The Company is engaged in the manufacture and export of cotton yarn, grey knitted fabrics and made ups, which are governed by the same set of risks and returns and as such are in the same segment.

The performance of the Consumer Durable Goods Division is reported as a separate segment.

Segment reporting as per AS 17 has been complied with.

Accounts

Your Company has recognized in its books of account Deferred Tax Asset arising on account of tax effects of timing differences between the income tax and book depreciation. Your Directors expect that adequate profits will accrue in the future years from Company's business which will utilize the tax asset fully.

Internal control systems and their adequacy

Your Company has in place an elaborate internal control system to ensure proper authorization and accounting of transactions as also for safeguarding and protecting Company's assets against loss. The internal auditors reports are periodically reviewed by the management and the Audit Committee and necessary corrective actions are taken from time to time.

Human Resources

During the year, labour relations continued to be cordial. Development of employee skills and imparting knowledge on social compliance audits, quality assurance are very important to the business, for which training is conducted regularly.

Particulars of employees in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are not given, as none of the employees qualify for such disclosure.

Corporate Governance

The corporate governance report together with a certificate from the Company's auditors confirming compliance of guidelines are made part of this Report as per clause 49 of the listing agreement entered into with the stock exchanges.

Directors' Responsibility Statement

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

a) that in the preparation of the accounts for the financial year ended on 31st March 2013, the applicable accounting standards have been followed and there are no material departures.

b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of profit of the Company for the year under review.

c) that the Directors have taken proper and sufficient care 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.

d) that the Directors have prepared the annual accounts ended on 31st March 2013 on a 'going concern' basis.

Directors

In accordance with the provisions of the Companies Act, 1956, Mr. R. Anand, Mr. Sushil Kumar Jiwarajka. Mr. Dilip J Thakkar and Mr. Prem Malik retire by rotation and being eligible, offer themselves for reappointment.

During the year under review, Union Bank of India have changed their nomination by appointing Mr. R. Subramanian in place of Mr. Vijay Kumar Jain.

Auditors

M/s. B K Shroff and Co., Chartered Accountants retire at the end of this Annual General Meeting and are eligible for reappointment as auditors.

Cost Auditor

Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956, and subject to the approval of the Central Government, M/s A. G Anikhindi & Co., Cost Accountants, Kolhapur, have been appointed as Cost Auditor to conduct cost audit relating to the products manufactured by your Company.

Annual accounts of the Subsidiaries

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other related documents of the subsidiary Company are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the Subsidiary Companies and the related details, information to any member of the Company who may be interested in obtaining the same. The annual accounts of the Subsidiary Companies will also be kept open for inspection by the members at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

Conservation of Energy, Technology Absorption & Foreign Exchange Earning & Outgo

Statement required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure "A" forming part of this Report.

Acknowledgements

Your directors are grateful to the customers, suppliers, banks, financial institutions and employees for their co-operation and assistance during the year under review.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments outside the country, global demand and supply conditions in the industry, input prices, changes in government regulations, tax laws and other factors such as litigation and industrial relations.

On behalf of Board of Directors

ANIL KUMAR JAIN

Chairman &
Managing Director

Mumbai: 24th May 2013

Annexure A

Information Under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and Forming part of the Directors' Report for the financial year ended on 31st March 2013.

A. CONSERVATION OF ENERGY

Form - A

Form for Disclosure of particulars with respect to conservation of energy

Particulars	Current Year	Previous Year
a) Power and Fuel		
ELECTRICITY		
a) Purchased (Units)	60,578,149	47,808,498
Total amount (₹)	394,448,990	267,607,211
Rate/unit	6.51	5.62
b) Own generation:		
i) through diesel generator		
Unit	32,139	7,263
Unit/liter of diesel oil	2.17	3.10
Cost per unit	22.41	15.89
ii) Furnace oil		
Quantity (KL)	--	--
₹ in Lac	--	--
Average Rate (₹)	--	--
b) Electricity consumption per unit of production of :-		
i) yarn per kg	3.89	4.26
ii) Fabric processed per kg	2.22	2.83

B. TECHNOLOGY ABSORPTION

Form - B

Technology Absorption, Adaptation and Innovation

1. Specific areas in which R & D was carried out by the Company – NIL
2. Benefit derived from above R & D activities – **NIL**
3. Future plan of action – **NIL**

C. Expenditure on R & D

1. Capital – ₹ 3.37 lac

   Recurring - Expenditure has been shown under different heads in Profit & Loss Account amounting to ₹ 179.65 lac. Total R & D Expenditure as a percentage of total turnover 0.15%

2. Technology absorption, adaptation and innovation

   The Company has not imported any technology since inception.

D. FOREIGN EXCHANGE EARNINGS AND OUT-GO

1) Activity related to initiatives taken to increase export markets for products and services and export - plans.

   Since inception, the Company has been a predominant exporter of its production and net foreign exchange earner.

2) Total foreign exchange used and earned (₹ in Crore)

Particulars	2012-13	2011-12
Used	49.33	10.13
Earned (FOB value of export goods)	857.14	496.90

On behalf of Board of Directors

ANIL KUMAR JAIN

Chairman &
Managing Director

Mumbai: 24th May 2013

Annexure – B
Management Discussion and Analysis

TEXTILE DIVISION

Industry structure and developments

Background

Indian Textile Industry is one of the leading textile industries in the world. Since Independence, it was predominantly in the unorganized industry. The scenario changed after the liberalization of The Indian economy in 1991. The opening up of economy gave the much-needed thrust to the Indian textile industry, which is now one of the largest in the world.

Indian Textile Industry largely focuses on manufacturing and export. It also plays a major role in the economy of the country. India earns about 27% of its total foreign exchange through textile exports and contributes nearly 14% of the total industrial production and 3% to the GDP of the country.

India textile industry is one of the major employment generation and provides employment to over 35 million people.

Export Scenario

The Indian textiles industry is one of the largest contributors to the country's exports. The textile products continue to hold an important role in the Indian exports.

Government Schemes

The Government of India has promoted a number of export promotion policies for the Textile sector This also includes the various incentives under Focus Market Scheme and Focus Product Scheme; broad basing the coverage of Market Linked Focus Product Scheme for textile products and extension of Market Linked Focus Product Scheme etc. to increase the Indian share in the global trade of textiles.

Recent Developments

The Government of Maharashtra's Industrial Policy for the period 2013-18 provides substantial monetary benefits/incentives to the companies which wish to invest in Mega Project. Large Scale Industries will also be offered incentives in a graded manner so as to assist dispersal of investment to under developed areas.

Your Company is evaluating the benefits offered by the Government of Maharashtra and will take appropriate steps to reap benefits thereof in due course.

Financial Performance

(₹ in Crore)

Particulars	Current Year	Previous Year	Change in % over Pre. Year	Reasons
Net Current Assets	217.57	133.92	62.46%	Increase of ₹ 83.45 Crores due to business growth by over 50% during the year
Long Term Loans	182.37	212.89	(14.34)	Repayment of Terms loans to lenders of ₹ 30.52 Crore during the year
Working Capital	228.53	141.04	62.03%	Increase in working capital facilities by Bankers of ₹ 87.49 Crore
Fixed Assets	334.09	341.91	(2.29)	Investment in Fixed Assets towards balancing equipment of ₹ 24.06 Crore
Total Income	1167.83	776.78	50.34%	Sales revenue grew by ₹ 391.05 Crores resulting in a growth of over 50%
Material Cost	731.48	520.27	40.60%	Material Cost grew by ₹ 211.21 Crore
(% to Total Revenue)	62.64%	66.98%	4.34%	Material cost reduced by ₹ 50.70 Crore
Interest	43.39	35.01	23.94%	Increased bank finance and removal of subventions
EBIDTA	107.85	65.70	64.16%	50% Growth in revenue resulted increase by 64.16% in EBIDTA
Exceptional item	15.69	12.35	27.04%	Fluctuation on Foreign exchange resulted in increased cost of options derivatives
Cash Profit	44.00	18.09	143.27%	Increased by over ₹ 25.91 Crore

Opportunities and threats

Most of the consumption of home textiles takes place in the developed countries such as USA, Canada, EU, Australia, etc. India has been among the top exporters of these goods to USA and is a preferred source of supply. However, there is a competition in the international home textile market, as countries like China are able to provide competitive priced products,. The potential size of the Indian textiles industry is expected to reach US$ 220 billion by 2020.

Risks and concerns

Huge international competition exists for the textile industry. Our country can survive only through strong manufacturing base with high end quality.

India has always been considered as a competitive player in the international textile markets because of availability of good quality cotton. However, last cotton season, saw exports of this basic raw material of about 30% of production, affecting the domestic consumers. Prices of cotton have turned extremely volatile. This is a serious concern and is likely have adverse impact on the local textile industry.

The initiatives taken by the Government of India certainly help exporters and make the Indian Industry competitive to face the international competition.

Power is an important cost component, particularly for spinning mills and fabric units that are more mechanized. Besides the element of cost, uninterrupted power supply is also important. Companies with captive power generation facilities are viewed favourably as they are self-sustained and more cost effective.

Besides the business risks mentioned above, the Company is exposed to safety and foreign exchange risks, which are monitored continuously and proper de-risking strategy is drawn and acted upon.

Outlook

A stable outlook on cotton textiles would require favourable policy environment, improvements in demand-supply position, continued stability in input costs and consequent improvement in margins/liquidity. It is unlikely that the sector's outlook will turn positive until fundamental issues such as power shortage, lack of technology and modern machinery and demand slowdown are resolved.

Consumer Durable Goods Division

Industry structure and developments

The consumer electronics industry is dominated by few branded companies.

In the retail segment, some private brands have been investing to get visibility. .

Opportunities and threats

The technology in consumer electronic products has been fast changing. Continuous Investment is required to adapt to the change and keep abreast with the technological development.

Risks and concerns

The business of electronic manufacturing units is seasonal .

Outlook

The Company has established itself as a reliable electronic manufacturing unit. There is substantial scope for the industry due to penetration in the rural market.

Corporate Governance

1 Company's Governance Philosophy

Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices which ensure that a Company meets obligations to optimize shareholders value and fulfill its responsibilities to the community, customers, employees, Government and other segments of society. Some of the important best practices of corporate governance framework are timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company.

Over the years, your Company has complied with the principles of Corporate Governance emphasizing on transparency, empowerment, accountability and integrity. These have helped the company enhance its stakeholder values.

Your Company will continue to focus its resources, strengths and strategies for creation and safeguarding of shareholders' wealth and at the same time protect the interests of all its shareholders while upholding the core values of excellence, integrity, responsibility, unity and understanding.

2 Board of Directors (Board)

As on 31st March, 2013 the Board of the Company comprised of eleven Directors. The number of Non-Executive Directors is seven, all of them being independent directors. The composition of the Board is in accordance with the Clause 49 of the Listing Agreement and exceeds the percentages stipulated in the subject clause.

The Non-Executive Directors are eminent industrialists, professionals and bank nominees with rich experience in management, finance, law and banking.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the listing agreement), across all the companies in which he is a Director. All the directors have made the necessary disclosures regarding their Committee positions in other companies as on March 31, 2013.

During the year 2012-13, the Board of Directors met on five occasions i.e. on 25th May, 2012, 14th August, 2012, 12th October, 2012, 8th November, 2012 and 12th February, 2013. The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below:

Executive Directors:

Name and Designation	Board Meetings Attended	Atten-dance at last AGM	No. of Director-ships held @	No. of Memberships and Chairmanship in Committees of other Companies *
Mr. Anil Kumar Jain Chairman & Managing Director	4	Yes	3	3 and 4
Mr. R.N. Gupta Jt. Managing Director	5	Yes	--	Nil and 2
Mr. Kailash R. Lalpuria Executive Director	5	No	1	Nil
Mr. Kamal Mitra Director (Works)	3	Yes	1	Nil and 3

Non Executive and Independent Directors

Name and Nomination	Board Meetings Attended	Atten-dance at last AGM	No. of Director-ships held @	No. of Memberships and Chairmanship in Committees of other Companies *
Mr. P.N. Shah	4	No	7	4 and 6
Mr. Dilip Thakkar	4	No	14	5 and 10
Mr. R. Anand	2	No	3	Nil and 3
Mr. Sushil Kumar Jiwarajka	2	No	3	Nil
Mr. Prem Malik	3	No	5	1 and 5
Mr. R. Subramanian Union Bank of India Nominee	1	NA	--	Nil
Mr. V.K. Jain Union Bank of India Nominee	4	No	--	Nil
Mr. Nadeem Panjetan Exim Bank Nominee	5	No	3	Nil and 3

During the year, Union Bank of India replaced their Nominee, Mr. V.K. Jain by Mr. R. Subramanian on 11th February, 2013.

Note:

@ For the purpose of considering the limit of directorship, foreign companies, private companies and companies under Section 25 of the Companies Act, 1956 have been excluded.

- For the purpose of considering limit of committee membership, private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956 have been excluded. Chairmanship of only Audit Committee and Shareholders Grievance Committee is considered.

The Company has adopted the Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. The Company has received confirmations from the Directors as well as Senior Management Personnel regarding compliance of the Code during the year under review.

The following represent the details of pecuniary transactions entered by the Company where the non-executive Directors are interested:

Name of the Director	Purpose	Amount
Mr. P.N. Shah	Sitting Fees	50,000/-
Mr. Dilip J Thakkar	Sitting Fees	25,000/-
Mr. R. Anand	Sitting Fees	30,000/-
Mr. Sushil Kumar Jiwarajka	Sitting Fees	10,000/-
Mr. Prem Malik	Sitting Fees	15,000/-
Mr. R. Subramanian (Nominee of Union Bank of India)	Sitting Fees	5,000/-
Mr. V.K. Jain (Nominee of Union Bank of India)	Sitting Fees	15,000/-
Mr. Nadeem Panjetan (Nominee of Exim Bank of India)	Sitting Fees	45,000/-

Apart from the above, none of the other non-executive directors have any pecuniary relationship or transaction with the company, its promoters, its management or its subsidiaries.

During the year, information as required under Annexure 1A to Clause 49 of the Listing Agreement has been placed to the Board for its consideration.

3 Audit Committee

An independent Audit Committee in line with the Clause 49 of the listing agreement and Section 292A of the Companies Act was set up on 30th June, 2001.

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- efficiency and effectiveness of operations;
- safeguarding of assets and adequacy of provisions for all liabilities;
- reliability of financial and other management information and adequacy of disclosures;
- compliance with all relevant statutes.

The role of the Committee includes the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Reviewing the Company's financial and risk management policies;
- Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other services rendered by the auditors;
- Reviewing with the management and internal auditors,
    - the adequacy of internal control systems;
    - internal audit function;
    - internal audit scope, coverage and frequency;
    - reports of internal audit for any significant findings, including matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and follow-up thereon
- Reviewing with the management and external auditors,
    - Nature and scope of audit
    - Any areas of concern and comments contained in their management letter
    - And the financial statements prior to endorsement by the Board;
    - Compliance with Stock Exchange and legal requirements concerning financial statements

- Related party transactions
- Report of the Directors & Management Discussion and Analysis

- Review of the financial statements of unlisted subsidiary companies
- Looking into the reasons for substantial defaults, if any, in payment to shareholders (in case of non-payment of declared dividends) and creditors;
- Considering such other matters as may be required by the Board;
- Reviewing any other areas which may be specified as role of the Audit Committee under the Listing Agreement, Companies Act and other statutes, as amended from time to time.

The minutes of the Audit Committee meetings are placed before the Board of Directors in the subsequent Board Meeting.

During the year 2012-13, the Audit Committee met on five occasions i.e. 17th May, 2012, 24th May, 2012, 21st September, 2012, 21st November, 2012 and 30th January, 2013.

The Constitution of Audit Committee and attendance of the Members for the year 2012-13 is as under:

Name of Director	Position	No. of Meetings attended
Mr. P.N. Shah	Chairman	5
Mr. R. Anand	Member	3
Mr. R.N. Gupta	Member	4
Mr. Nadeem Panjetan	Member	4

The Chairman of the Audit Committee was not present at the last Annual General Meeting but has authorised Mr. R.N. Gupta, the Member to remain present to answer the queries raised by the shareholders.

The Internal Auditor, Cost Auditor and President - Finance are invited to attend and participate at meetings of the Committee.

The Company Secretary acts as the secretary to the Committee.

4 Remuneration Committee

The Remuneration Committee of the Board comprises of three Independent Directors. The members of this Committee are Mr. R. Anand as Chairman and Mr. P.N. Shah and Mr. Dilip Thakkar as Members. During the year 2012-13, Remuneration Committee met once on 08-02-2013 and all members attended.

The annual compensation of the Executive Directors is approved by the Remuneration Committee within the parameters set by the shareholders at their meetings.

The Company Secretary acts as the secretary to the Committee.

5 Reappointment of Directors

In accordance with the provisions of the Companies Act, 1956, and Articles of Association of the Company, Mr. R. Anand, Mr, Sushil Kumr Jiwarajka, Mr. Dilip J Thakkar and Mr. Prem Malik retire by rotation and being eligible, offer themselves for re-appointment. Their reappointments will be placed as one of the agenda in the ensuing Annual General Meeting.

6 Remuneration and Shareholding of Directors

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to the Managing and Executive Directors. Commission is calculated with reference to net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year, subject to overall ceiling stipulated in Sections 198 and 309 of the Companies Act, 1956. The remuneration is closely linked to the performance of the Company.

Given below are the details of shareholding of Directors as on 31st March, 2013 and remuneration during the financial year 2012-13 to the Directors.

Director	No. of shares Held	Sitting fees	Salaries and perquisites (₹ in Lac)	Commission (₹ in Lac)	Total (₹ in Lac)
Mr. Anil Kumar Jain	3,21,411	0	69.18	97.79	166.97
Mr. R.N. Gupta	0	0	13.18	-	13.18
Mr. K.R. Lalpuria	0	0	41.97	-	41.97
Mr. Kamal Mitra	0	0	14.73	-	14.73
		TOTAL	139.06	97.79	236.85

None of the Directors are related to each other,

The Contract tenures of the Executive Directors are as follows

Mr. Anil Kumar Jain	:	From 01-04-2011 to 30-09-2013
Mr. R.N. Gupta	:	From 01-01-2011 to 30-09-2013
Mr. Kailash R. Lalpuria	:	From 01-01-2011 to 31-12-2013
Mr. Kamal Mitra	:	From 01-01-2011 to 30-09-2013

Criteria for making payments to non-executive Directors:

The Non-Executive Directors are paid only Sitting Fees for attending the Board and Committee Meeting.

A sitting fee of ₹5,000/- is paid for attendance at each meeting of the Board and / or Committee thereof. The Company also reimburses out-of-pocket expenses for attending meetings.

7 Share Transfer Committee

The Company has a Share Transfer Committee. This comprises three directors. The Committee deals with various matters relating to share transfer, share transmission, issue of duplicate share certificates, the approval of split and consolidation requests, the de-materialisation and re-materialisation of shares as well as other matters that relate to the transfer and registration of shares. The members of this committee are Mr. Anil Kumar Jain, Mr. R. N Gupta and Mr. Kamal Mitra.

8 Shareholder / Investors Grievance Committee

The Company has a Shareholder / Investors Grievance Committee comprising of three directors. The Members of this Committee are Mr. Anil Kumar Jain, Chairman and Mr. R.N. Gupta and Mr. Kamal Mitra as Members. The Committee looks into redressing of shareholder and investors complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividend and related matters.

During the year 2012-13, four meetings of the Committee were held i.e. 27th April, 2012, 9th July, 2012, 8th October, 2012 and 7th January, 2013. All Members of the Committee were present in the meetings.

The minutes of the Shareholder / Investors Grievance Committee meetings are placed before the Board of Directors in the subsequent Board meeting.

The Company Secretary acts as the secretary to the Committee.

There were no pending investor complaints at the beginning of the year. During the year 2012-13, the Company received 4 investor complaints, which have been attended to and no complaints remain unresolved at the end of the year.

9 General Body Meetings

The last three Annual General Meeting of the Company were held on the following dates, time and venue.

Date	Time	Type	Venue	No. of special Resolutions passed
31-07-2010	11.00 a.m.	Annual General Meeting	Village Alte Tal. Hatkanangale PB No. 3 Kolhapur 416 109	0
02-08-2011	12.30 p.m.			4
25-08-2012	12.00 Noon			3

The last Extraordinary General Meeting of the Company was held on the following date, time and venue:

Date	Time	Type	Venue	No. of special Resolutions passed
17-11-2012	11.00 a.m.	Extra Ordinary General Meeting	Village Alte, Tal. Hatkanangale, PB No 3, Kolhapur 416 109	2

None of the special resolution was put through postal ballot during the previous year. No special resolution requiring a postal ballot is being proposed for the ensuing Annual General Meeting.

10 Means of Communication

a) The relevant information relating to the Directors who would be appointed / re-appointed at the ensuing Annual General Meeting is given in the Notice convening the Annual General Meeting.

b) The Quarterly and Annual Financial Results of the Company are forwarded to the Stock Exchanges and were published in Free Press Journal – English Newspaper and Nav Shakti – Marathi News paper

c) The Company has designated investors@indocount.com as the Designated Exclusive email-id, for redressal of investor grievances.

11 Code for Prevention of Insider Trading

The Company has adopted a code of conduct for Prevention of Insider Trading in the shares of the company. The code, inter-alia, prohibits purchase / sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company.

12 CEO / CFO Certification

The CEO and CFO give quarterly and annual certification of the financial statements to the Board, as required under clause 49.

13 Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carries out quarterly Reconciliation of Share Capital audits to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the aggregate of total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

14 Compliance

The certificate regarding compliance of the conditions of corporate governance obtained from our statutory auditors M/s B.K. Shroff & Company is given elsewhere in this Annual Report.

15 Compliance Officer

The name and designation of the Compliance Officer of the Company is:

Mr. R. Sundaram – President (Finance) and Company Secretary

His contact details are: Tel: 022-43419500, Fax: 022-22823098, E-mail Id: rsundaram@indocount.com

16 Disclosures

a) Subsidiary Companies

i) None of the Company's Indian Subsidiary companies fall under the definition of "material non listed Indian subsidiary"

ii) The Audit Committee of the Company reviews the financial statements and in particular the investments made by listed subsidiary companies of the Company.

iii) The minutes of the board meetings of listed subsidiary companies are periodically placed before the Board of the company. The Board is periodically informed about all significant transactions and arrangements entered into by the unlisted subsidiary companies of the company.

b) Related party transactions

The statutory disclosure requirements relating to related party transactions have been complied with in the Annual Accounts (Note No. 30)

There were no material transactions during the year 2012-2013 that are prejudicial to the interest of the Company.

c) Disclosure of Accounting Treatment

There is no deviation in following the treatments prescribed in any Accounting Standard in preparation of financial statements for the year 2012-13

d) Board Disclosures-Risk Management

The risk assessment and minimization procedures are in place and the Board is regularly informed about the business risks and the steps taken to mitigate the same. A report on Risk Management is included elsewhere in this Annual Report.

e) The Management Discussion and Analysis report is included elsewhere in this Annual Report

17 Statutory Compliance, Penalties and Strictures

The Company complied with all the requirements of the Stock Exchanges / SEBI / and other statutory authorities on all matters related to the capital markets during the last three years. There were no penalties or strictures imposed on the Company by the Stock Exchanges, the SEBI or any statutory authority on matters relating to capital markets.

18 General Shareholders' information

Corporate

Indo Count Industries Limited was incorporated at Delhi in the State of Delhi on 07-11-1988 The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L72200PN1988PLC068972.

The address of our Registered office is Village : Alte, Taluka : Hatkanangale, Dist. Kolhapur – 416 109.

Listing on Stock Exchanges	Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 Stock Exchange Code: 521016 National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai-400 051 Stock Exchange Code: ICIL
Listing Fees	Paid till 2013-2014 for all the above stock exchanges
Custodial Fees	Paid to Central Depository Services (India) Ltd. for 2013-14 The Company has also paid fees to National Securities Depository Limited for the year 2013-14.
	Demat ISIN: – INE483B01018

Investor Information

Annual General Meeting	Saturday, the 20th July, 2013 at 12.30 p.m. at the Registered Office of the Company at Office No. 1, Village Alte, Taluka Hatkanangale, Dist. Kolhapur 416 109, Maharashtra	
Financial year	1st April to 31st March	
Financial Calendar	Board Meetings for approval of	
	Financial Results for 1st Quarter 2013-14	August 2013
	Financial Results for 2nd Quarter 2013-14	November 2013
	Financial Results for 3rd Quarter 2013-14	February 2014
	Annual Accounts 2013-14	May 2014
Date of Book Closure	18-07-2013 TO 20-07-2013 (both days inclusive)	

Share Price

The monthly high and low quotations of the closing price and volume of shares traded at Bombay and National Stock Exchanges during the year were as follows:

Month	Bombay Stock Exchange			National Stock Exchange		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr-12	8.00	6.22	63,433	7.95	5.90	35,897
May-12	7.58	6.10	42,099	7.15	6.05	54,237
Jun-12	8.79	5.72	47,980	6.75	6.05	26,355
Jul-12	10.00	6.30	58,669	9.30	6.65	27,695
Aug-12	9.55	7.00	7,89,210	9.40	6.75	11,54,373
Sept-12	9.80	7.40	2,77,602	10.00	7.15	68,569
Oct-12	15.65	8.20	9,26,504	15.80	8.05	2,07,207
Nov-12	17.00	11.60	85,547	16.95	11.55	93,338
Dec-12	14.87	13.00	78,504	14.70	12.75	24,033
Jan-13	15.50	13.60	1,04,503	15.50	13.05	20,546
Feb-13	15.00	12.36	58,392	14.80	13.00	13,080
Mar-13	14.00	9.85	62,733	14.50	9.70	38,984

Share Transfers and other communication regarding share certificates, dividends, and change of address, etc., may be addressed to

Link Intime India Pvt Ltd.
A-40, Naraina Industrial Area,
Phase-II, 2nd Floor,
Near Batra Banquet Hall
New Delhi - 110 028.
Phone: +911141410592,41410593 & 41410594
Fax - +911141410591, Mobile: +919312432265

Share Transfer System

Share transfers are registered and returned within a period of 10/15 days from the date of receipt if the documents are in order. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with stock Exchanges and files a copy of the certificate with the Stock Exchanges.

Transfer period in days	2012-2013	
	No. of Shares	Percentage
1 - 10	3,731	100
11 – 20	0	NA
21 - 30	0	NA
Total	3,731	100

Complaints received from Investors during the year

Nature of Complaints	Received	Cleared
1. Non-receipt of share certificates	1	1
2. Non-receipt of dividend warrants	0	0
3. Non-receipt of Annual Report	3	3

The company attended to all of the investors' grievances / correspondence within seven days from the date of receipt of the same during the year 2012-13.

Distribution of shareholding as on 31st March 2013

No. of equity shares	No. of Share-holders	% of Share-holders	No. of shares held	% of share-holding
Upto – 500	27,775	94.74	25,60,041	7.22
501 – 1000	825	2.81	6,67,169	1.88
1001 – 2000	330	1.13	5,06,167	1.43
2001 – 3000	103	0.35	2,62,929	0.74
3001 – 4000	59	0.20	2,10,317	0.59
4001 – 5000	54	0.18	2,56,871	0.72
5001 – 10000	71	0.24	5,27,080	1.49
Above 10001	101	0.34	30,49,106	85.93
Total	**29,318**	**100.00**	**3,54,81,634**	**100.00**

Dematerialisation of shares and liquidity

The equity shares of the company are available for dematerialisation with National Securities Depository Limited (NSDL) and Central Depository Services of India Limited (CDSL). The equity shares of the company have been notified by SEBI for settlement only in the demat form for all investors from 21st March 2000.

As on 31st March 2013, 94.81% of the company's share capital is dematerialized and the rest is in Physical form. The company's shares were regularly traded on the National Stock Exchange and Bombay Stock Exchange.

Shares held in demat and physical mode as on March 31, 2013

Category	Number of		% to total equity
	Shareholders	Shares	
Demat Mode			
NSDL	6,945	3,18,17,496	89.67
CDSL	2,130	18,23,789	5.14
Total			
Physical Mode	20,243	18,40,349	5.19
Grand Total	29,318	3,54,81,634	100.00

Service of documents through electronic mode:

As a part of Green initiative, the members who wish to receive documents like the Notice convening the general meetings, Financial Statements, Director's Report, Auditors Report etc., through e-mail, may kindly intimate their e-mail address to Company / Registrars (for shares held in physical form) and Depository Participants (for shares held in dematerialized form).

Mandatory / Non Mandatory Requirements

The Company has complied with all the mandatory requirements of clause 49 of the Listing agreement relating to Corporate Governance. At present, the Company has not adopted the non-mandatory requirements of clause 49 except constitution of the remuneration committee.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management Personnel have affirmed compliance with Indo Count Industries Limited Code of Business Conduct and Ethics for the year ended March 31, 2013.

On behalf of Board of Directors

ANIL KUMAR JAIN

Chairman &

Mumbai: 24th May 2013 Managing Director:

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Shareholders of Indo Count Industries Limited

We have examined the compliance of conditions of Corporate Governance by Indo Count Industries Limited, for the year ended on 31st March 2013 as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of the Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that no investor grievance is pending for a peiod exceeding one month against the Company as per the records maintained by the shareholders / investors grievances committee.

We further 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. Shroff & Co.

Chartered Accountants

Reg. No. : 302166E

O. P. SHROFF

Partner

Mumbai: 24th May 2013 Membership Number 6329

Independent Auditors' Report

To

The Members

Indo Count Industries Limited

Report on the Financial Statements

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

Management's responsibility for the Financial Statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;

b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and

c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (ii) 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;

(iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(iv) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;

(v) On the basis of written representation received from the directors as at 31 March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For B.K. Shroff & Co.
Chartered Accountants
Reg. No. : 302166E

O. P. SHROFF
Partner
Membership Number 6329

Mumbai: 24th May 2013

Annexure to Auditors' Report

Annexure referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory requirements" of our report of even date

(i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the fixed assets have been physically verified by the management according to a regular program, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.

(c) During the year, the company has not disposed off any substantial part of its fixed assets. Therefore, it has not affected the going concern concept of the company.

(ii) (a) Physical verification of inventory (except material in transit) has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

(c) The company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were not material.

(iii) The company has neither granted nor taken loans, secured or unsecured to / from companies firms or other parties covered in the register maintained under section 301 of the Act and as such clauses (iii) (b), (iii) (c) and (iii) (d) of the Order are not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.

(v) Transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956.

a. Based upon the audit procedures applied by us and according to the information and explanations given to us , we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under the section.

b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹5.00 lac in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.

(vi) According to the information and explanation given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (vi) of the Order are not applicable to the Company.

(vii) In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of its business.

(viii) We have broadly reviewed the books of account maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such accounts and records.

(ix) (a) The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, sales tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.

(x) The Company has no accumulated losses as at 31st March, 2013. The company has not incurred any cash loss during the financial year.

(xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.

(xii) According to the information and explanations given to us, the company has not granted any loan and advance on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the company is neither a chit fund nor nidhi / mutual benefit fund / society and hence clause (xiii) of the Order is not applicable to the company.

(xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments and accordingly, the provisions of clause (xiv) of the Order is not applicable to the company.

(xv) In our opinion, the company has not given guarantee for loans taken by others from banks or financial institutions.

(xvi) In our opinion, the term loans have been applied for the purposes for which they were obtained.

(xvii) According to the information and explanation given to us and on overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been utilized for long term purposes.

(xviii) According to information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) According to the information and explanations given to us, the company has not issued debentures during the year.

(xx) According to the information and explanations given to us, during the year the company has not raised any money by public issue.

(xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For B.K. Shroff & Co.
Chartered Accountants
Reg. No. : 302166E

O. P. SHROFF
Partner

Mumbai: 24th May 2013

Membership Number 6329

Balance Sheet as at 31st March, 2013

[₹ in lac]

	Note	As at 31-03-2013		As at 31-03-2012	
I EQUITY AND LIABILITIES					
(1) SHAREHOLDERS' FUNDS					
(a) Share Capital	2		3,798.16		3,798.16
(b) Reserves & Surplus	3		13,999.45		12,401.86
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT			110.00		-
(3) NON - CURRENT LIABILITIES					
(a) Long Term Borrowings	4		13,586.28		17,544.24
(b) Other Long Term Liabilities	5		139.52		280.92
(4) CURRENT LIABILITIES					
(a) Short Term Borrowings	6		22,853.02		14,104.24
(b) Trade Payables	7		18,260.74		10,745.90
(c) Other Current Liabilities	8		8,114.04		6,826.02
(d) Short Term Provisions	9		431.77		0.34
			81,292.98		65,701.68
II ASSETS					
(1) NON CURRENT ASSETS					
(a) FIXED ASSETS					
(i) Fixed Assets	10	33,232.82		33,704.82	
(ii) Capital Work in Progress	11	176.63	33,409.45	486.02	34,190.84
(b) Non - Current Investments	12		1,946.94		1,953.94
(c) Deferred Tax Assets (NET)	13		1,691.29		2,024.34
(d) Long Term loans and advances	14		331.99		307.39
(2) CURRENT ASSETS, LOANS & ADVANCES					
(a) Inventories	15	19,600.38		12,898.64	
(b) Trade Receivables	16	12,760.82		6,808.47	
(c) Cash and Cash Equivalents	17	757.35		591.42	
(d) Short Term Loans & Advances	18	5,008.09		4,981.98	
(e) Other Current Assets	19	5,786.67	43,913.31	1,944.66	27,225.17
			81,292.98		65,701.68
See accompanying notes to the financial statements					

As per our report of even date annexed
For B.K.SHROFF & CO.,
Chartered Accountants
Reg. No. 302166E

O. P. SHROFF
Partner
Membership No. 6329

Mumbai: 24th May 2013

ANIL KUMAR JAIN
Chairman & Managing Director

R. N. GUPTA
Joint Managing Director

R. SUNDARAM
President Finance & Company Secretary

Profit & Loss Account for the year ended 31st March, 2013

[₹ in lac]

		Note	Year Ended 31-03-2013	Year Ended 31-03-2012
I	Revenue from operations	21	113,948.99	74,925.10
II	Other Income	22	2,401.55	2,752.76
III	TOTAL REVENUE		116,350.54	77,677.86
IV	EXPENSES			
	Cost of materials consumed	23	77,015.26	51,571.62
	Purchase of stock in Trade		233.85	672.52
	Changes in Inventories of finished	24	(4,100.72)	(217.11)
	goods, Work in Process and Stock in Trade			
	Employee Benefits	25	4,807.97	3,667.56
	Finance Charges	26	4,339.29	3,501.16
	Depreciation and amortisation expense	27	1,775.96	1,768.59
	Other Expenses	28	27,609.51	15,412.98
	TOTAL EXPENSES		111,681.12	76,377.32
V	Profit before Exceptional items and Taxation		4,669.42	1,300.54
VI	Exceptional Items	29	1,568.85	1,234.90
VII	Profit Before Tax		3,100.57	65.64
VIII	Tax expense:			
	Income Tax for current year		419.95	-
	Income Tax for earlier years		-	25.14
	Deferred Tax Asset (Net)		333.06	27.85
	MAT Credit Entitlement		(419.95)	-
	MAT Credit Entitlement of earlier years		56.81	-
IX	PROFIT AFTER TAX		2,710.70	12.65
X	EARNING PER SHARE	32		
	Basic and dilutive [₹]		7.61	0.04
	See accompanying notes to the financial statements			

As per our report of even date annexed
For B.K.SHROFF & CO.,
Chartered Accountants
Reg. No. 302166E

O. P. SHROFF
Partner
Membership No. 6329

Mumbai: 24th May 2013

ANIL KUMAR JAIN
Chairman & Managing Director

R. N. GUPTA
Joint Managing Director

R. SUNDARAM
President Finance & Company Secretary

Cash Flow Statement for the year ended 31-03-2013

[₹ in lac]

Particulars	For the year ended 31 March, 2013		For the year ended 31 March ,2012	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before exceptional item and tax		3,100.57		65.64
Adjustments for:-				
Depreciation and amortisation		1,775.96		1,768.59
(Profit)/Loss on sale /write off of assets		(2.19)		-
Finance Cost		4,339.29		2,969.60
Interest income		(23.36)		(37.87)
VAT Refund under IPS		(2,166.58)		(2,573.52)
Rental Income from operating lease		(26.04)		(22.97)
Loss on sale of long term investments		1.84		-
Exceptional Items		1,568.85		1,234.90
Operating profit /(loss) before working capital changes		8,568.34		3,404.37
Changes in working capital:				
Adjustment for (increase)/decrease in operating assets				
Inventories	(6,701.74)		(443.61)	
Trade Receivables	(5,952.35)		(1,547.05)	
Short term loan and advances	(44.25)		(659.58)	
Long term loan advances	(24.59)		(38.82)	
Other current assets	(3,478.88)	(16,201.81)	276.13	(2,412.93)
Adjustment for increase /(decrease)in operating liabilities				
Trade payable	7,514.83		1,800.19	
Other current liabilities	1,288.03		1,042.92	
Other long term liabilities	(141.40)		42.76	
Short-term provisions	11.48	8,672.94	0.26	2,886.13
Net taxes (paid)/refund received		18.14		(113.99)
Net Cash flow from /(used in) operating activities(A)		1,057.61		3,763.58
B) CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets,including capital advances		(2,096.71)		(762.64)
Proceeds from sale of fixed assets		2.83		6.15
Proceeds from sale of long term investments		5.16		-
Purchase of long term investments		-		(143.15)
VAT Refund under IPS		2,166.58		2,573.52
Interest Received		23.36		37.87
Rental Income from operating lease		26.04		22.97
Cash Flow from Exceptional items		(1,568.85)		(1,234.90)
Net Cash flow from/(used in) investing activities(B)		(1,441.59)		499.83

[₹ in lac]

Particulars	For the year ended 31 March, 2013		For the year ended 31 March ,2012	
C) CASH FLOW FROM FINANCING ACTIVITIES.				
Proceeds from issue of Preference shares		-		250.00
Share Application money received		110.00		-
Share Application money utilised against Preference shares		-		(250.00)
Net increase/(Decrease) in long term borrowings		(3,957.96)		(3,444.14)
Net increase/(Decrease) in short term borrowings		8,748.78		1,315.14
Finance Cost		(4,339.29)		(2,969.60)
Preference Dividend		(10.00)		-
Tax on dividend		(1.62)		-
Net Cash flow from /(used in) financing activities (C)		549.91		(5,098.60)
Net Increase /(decreae) in cash and cash equivalents (A+B+C)		165.93		(835.19)
Cash and cash equivalents at the beginning of the year		591.42		1,426.61
Cash and cash equivalents at the end of the year		757.35		591.42
Reconsiliation of cash and cash equivalents with the balance sheet				
Cash and cash equivalents as per Balance sheet		757.35		591.42
Cash and cash equivalents at the end of the year Comprises of:				
(a) cash on hand		18.10		8.60
(b) foreign currency on hand		4.67		-
(c) balance with banks				
(i) In Current accounts		717.04		452.41
(ii) In EEFC accounts		-		-
(iii) In earmarked Accounts		17.54		130.41

Notes: Previous years figures have been regrouped/reclassified wherever applicable.

As per our report of even date annexed
For B.K.SHROFF & CO.,
Chartered Accountants
Reg. No. 302166E

O. P. SHROFF
Partner
Membership No. 6329

Mumbai: 24th May 2013

ANIL KUMAR JAIN
Chairman & Managing Director

R. N. GUPTA
Joint Managing Director

R. SUNDARAM
President Finance & Company Secretary

1. SIGNIFICANT ACCOUNTING POLICIES :

(a) Method of Accounting

(i) The accounts are prepared under the historical cost convention using the accrual method of accounting unless otherwise stated hereinafter.

(ii) Accounting policies not significantly referred to are consistent with generally accepted accounting principles.

(b) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

(c) Fixed Assets

Fixed assets are stated at cost except for land, plant & machinery (other than of electronics division) and buildings which have been shown at revalued amount. Cost is inclusive of inward freight, duties & taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational, start-up and trial run expenses form part of the value of the assets capitalised. As per practice, expenses incurred on modernisation / debottlenecking / relocation / relining of plant & equipment are capitalised. Fixed assets, other than leasehold land, acquired on lease are not treated as assets of the company and lease rentals are charged off as revenue expenses.

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

(d) Capital Work-in Progress

All expenditure including interest cost incurred during the project construction period are accumulated and disclosed as capital work-in-progress until the assets are ready for commercial use. Assets under construction are not depreciated. Income earned from investment of surplus borrowed funds during construction/trial run period is reduced from capital work-in-progress. Expenditure/ income arising during trial run is added to/ reduced from capital work-in-progress.

(e) Investments

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

Current investments are stated at lower of cost and quoted / fair value.

(f) Inventories

Inventories are valued at lower of cost or net realizable value except for waste.

Cost is determined using the first-in-first-out (FIFO) basis except for inventories of home textiles division where cost is determined at weighted average.

Finished goods and stock in process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Wastage and rejections are valued at estimated realizable value.

Obsolete, defective and unserviceable stocks are duly provided for.

The closing stock of units partly comprises of such materials lying in finished or semi-finished stage. The mode of valuation referred to 'Weighted Average Cost' represents cost worked out by taking into account the price charged by such units.

(g) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(h) Excise Duty

Provision for excise duty is made on waste and finished goods lying in bonded warehouse and meant for sale in domestic tariff area. CENVAT benefit is accounted for by reducing the purchase cost of the material / Fixed assets.

(i) Retirement and other employee related benefits

i) Short term Employee Benefits

All employee benefits payable only within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, etc. and the expected cost of bonus, exgratia, incentives are recognized in the period during which the employee renders the related service.

ii) Post employment Benefits

a) Defined Contribution Plans

State Government Provident Fund Scheme is a defined contribution plan. The contribution paid/payable under the scheme is recognized in the profit & loss account during the period in which the employee renders the related service.

b) Defined Benefit Plans

The employee Gratuity Fund Scheme and Leave Encashment Scheme managed by different trusts are defined benefit plans. The present value of obligation under such defined benefit plans are determined based on acturial valuation under the projected unit credit method which recognizes each period of service as giving rise to additional unit of employees benefits entitlement and measures each unit separately to build up the final obligation.

The obligations are measured at the present value of future cash flows. The discount rates used for determining the present value having maturity periods approximated to the returns of related obligations.

Actuarial gains and losses are recognized immediately in the profit & loss account.

In case of funded plans, the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on net basis.

(j) Research and Development

Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure on research & development is shown as an addition to fixed assets.

(k) Depreciation

Depreciation is calculated on fixed assets on straight-line method in accordance with Schedule XIV to the Companies Act 1956. Leasehold assets are depreciated over the lease period. Software system is amortized over a period of five years. Depreciation on amount of additions made to cost of fixed assets on account of foreign exchange fluctuation is provided prospectively over the residual life of the fixed assets.

Depreciation on revalued assets is calculated on straight line method over the residual life of the respective assets as estimated by the valuer. The additional charge for depreciation on account of revaluation is withdrawn from the revaluation reserve and credited to the profit & loss account.

(l) Foreign Currency Transactions, Derivatives instruments and hedge accounting

Transactions in foreign currency other than those covered by forward contracts are accounted for at the prevailing conversion rates at the close of the year and difference arising out of the settlement are dealt with in the Profit & Loss account. Outstanding export documents when covered by foreign exchange forward contracts are translated at contracted rates. Foreign currency loans availed for acquisition of fixed assets are restated at the exchange rate prevailing at year end and exchange rate difference arising on such transactions are adjusted to the cost of fixed assets. Other foreign currency current assets and liabilities outstanding at the close of the year are valued at the year end exchange rates. The fluctuations are reflected under the appropriate revenue head.

The company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The company designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 'Financial Instruments: Recognition and Measurement' (AS-30).

Changes in the fair value of derivatives financial instruments that do not qualify for hedge accountings are recognized in profit & loss account as they arise.

Hedging instruments are initially measured at fair value. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. If a hedge transaction is no longer expected to occur, the net cumulative gain or loss is recognized in profit & loss account for the year.

(m) Revenue Recognition

Sales are accounted for ex-factory on despatch and do not include excise duty.

(n) Claims & Benefits

Claims recoverable and export incentives / benefits are accounted on accrual basis to the extent considered recoverable. Export incentives / benefits include premium on import licence, sales tax, etc.

(o) Subsidy

Subsidy is recognized when there is reasonable assurance that the subsidy will be received and conditions attached to it are complied with.

Government subsidy in the nature of promoter's contribution is credited to capital reserve. Subsidy received against a specific asset is reduced from the cost of the asset.

(p) Income from Investment / Deposits

Income from investments / deposits is credited to revenue in the year in which it accrues. Income is stated in full with the tax thereon being accounted for under income tax deducted at source.

(q) Taxation

Provision for current tax is made by applying the applicable tax rates and tax laws. Deferred Taxation is provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure which are expected with reasonable probability to crystallize in the foreseeable future. Deferred tax benefits are recognized in the financial statements only when such benefits are reasonably expected to be realizable in the near future.

(r) Earnings per share

Basic earning per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the year.

Diluted earning per share is calculated by dividing the net profit attributable to equity shareholders by the weighted average number of equity share outstanding during the year adjusted for the effects of dilutive options.

(s) Segment Information

The company is currently organized into two business-operating segments viz: Textile and consumer durable / electronic goods. In line with the global trend, the company has viewed yarn, fabrics and textiles as one integrated business. Therefore, all these products have been considered as part of a single business segment. Yarn, covers production of basic cotton yarn over a wide range of counts, which besides being primarily exported, is also used for further value addition in fabrics and textiles. While, fabrics cover value added activity relating to knitting and weaving, textiles cover value added activity relating to processed fabrics. The company also manufactures electronic / consumer durable goods.

The accounting principles used in preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments. Revenue and direct expenses in relation to segments are categorized based on items that are individually identifiable or allocable on a reasonable basis to that segment. Certain corporate level revenue and expenses, besides financial costs and taxes are not allocated to operating segments and are included under the head as “unallocable”.

Assets and Liabilities represent assets employed in operations and liabilities owed to third parties that are individually identifiable or allocable on a reasonable basis to that segment. Assets and Liabilities excluded from allocation to operating segments such as investments, corporate debt and taxes etc. are classified as “unallocable”.

Segment assets employed in the company’s various business segments are all located in India. Capital expenditure includes expenditure incurred during the period of acquisition of segment fixed assets.

The company has considered geographical segment as secondary reporting segment for disclosure. For this purpose, revenues are bifurcated based on sales in India and outside India.

(t) Operating Leases

Operating lease receipts and payments are recognized as income or expense in the profit & loss account on a Straight - line basis over the lease term.

(u) Events occurring after balance date

Events occurring after the balance sheet date have been considered in the preparation of the financial statements.

(v) Contingent Liabilities

Contingent liabilities as defined in Accounting Standard-29 are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefit will be required for an item previously dealt with as a contingent liability.

2. SHARE CAPITAL

Particulars		No. of Shares		[₹ in lac]	
		As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
a) Authorised					
Equity Shares of ₹10 each					
At the beginning of the period		55,000,000	55,000,000	5,500.00	5,500.00
Add: Additions during the period		-	-	-	-
Less: Reduction during the period		-	-	-	-
At the end of the period	A	55,000,000	55,000,000	5,500.00	5,500.00
Preference Shares of ₹10 each					
At the beginning of the period		5,000,000	5,000,000	500.00	500.00
Add: Additions during the period		-	-	-	-
Less: Reduction during the period		-	-	-	-
At the end of the period	B	5,000,000	5,000,000	500.00	500.00
TOTAL	A+B	60,000,000	60,000,000	6,000.00	6,000.00
b) Issued, Subscribed and Paid up					
Equity Shares of ₹10 each					
At the beginning of the period		35,481,634	35,481,634	3,548.16	3,548.16
Add: Additions during the period		-	-	-	-
Less: Reduction during the period		-	-	-	-
At the end of the period	A	35,481,634	35,481,634	3,548.16	3,548.16
4% Preference Shares of ₹10 each fully paid up *					
At the beginning of the period		2,500,000	-	250.00	-
Add: Additions during the period		-	2,500,000	-	250.00
Less: Reduction during the period		-	-	-	-
At the end of the period	B	2,500,000	2,500,000	250.00	250.00
TOTAL	A+B	37,981,634	37,981,634	3,798.16	3,798.16

* 4% Cumulative Preference shares (amended in extra ordinary general meeting held on 17-11-2012, previously non-cumulative), redemmable on or before 12-09-2021 at par.

Terms / rights attached to equity shares

(i) The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share, The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of equity shares in the company held by each shareholder holding more than 5% of shares is as under:

Name of the Shareholder	No. of Shares			
	As at 31.03.2013	percentage	As at 31.03.2012	percentage
Indocount Securities Limited	5,270,777	14.85%	5,270,777	14.85%
Sandridge Investments Limited	12,400,491	34.95%	12,400,491	34.95%
Elm Park Fund Ltd.	2,717,161	7.66%	-	-

Details of preference shares in the company held by each shareholder holding more than 5% of shares is as under:

Name of the Shareholder	No. of Shares			
	As at 31.03.2013	percentage	As at 31.03.2012	percentage
Tozai Enterrprises Pvt. Ltd.	2,500,000	100%	2,500,000	100%

3. RESERVES & SURPLUS

[₹ in lac]

Particulars		As at 31.03.2013	As at 31.03.2012
Capital Reserve			
At the beginning of the period		198.81	198.81
Add: Additions during the period		-	-
Less: Reduction during the period		-	-
At the end of the period	A	198.81	198.81
Share Premium			
At the beginning of the period		1,443.59	1,443.59
Add: Additions during the period		-	-
Less: Reduction during the period		-	-
At the end of the period	B	1,443.59	1,443.59
Debenture Redemption Reserve			
At the beginning of the period		750.00	750.00
Add: Transferred from Profit & Loss Account		-	-
Less: Reduction during the period		-	-
At the end of the period	C	750.00	750.00
Revaluation Reserve			
At the beginning of the period		12,520.78	13,622.47
Add: Transferred from Profit & Loss Account		-	-
Less: Reduction during the period		1,101.49	1,101.69
At the end of the period	D	11,419.29	12,520.78
Profit & Loss Account			
At the beginning of the period		(2,511.32)	(2,523.97)
Add: Profit / Loss for the period		2,710.70	12.65
Less: Dividend on preference shares		(10.00)	-
Less: Dividend distribution Tax		(1.62)	-
At the end of the period	E	187.76	(2,511.32)
TOTAL (A + B + C + D + E)		13,999.45	12,401.86

4. LONG TERM BORROWINGS (Secured)

[₹ in lac]

Particulars		As at 31.03.2013	As at 31.03.2012
1)	DEBENTURES (b)		
	10% 300 Secured redeemable non convertible debentures of ₹ 10,00,000/- each (reduced by installments paid till date ₹ 1,416.00 lac (previous year ₹ 966.00 lac))	1,584.00	2,034.00
2)	TERM LOAN		
	Rupee loans		
	From Banks (b)	6,540.26	8,485.20
	From Financial Institutions (b)	2,046.16	2,627.29
3)	Working Capital Term Loan (b)	1,584.00	2,075.83
4)	Demand Term Loan (c)	1,803.12	2,315.16
5)	Hire Purchase Finance (d)	28.74	6.76
TOTAL		13,586.28	17,544.24

a) Based on reference of Union Bank of India, the Lead Bank, a financial restructuring package was approved by Empowered Group of Corporate Debt Restructuring (CDR-EG).

While the company had given effect of the restructuring package in its books of account, banks have continued to raise demand notices for interest payment at the rate of interest charged prior to the sanction of restructuring package.

The company has taken up the matter with the banks and accordingly the resultant difference in interest (which is still under reconciliation / determination) between the demand notice received from banks and as per company's books of account, has not been provided, as the liability is not payable.

b) Secured inter se on pari-passu basis by way of mortgage of all immovable properties and hypothecation of all movable properties (save and except stocks and book debts and moveables of electronic division) both present and future. Loans (including current maturities of long term debts) of ₹ 15,764.11 lac (previous year ₹ 18,339.53 lac) are additionally secured by personal guarantee of the Managing Director.

c) Secured against third charge on the fixed assets of the company. Loans (including current maturities of long term debts) of ₹ 2,434.72 lac (previous year ₹ 2,933.69 lac) are additionally secured by personal guarantee of the Managing Director.

d) Secured against hypothecation of Vehicles acquired under Auto Loan Schemes.

e) The term loans are further secured by way of first / second charge on the existing fixed assets of a subsidiary company. Further, the company has pledged 72,16,512 equity shares held by it in a subsidiary company, as per CDR stiplulation. However, the company has complied all the stipulations of CDR terms and the pledged shares are yet to be released.

Long Term Loans Repayment Schedule

Particulars	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	4-5 Years
10 % Secured redeemable non convertible Debentures	450.00	390.00	390.00	354.00
TERM LOAN:				
Rupee loans:				
From Banks	1,858.48	1,609.95	1,609.95	1,461.90
From Financial Institutions	581.25	503.75	503.75	457.41
Working Capital Term Loan	450.00	390.00	390.00	354.00
Demand Term Loan	512.25	443.95	443.95	402.97
Hire Purchase Finance	10.18	7.70	8.57	2.29
TOTAL	3,862.15	3,345.35	3,346.22	3,032.56

The company has defaulted in repayment of Loans and interest in respect of the following:

Particulars	As at 31.03.2013		As at 31.03.2012	
	Period of Default	₹	Period of Default	₹
Demand Term Loans:				
- CICI Bank				
Principle	0- 30 days	-	0- 30 days	42.26
	61-90 days	-	61-90 days	42.26
Interest	0-30 days	-	0-30 days	11.78
	31-60 days	-	31-60 days	11.53
	61-90 days	-	61-90 days	11.53
	91-120 days	-	91-120 days	10.95
- IDBI Bank				
Principle	0- 30 days	-	0- 30 days	55.92
Interest	0-30 days	-	0-30 days	14.95
	31-60 days	-	31-60 days	13.89
	61-90 days	-	61-90 days	14.70

In terms of master restructuring agreement dated 30-03-2009, if the company commits a default in payment or repayment of three consecutive installment of principal amounts of the facilities or interest thereon or any combination thereof, then, the lenders shall have the right to convert, at their option, the whole of the outstanding amount of the facilities and /or 20% of rupee equivalent of the defaulted amount into fully paid-up equity shares of the company, at par, in the manner specified in a notice in writing to be given by the lenders to the company prior to the date on which the conversion is to take effect, which date shall be specified in the said notice.

5. OTHER LONG TERM LIABILITIES

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
Employee Benefits	139.52	280.92
TOTAL	139.52	280.92

6. SHORT TERM BORROWINGS (Secured)

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
Loans repayable on Demand		
From Banks (a)		
- In Rupees	22,582.08	13,053.25
- In Foreign Currency	270.94	1,050.99
TOTAL	22,853.02	14,104.24

Secured by hypothecation of Raw materials, Semi finished goods, Finished goods, Stores and Spares, Goods in transit and Book Debts of Spinning and Home textile divisions, and further secured by second charge on Fixed Assets both present and future and personally guaranteed by the Managing Director.

7. TRADE PAYABLES

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
Total outstanding dues of Micro Enterprises and Small Enterprises (a, b)	2.93	2.93
Others (c)	18,257.81	10,742.97
TOTAL	18,260.74	10,745.90

(a) The names of small scale industrial undertakings to whom the company owes any sum and outstanding for more than thirty days: Saikrupa Industries

Payments against supplies from small-scale industries are made in accordance with agreed terms. Besides, there are no claims from the parties for interest on overdue payments.

(b) The company has not received any intimation from other suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

(c) Includes amount payable to a subsidiary ₹ Nil (previous year ₹ 3,856).

8. OTHER CURRENT LIABILITIES

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
Current Maturities of Long Term Debts	4,651.03	3,738.95
Interest accrued and due on borrowings	145.20	140.36
Security deposit	33.12	43.42
Advance from Customers	79.51	124.82
Other Payables *	3,205.18	2,778.47
TOTAL	8,114.04	6,826.02

* Includes amount to be credited to Investor Education & Protection Fund-

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
a) Unpaid Dividend	-	-
b) Unpaid application money received for allotment of securities and due for refund	-	-
c) Unpaid matured deposits	-	-
d) Unpaid matured debentures	-	-
e) Interest accrued on (a) to (d) above	-	-

9. SHORT TERM PROVISIONS

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
Provision for Income Tax	419.95	-
Provision for Wealth Tax	0.20	0.34
Dividend on Preference Shares	10.00	-
Tax on Dividend	1.62	-
TOTAL	431.77	0.34

10. FIXED ASSETS

[₹ in lac]

PARTICULARS	GROSS BLOCK				DEPRE-CIATION	NET BLOCK	
	As at 1-04-2012	Additions	Sales / Adjustment	As at 31.03.2013	As at 31.03.2013	As at 31.03.2013	As at 31-03-2012
TANGIBLE:							
a) At cost							
Land - Leasehold	273.11	-	-	273.11	9.43	263.68	264.18
Buildings *	6,055.17	93.13	-	6,148.30	1,907.08	4,241.22	4,346.40
Plant & Machinery	30,943.02	1,990.86	2.98	32,930.90	16,205.48	16,725.42	16,231.41
Furniture & Fixtures	248.65	57.46	-	306.11	193.10	113.01	83.65
Factory & Office Equipments	369.35	59.62	-	428.97	221.43	207.54	179.16
Vehicles #	168.45	48.81	9.48	207.78	124.00	83.78	50.09
b) At revalued cost							
Land - Leasehold	774.72	-	-	774.72	16.09	758.63	762.20
Buildings	1,489.46	-	-	1,489.46	195.20	1,294.26	1,337.65
Plant & Machinery	14,066.17	-	-	14,066.17	4,699.78	9,366.39	10,420.93
INTANGIBLE:							
Software	32.38	156.22	-	188.60	9.71	178.89	29.14
TOTAL	54,420.49	2,406.10	12.46	56,814.12	23,581.30	33,232.82	33,704.82
Previous Year	53,950.00	476.64	6.15	54,420.49	20,715.67		

Includes

a) * (i) 10 shares of ₹ 50 each of Arcadia Premises Co-operative Society Ltd.

b) # One vehicle costing ₹ 38.45 lac, is in the name of the Managing Director as a nominee of the Company.

c) The company revalued its land, buildings and plant & machinery (except for electronics division and 2 D.G. sets of spinning division) as on 01-10-2008 based on the valuation made by an approved valuer. Accordingly, the original cost of such assets resulted in gross increase in the value of assets over their original cost by ₹ 15,092.28 lac , increase in depreciation upto 31-03-2013 on revaluation by ₹ 4,498.55 lac and thereby net revaluation reserve as at 31-03-2013 is ₹ 10593.73 lac.

d) Revaluation of 2 D.G. sets of spinning division was carried out on 01-04-2009 by an approved valuer.The revaluation resulted in a gross increase in the value of assets over their original cost by ₹ 1,238.07 lac. increase in depreciation up to 31-03-2013 on revaluation by ₹ 412.52 lac and thereby net revaluation reserve as at 31-03-2013 is ₹825.55 lac.

11. CAPITAL WORK IN PROGRESS

Capital work in progress does not include capital advances ₹ 112.38 (previous year ₹ 54.10).

12. NON CURRENT INVESTMENTS

Particulars		No. of Shares		[₹ in lac]	
		As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
- Quoted					
Non - Trade Investments - Long Term					
In fully paid up equity shares of ₹ 10 each					
Subsidiary Company					
Pranavaditya Spinning Mills Limited		18,041,280	18,041,280	1,804.13	1,804.13
Trade Investments - Long Term					
Others					
Margo Finance Limited		-	154,902	-	15.49
Less : Provision for Diminution				-	8.49
SUB TOTAL	A			1,804.13	1,811.13
- Unquoted					
Non - Trade Investments - Long Term					
Subsidiary Company					
Indocount Global Inc, USA		300	300	142.80	142.80
Others					
Indo Count Textile Ventures Pvt. Ltd.		100	100	0.01	0.01
Shiva Services Limited		10,000	10,000	1.00	1.00
Less : Provision for Diminution				1.00	1.00
SUB TOTAL	B			142.81	142.81
TOTAL	A+B			1,946.94	1,953.94
Aggregate value of :					
Quoted investments				1,804.13	1,811.13
Unquoted investments				142.81	142.81
Market value of Quoted investments				1,100.52	1,883.29

13. DEFERRED TAX ASSETS

As required under Accounting standard (AS-22), 'Accounting for taxes on income' issued by the Institute of Chartered Accounts of India, the Company is required to account for deferred taxation while preparing its accounts. The details of deferred tax assets / liabilities are as under:

[₹ in lac]

Particulars		As at 31.03.2011	Tax effect for the period	As at 31.03.2012	Tax effect for the period	As at 31.03.2013
Deferred Tax liability						
Fixed Assets		(3,561.95)	38.57	(3,523.38)	(17.12)	(3,540.50)
	A	(3,561.95)	38.57	(3,523.38)	(17.12)	(3,540.50)
Deferred Tax Assets						
Loss		5,506.31	(142.41)	5,363.90	(242.87)	5,121.03
Others		107.83	75.99	183.82	(73.06)	110.76
	B	5,614.14	(66.42)	5,547.72	(315.93)	5,231.79
Net Deferred Tax Assets/(Liability)	A-B	2,052.19	(27.85)	2,024.34	(333.06)	1,691.29

14. LONG TERM LOANS & ADVANCES

[₹ in lac]

Particulars		As at 31.03.2013	As at 31.03.2012
(Unsecured-considered good)			
Capital Advances		112.38	54.10
Security Deposits		78.95	72.16
Loans and Advances to Subsidiary Company		140.66	181.13
SUB-TOTAL	A	331.99	307.39
(Unsecured-considered doubtful)			
Others (considered doubtful)		27.13	43.12
Less : Provision for doubtful advances		27.13	43.12
SUB-TOTAL	B	-	-
TOTAL	A+B	331.99	307.39

15. INVENTORIES

[₹ in lac]

Particulars		As at 31.03.2013	As at 31.03.2012
Stores & Spares *		1,168.50	1,320.37
Raw Materials **		5,936.66	3,228.80
Dyes and Chemicals ***		433.10	388.07
Waste		46.22	23.76
Work in Progress		6,810.59	6,478.61
Finished Goods		5,205.31	1,459.03
TOTAL		19,600.38	12,898.64

* includes goods in transit ₹ 20.97 lac, (previous year ₹ 14.89 lac)

** includes goods in transit ₹ 857.69 lac, (previous year ₹ 328.69 lac)

*** includes goods in transit ₹ 13.55 lac, (previous year ₹ 2.25 lac)

16. TRADE RECEIVABLES

[₹ in lac]

Particulars		As at 31.03.2013	As at 31.03.2012
Exceeding Six Months		25.55	81.89
Less : Provision for doubtful debts		5.94	27.63
SUB - TOTAL		19.61	54.26
Others		12,741.21	6,754.21
TOTAL		12,760.82	6,808.47

17. CASH & CASH EQUIVALENTS

[₹ in lac]

Particulars		As at 31.03.2013	As at 31.03.2012
Cash in hand		18.10	8.60
Foreign currency in hand		4.67	-
Balances with Banks			
In Current Acounts *		717.04	452.41
Held as margin / Fixed deposits **		17.54	130.41
TOTAL		757.35	591.42

* Includes balance in current account with The Kolhapur Urban Co-operative Bank Ltd. ₹ 1.21 lac, (previous year ₹ 4.82 lac) maximum amount outstanding anytime during the year ₹ 3.10 lac, (previous year ₹ 5.49 lac) and The Shamrao Vittal Co-operative Bank ₹ 1.80 lac, (previous year ₹ 2.83 lac) , maximum amount outstanding anytime during the year ₹ 5.59 lac, (previous year ₹ 3.63 lac)

** Includes receipts for ₹ 0.01 lac (previous year ₹ 0.01 lac) lodged with Sales Tax Department

** Fixed deposits with maturity within 12 months is ₹ 2.71 lac, (Previous year ₹ 126. 29 lac)

18. SHORT TERM LOANS & ADVANCES

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
Advance Income Tax (including tax deducted at source)	251.91	270.05
Loan to related parties	0.96	0.78
Advance to Subsidiary	21.77	83.13
Others (considered good)	4,733.45	4,628.02
TOTAL	5,008.09	4,981.98

19. OTHER CURRENT ASSETS (Unsecured-considered good)

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
Mat Credit entitlement	511.49	148.35
Export Incentives / Claims recoverable	5,274.52	1,795.81
Interest accrued on Loans & Deposits	0.66	0.50
TOTAL	5,786.67	1,944.66

20. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

(a) Contingent Liabilities

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
i) Amount outstanding in respect of export bills discounted under Export Letters of Credit (Since realised ₹ 6100.46 lac, previous year ₹ 3,152.00 lac)	7,469.84	3,328.23
ii) Bank Guarantees *	368.25	697.04
iii) Claims against the company not acknowledged as debts	12.38	12.38
iv) Income Tax / Custom duty demands disputed in appeals		
iv) Corporate guarantee given to a bank for securing financial assistance to subsidiary company	200.00	200.00

* The Company has given bank guarantee for ₹ 4.11 lac to DGFT on behalf of Pranavaditya Spinning Mills Limited, subsidiary company for duty free import of machines.

(b) In terms of EPCG Licence issued, the company has undertaken an export obligation for ₹ 33,013.79 lac, which is to be fulfilled over a period of 8 years. The company has completed the obligation to the extent of ₹ 28,457.93 lac and necessary application for redemption of license against which obligation is completed has been made to DGFT.

(c) In terms of advance license obtained for import of raw cotton the company has undertaken an export obligation for ₹ 1,726.63 lac which is to be fulfilled over a period of 2 years.The company has completed the obligation to the extent of ₹ 1,726.63 lac

(d) Under the package scheme of incentives of Government of Maharashtra for Mega Projects , the company is eligible for VAT and Electricity duty refund benefits for its home textiles and consumer durable goods divisions However, if it contravenes any of the conditions of the scheme or eligibility certificate or certificate of entitlement or agreement, it shall repay forthwith the entire benefits drawn / availed along with interest thereon together with costs, charges and expenses thereon

(e) Commitments

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
a) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	345.13	505.32
b) Letter of credits opened for which the material has not yet been shipped	618.46	619.48

21. REVENUE FROM OPERATIONS

[₹ in lac]

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
Gross Sales of Products (a)	109,111.76	74,102.91
Less: Excise Duty	2,372.61	2,744.49
Net Sales	106,739.15	71,358.42
Sale of Services (b)	41.29	278.60
Export Incentives / Benefits	7,168.55	3,288.08
Revenue from Operations	113,948.99	74,925.10

a) Includes sale to subsidiary companies ₹ 10750.29 lac, (previous year ₹ 2332.42 lac)

b) Includes tax deducted at source ₹ 0.83 lac (previous year ₹ 1.67 lac)

22. OTHER INCOME

[₹ in lac]

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
Interest Banks *	4.69	3.92
Interest Others **	18.67	33.95
VAT Refund under IPS	2,166.58	2,573.52
Lease rent income (a)	26.04	22.97
Miscellaneous Receipts and Incomes	11.58	7.91
Insurance claim received	49.59	-
Provision for doubtful debts/advances written back	37.67	-
Profit on sale of assets	2.19	-
Rent received	0.48	0.48
Previous year's income	0.10	6.69
Sundry balances / Excess provision written back (Net)	15.57	27.03
Liability no longer payable	68.39	76.29
TOTAL	2,401.55	2,752.76

* Includes tax deducted at source ₹ 0.24 lac, (previous year ₹ 0.35 lac)

** Includes tax deducted at source ₹ 1.69 lac, (previous year ₹ 2.08 lac)

(a) Includes operating lease:

i. The company has entered into lease arrangements , for renting specified machinery at a rent of ₹ 2.71 lac per month for a period of 120 months and are renewable at the option of the lessee after the end of the term.

ii. Disclosure in respect of assets given on operating lease:

[₹ in lac]

Particulars	2012-13	2011-12
Gross Carrying amount of assets *	549.63	549.63
Accumulated Depreciation *	336.35	305.70
Depreciation for the period (excluding amortisation of revaluation)	30.65	30.65

* Includes revalued figures.

23. COST OF MATERIALS CONSUMED

[Amount in ₹]

Particulars		For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
Raw material & Components consumed			
Opening Stock		2,900.10	3,253.98
Add : Purchases *		79,194.13	51,217.74
SUB-TOTAL		82,094.23	54,471.72
Less : Closing Stock		5,078.97	2,900.10
Cost of Sales		77,015.26	51,571.62

* Includes purchases from a subsidiary company ₹ 233.85 lac (previous year ₹ 549.39 lac)

24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

[₹ in lac]

Particulars		For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
Closing Stock			
Finished Goods		5,205.31	1,459.03
Stock in Process		6,810.59	6,478.61
Waste		46.22	23.76
SUB - TOTAL	A	12,062.12	7,961.40
Less : Opening Stock			
Finished Goods		1,459.03	2,633.24
Stock in Process		6,478.61	5,011.79
Waste		23.76	99.26
SUB - TOTAL	B	7,961.40	7,744.29
(INCREASE) / DECREASE IN STOCK	A-B	(4,100.72)	(217.11)

25. EMPLOYEE BENEFITS EXPENSE

[₹ in lac]

Particulars		For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
Salaries & Wages		4,069.04	3,169.13
Director's Remuneration		228.87	*118.61
Contribution to Provident & Other Funds		252.63	194.98
Gratuity		115.92	103.32
Staff Welfare Expenses		128.23	71.17
Recruitment & Training expenses		13.28	10.35
TOTAL		4,807.97	3,667.56

* Includes a sum of ₹ Nil (previous year ₹ 96.54 lac) paid to Managing Director and Executive Director as per sanction of shareholders. It exceeds by ₹ Nil (previous year ₹ 48.54 lac) as per Schedule XIII of Companies Act 1956 due to inadequacy of profit. The company has received approval from the Central Government for the excess remuneration paid .

EMPLOYEE POST RETIREMENT BENEFITS

[₹ in lac]

Particulars	For the period 01.04.2012 to 31.03.2013		For the period 01.04.2011 to 31.03.2012	
During the year, the following contribution have been made under defined contribution plans:-				
Employer's Contribution to Provident Fund	66.83		48.58	
Employer's Contribution to Employees Pension Scheme	146.07		117.43	
Employer's Contribution to Employees State Insurance	2.21		2.52	
Defined Benefit Plans	Gratuity	Leave Benefit	Gratuity	Leave Benefit
i) Assumptions				
Discount Rate	8%	8%	8%	8%
Salary Escalation	4%	4%	4%	4%
ii) Table showing changes in present value of obligations				
Present value of obligation as at beginning of the year	456.70	110.40	365.76	55.86
Interest cost	36.54	8.83	29.26	4.47
Current Service Cost	41.74	41.22	36.82	15.05
Benefits Paid	(18.79)	(6.02)	(14.55)	(3.34)
Actuarial (gain)/loss on obligation	10.78	(16.25)	39.41	38.36
Present value of obligations as at end of year	526.97	138.18	456.70	110.40
iii) Table showing changes in the present value of planned assets				
Fair value of plan assets at the beginning of year	228.93	57.25	141.32	46.17
Expected return on plan assets	27.52	6.43	16.39	4.56
Contributions	185.61	44.70	85.77	9.86
Benefits paid	(18.79)	(6.02)	(14.55)	(3.34)
Actuarial gain / (Loss) on plan assets				
Fair value of plan assets at the end of year	423.27	102.36	228.93	57.25
iv) Table showing fair value of planned assets				
Fair value of plan assets at the beginning of year	228.93	57.25	141.32	46.17
Actual return on planned assets	27.52	6.43	16.39	4.56
Contributions	185.61	44.70	85.77	9.86
Benefits paid	(18.79)	(6.02)	(14.55)	(3.34)
Actuarial (gain)/loss on plan asset				
Fair value of planned assets at the end of year	423.28	102.36	228.93	57.25
Funded status	(103.69)	(35.83)	(227.77)	(53.15)
v) Actuarial Gain / Loss recognized				
Actuarial (gain) / Loss for the year – obligation	(10.78)	(16.25)	(39.41)	(38.36)
Actuarial (gain)/Loss for the year – plan assets				
Total (gain) / Loss for the year	(10.78)	(16.25)	(39.41)	(38.36)
Actuarial (gain / Loss recognized in the year	(10.78)	(16.25)	(39.41)	(38.36)
vi) The amounts to be recognized in the balance sheet and statements of Profit & loss				
Present value of obligations as at the end of year	526.97	138.19	456.70	110.40
Fair value of plan assets as at the end of the year	423.28	102.36	228.93	57.25
Funded status	(103.69)	(35.83)	(227.77)	(53.15)
Net Asset / (Liability) recognized in balance sheet	103.69	35.83	227.77	53.15
vii) Expenses recognized in statement of Profit & Loss				
Current services cost	41.74	41.22	36.82	15.05
Interest cost	36.54	8.83	29.26	4.47
Expected return on plan assets	(27.52)	(6.43)	(16.39)	(4.56)
Net Actuarial (gain)/Loss recognized in the year	10.78	(16.25)	39.41	38.36
Expenses recognized in statement of P&L	61.54	27.37	89.09	53.32

The Estimates of rate of future salary increase takes account inflation, seniority, promotion and other relevant factors on long term basis.

The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of liability. The above information is certified by the actuary.

26. FINANCE COSTS

[₹ in lac]

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
Interest Expense		
- On Debentures	230.88	278.10
- On Term Loans	1,004.76	946.25
- On Working Capital Term Loans	228.21	265.73
- Banks	2,051.17	1,461.32
- Others	127.81	18.20
Bank Charges	582.43	452.52
Finance procurement charges	114.03	79.04
TOTAL	4,339.29	3,501.16

27. DEPRECIATION & AMORTISATION EXPENSE

[₹ in lac]

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
Depreciation	2,877.46	2,870.28
Less : Transfer to Revaluation Reserve	1,101.50	1,101.69
TOTAL	1,775.96	1,768.59

28. OTHER EXPENSES

[₹ in lac]

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
Consumption of Stores/Dyes and Packing Materials	7,456.67	4,679.28
Jobwork Charges	5,725.94	1,773.53
Power & Fuel	5,677.24	4,096.54
Rent (a)	104.45	77.95
Rates, Taxes & Fees	60.87	27.92
Insurance	296.84	231.80
Repairs to Machinery	210.31	147.14
Repairs to Buildings	28.64	11.20
Commission & Brokerage	1,619.94	1,015.48
Freight Outward	1,787.78	711.52
Other Selling expenses	1,146.98	560.41
Bad debts/advances written off	37.67	-
Exchange rate difference (Net)	1,600.76	521.24
Miscellaneous expenses (b)	1,855.42	1,558.97
TOTAL	27,609.51	15,412.98

(a) Including operating lease

[₹ in lac]

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
A) The total of future minimum lease payments under non-cancelable operating leases for each of the following years:		
i) Not latter than one year	43.99	-
ii) Later than one year and not later than five years,	-	105.48
iii) Later than five years,	-	-
B) The total of future minimum sub-lease payments expected to be received under non cancelable sub leases at the balance sheet date,	-	-
C) Lease payments recognized in the statement of profit & loss	61.48	66.28

(b) Includes payment to auditors

Details of Auditors remuneration

[₹ in lac]

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
As Statutory Audit Fees	5.50	5.50
As Quarterly Audit / Limited Review Fees	4.95	4.95
As Tax Audit Fees	1.55	1.55
For Tax Representations	0.21	0.55
For Certification Work	0.50	0.02
In Other Capacity	0.89	0.65
For Reimbursement of Expenses	2.77	1.24
TOTAL	16.37	14.46

29. FORWARD CONTRACTS

a) The company has outstanding foreign currency related derivative contracts in the form of options for helping its business related exposure which are not speculative in nature. The contracts have long dated tenor with multiple contigent / uncertain events. As such ascertainment of fair value of these contracts is not feasible. However , banks estimate the total mark to market (MTM) of all outstanding contracts at approx. loss of ₹Nil as at 31-03-2013, (previous year loss of ₹2,409 lac). The management is of the opinion that the determination and crystalisation of liability is dependant upon the outcome of uncertain future events or actions, not wholly within the control of the Company. As adoption of AS-30 is presently not mandatory, the estimated MTM loss of ₹Nil for the year ended 31-03-2013 (previous year loss of ₹2,409 lac) has not been provided.

b) Outstanding derivatives instruments as at 31-03-2013 entered by the Company :-

Currency	Number of Contracts	Amount in Foreign Currency	Amount (₹in lac)	Buy / Sell
US $/INR	Nil	Nil	Nil	Nil
Previous Year (US $ / INR)	(3)	(US $ 8 Mn)	(3,240)	Sell

c) Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise as at 31-03-2013 are as under :-

Currency	Number of Contracts	Amount in Foreign Currency	Amount (₹in lac)	Buy / Sell
US $ / INR	188	US $ 39.07 Mn	21,961	Sell
Previous Year	(112)	(US $ 53.20) Mn	(26,444)	(Sell)

30. Related Party Disclosure:

Related party disclosures as required by AS - 18 “Realted Party Disclosures” are given below:-

A. Relationship

i) Key management personnel

1. Shri Anil Kumar Jain - Chairman and Managing Director
2. Shri R. N. Gupta - Joint Managing Director
3. Shri K.K. Lalpuria - Execitive Director
4. Shri Kamal Mitra - Director (Works)

ii) Relatives of key management personnel

1. Smt. G.D. Jain
2. Smt. Shika Jain
3. Ms. Neha Singhvi
4. Shri Mohit Jain

iii) Parties where control exists

A. Subsidiary

1. Pranavaditya Spinning Mills Ltd.
2. Indo Count Global Inc. (USA)

B Associates

1. Margo Finance Ltd.
2. Indocount Securities Ltd.
3. Rini Investment and Finance Pvt. Ltd.
4. Sky Rise Properties Pvt. Ltd.
5. Unic Consultants
6. Yarntex Exports Ltd.
7. A.K. Jain HUF

[₹ in lac]

Particulars	Associates / Subsidiary		Relatives of Key Management Personnel		Key Management Personnel		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Remuneration paid	-	-	19.59	12.49	235.05	(124.05)	254.64	136.54
Consultancy Fees	13.93	9.63	-	-	-	-	13.93	9.63
Rent Received	0.48	0.48	-	-	-	-	0.48	0.48
Expenses Reimbursed	52.64	42.40	-	-	-	-	52.64	42.40
Sales	10,750.29	2,332.42	-	-	-	-	10,750.29	2,332.42
Interest Income	16.14	13.92	-	-	-	-	16.14	13.92
Lease Rental Income	26.04	22.97	-	-	-	-	26.04	22.97
Lease Rent Paid	61.48	39.28	-	-	-	-	61.48	39.28
Purchase of Goods	233.85	549.39	-	-	-	-	233.85	549.39
Balance outstanding at the end of year								
a) Investments	1,946.93	1,962.42	-	-	-	-	1,946.93	1,962.42
b) Loan to Subsidiary	140.66	181.13	-	-	-	-	140.66	181.13
c) Sundry Creditors	-	(0.04)	-	-	-	-	-	(0.04)
d) Sundry Debtors	5,995.46	1,665.04	-	-	-	-	5,995 .46	1,665.04

31. Segment data : -

A. Primary segment

[₹ in lac]

Particulars	Textiles		Consumer Durable Goods		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment revenue	101,377.19	58,529.64	12,571.80	16,395.46	113,948.99	74,925.10
Other income	371.39	178.34	2,030.16	2,574.42	2,401.55	2,752.76
Total income	101,748.58	58,707.98	14,601.96	18,969.89	116,350.54	77,677.86
Operating profit	8,565.19	4,470.25	650.62	895.15	9,215.82	5,335.40
Financial costs	4,330.07	3,493.11	9.22	8.06	4,339.29	3,501.17
Taxes	339.87	52.98	-	-	339.87	52.98
Net profit	2,087.88	(825.81)	622.81	838.47	2,710.70	12.66
Segment Assets	77,373.85	62,064.49	3.919.13	3,637.18	81,292.98	65,701.68
Segment Liabilities	49,073.26	30,890.72	725.83	1,066.70	49,799.09	31,957.42
Capital employed	16,881.30	18,685.79	3,193.30	2,570.48	20,074.60	21,256.27
Capital expenditure	2,515.48	751.19	-	-	2,515.48	751.19
Depreciation	1,757.37	1,749.97	18.59	18.62	1,775.96	1,768.59
Exceptional Items	1,568.85	1,234.90	-	-	1,568.85	1,234.90
NonCash expenditure	11,419.28	12,520.78	-	-	11,419.28	12,520.78

B. Secondary Segment – Geographical -

The company's operating facilities are located in India

[₹ in lac]

Particulars	Current Year	Previous Year
Domestic revenues	20,645.59	21,814.14
Export revenues	93,303.40	53,110.96
TOTAL	113,948.99	74,925.10

32. EARNING PER SHARE (EPS)

Particulars		For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
Basic Earnings Per Share			
Profit after tax as per profit & loss account		2,710.70	12.65
Less: Dividend on preference shares		10.00	-
Less: Dividend distribution Tax		1.62	-
Profit available for shareholders	A	2,699.08	12.65
No. of equity shares	B	35,481,634	35,481,634
Basic / dilutive earning Per Share (₹)	(A/B)	7.61	0.04

33. Figures for the previous year have been regrouped / rearranged wherever considered necessary.

34. In the opinion of the management, the current assets, loans and advances are expected to realise at least the amout at which they are stated, if realised in the ordinary course of business and provision for all known liabilities has been adequetly made in the accounts.

35. Figures have been rounded off to the nearest rupee in lac

36. Value of imported / indigenous Raw materials, Stores/Dyes and Packing Materials consumed

Class of Goods	For the period 01.04.2012 to 31.03.2013		For the period 01.04.2011 to 31.03.2012	
	₹ In lac	Percentage	₹ In lac	Percentage
Raw Materials				
Imported	1,465.67	1.90%	26.06	0.08%
Indigenous	75,549.60	98.10%	51,545.56	99.92%
	77,015.27	100.00%	51,571.62	100.00%
Stores/ Dyes and Packing Materials				
Imported	704.32	9.45%	351.62	9.70%
Indigenous	6,752.35	90.55%	4,327.66	90.30%
	7,456.67	100.00%	4,679.28	100.00%

37) Other Informations

[₹ in lac]

Particulars	For the period 01.04.2012 to 31.12.2013	For the period 01.04.2011 to 31.03.2012
CIF value of Imports		
Capital goods	1,383.89	17.14
Raw materials	1,677.22	26.06
Stores/ Dyes and Packing Materials	205.85	415.98
Expenditure in Foreign Currency		
Travelling	61.17	104.11
Selling Commission / Claims	1,020.20	890.46
Others	584.65	60.59
Earnings in Foreign Currency		
FOB value of exports	85,713.94	49,689.66

38 Remittance in Foreign Currency on account of dividend to non-resident shareholders

	Current Year			Previous Year		
	No. of Shareholders	Shares held	Net Amount of Dividend	No. of Shareholders	Shares held	Net Amount of Dividend
			[₹ in lac]			[₹ in lac]
	1	12,400,491	NIL	1	12,400,491	NIL

See accompanying notes to the financial statements

As per our report of even date annexed
For B.K.SHROFF & CO.,
Chartered Accountants
Reg. No. 302166E

ANIL KUMAR JAIN
Chairman & Managing Director

R. N. GUPTA
Joint Managing Director

O. P. SHROFF
Partner
Membership No. 6329

R. SUNDARAM
President Finance & Company Secretary

Mumbai: 24th May 2013

Independent Auditors' Report

To
The Board of Directors of
Indo Count Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Indo Count Industries Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2013, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Consolidated Financial Statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2013;

b) In the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and

c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

a) Financial statements of an Indian Subsidiary which reflects total assets of ₹ 4665.86 lac as at March 31, 2013, total revenue of ₹ 6126.48 lac and net cash flows amounting to ₹ (9.68) lac for the year ended, have been audited by us.

b) We did not audit the financial statements of a Foreign Subsidiary, whose financial statements reflect total assets of ₹ 6491.21 lac as at March 31, 2013, total revenues of ₹ 9636.69 lac and net cash flows amounting to ₹ (9.15) lac for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, is based solely on the reports of other auditors.

Our opinion is not qualified in respect of other matters.

For B.K.Shroff & Co.
Chartered Accountants
Reg. No. : 302166E

O. P. SHROFF
Partner

Mumbai: 24th May 2013
Membership Number 6329

Consolidated Balance Sheet as at 31st March , 2013

[₹in lac]

		NOTE	As at 31-03-2013		As at 31-03-2012	
I	EQUITY AND LIABILITIES					
(1)	SHAREHOLDERS' FUNDS					
(a)	Share Capital	2		3,798.16		3,798.16
(b)	Reserves & Surplus	3		15,652.74		14,089.90
(2)	SHARE APPLICATION MONEY PENDING ALLOTMENT			110.00		-
(3)	MINORITY INTEREST			132.17		114.21
(4)	NON - CURRENT LIABILITIES					
(a)	Long Term Borrowings	4		13,591.20		17,552.68
(b)	Other Long Term Liailities	5		201.87		335.21
(5)	CURRENT LIABILITIES					
(a)	Short Term Borrowings	6		22,853.02		14,243.27
(b)	Trade Payables	7		18,755.28		11,198.96
(c)	Other Current Liabilities	8		8,267.56		6,958.16
(d)	Short Term Provisions	9		567.70		0.34
				83,929.70		68,290.89
II	ASSETS					
(1)	NON CURRENT ASSETS					
(a)	FIXED ASSETS					
(i)	Fixed Assets	10	35,956.76		36,509.97	
(ii)	Capital Work in Progress	11	176.62	36,133.38	486.02	36,995.99
(b)	Non - Current Investments	12		0.17		7.17
(c)	Deferred Tax Assets (NET)	13		2,125.72		2,643.85
(d)	Long Term loans and advances	14		281.87		212.59
(2)	CURRENT ASSETS, LOANS & ADVANCES					
(a)	Inventories	15	24,580.54		14,804.83	
(b)	Trade Receivables	16	8,792.29		5,855.95	
(c)	Cash and cash equivalents	17	861.19		714.10	
(d)	Short Term Loans & Advances	18	5,271.99		5,061.27	
(e)	Other Current Assets	19	5,882.55	45,388.56	1,995.14	28,431.29
				83,929.70		68,290.89

See accompanying notes to the financial statements

As per our report of even date annexed
For B.K.SHROFF & CO.,
Chartered Accountants
Reg. No. 302166E

ANIL KUMAR JAIN
Chairman & Managing Director

R. N. GUPTA
Joint Managing Director

O. P. SHROFF
Partner
Membership No. 6329

R. SUNDARAM
President Finance & Company Secretary

Mumbai: 24th May 2013

Consolidated Profit & Loss Account for the year ended 31st March , 2013

[₹in lac]

		NOTE	YEAR ENDED 31-03-2013	YEAR ENDED 31-03-2012
I	Revenue from operations	21	118,677.75	77,971.28
II	Other Income	22	2,409.64	2,742.38
III	TOTAL REVENUE		121,087.39	80,713.66
IV	EXPENSES			
	Cost of materials consumed	23	80,522.13	54,573.21
	Purchase of stock in Trade		233.85	672.52
	Changes in Inventories of finished goods, Work in Process and Stock in Trade	24	(7,095.62)	(1,422.83)
	Employee Benefits	25	5,348.17	4,087.18
	Finance Charges	26	4,357.54	3,518.57
	Depreciation and amortisation expense	27	1,848.37	1,859.67
	Manufacturing & Other Expenses	28	30,696.18	16,501.49
	TOTAL EXPENSES		115,910.62	79,789.81
V	Profit before Exceptional items and Taxation		5,176.77	923.85
VI	Exceptional Items	29	1,568.85	1,234.90
VII	Profit Before Tax		3,607.92	(311.05)
VIII	Tax expense:			
	Income Tax for current year		555.88	-
	Income Tax for earlier years		0.31	25.14
	Deferred Tax Asset (Net)		518.13	(104.87)
	MAT Credit Entitlement		(474.40)	-
	MAT Credit Entitlement for earlier years		56.81	-
IX	PROFIT AFTER TAX		2,951.19	(231.32)
	Share of Profit/Loss transferred to Minority Interest		17.96	(13.15)
X	PROFIT AFTER TAX (after adjustment for Minority Interest)		2,933.23	(218.17)
XI	EARNING PER SHARE	31		
	Basic and dilutive ₹		8.23	(0.61)

See accompanying notes to the financial statements

As per our report of even date annexed
For B.K.SHROFF & CO.,
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Reg. No. 302166E

ANIL KUMAR JAIN
Chairman & Managing Director

R. N. GUPTA
Joint Managing Director

O. P. SHROFF
Partner
Membership No. 6329

R. SUNDARAM
President Finance & Company Secretary

Mumbai: 24th May 2013

Consolidated Cash Flow Statement for the year ended 31-03-2013

[₹ in lac]

Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before exceptional item and tax		3,607.93		(311.05)
Less: Transitional Reserve of Profit & Loss items		(214.29)		(75.67)
Less: Share of Profit of Minority		(17.96)		13.15
Adjusted Net Profit/(Loss) before extraordinary item and tax		3,375.68		(373.57)
Adjustments for:-				
Depreciation and amortisation		1,848.37		1,859.67
(Profit)/Loss on sale /write off of assets		(2.19)		0.55
Finance Cost		4,357.54		3,518.57
Interest income		(15.27)		(33.60)
VAT Refund under IPS		(2,166.58)		(2,573.52)
Loss on sale of long term investments		1.84		-
Exceptional Items		1,568.85		1,234.90
Operationg profit / (loss) before working capital changes		8,968.24		3,633.00
Changes in working capital:				
Adjustment for (increase)/decrease in operating assets				
Inventories	(9,775.70)		(1,527.48)	
Trade Receivables	(2,936.34)		(209.08)	
Short term loan and advances	(213.05)		(734.45)	
Long term loan advances	(69.29)		(63.99)	
Other current assets	(3,469.82)	(16,464.20)	225.64	(2,309.36)
Adjustment for increase /(decrease)in operating liabilities				
Trade payable	7,556.32		2,157.51	
Other current liabilities	1,309.41		1,096.88	
Other long term liabilities	(133.34)		41.71	
Short-term provisions	11.48	8,743.87	0.25	3,296.35
Net taxes (paid)/refund received		2.02		(114.54)
Net Cash flow from /(used in) operating activities(A)		1,249.93		4,505.45
B) CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets,including capital advances		(2,150.54)		(964.69)
Proceeds from sale of fixed assets		2.83		0.30
Proceeds from sale of long term investments		5.16		-
Transitional reserve of Balance Sheet Items		(194.64)		71.48
Transitional reserve of Profit & Loss Items		214.29		(75.67)
Purchase of long term investments		-		(0.35)
VAT Refund under IPS		2,166.58		2,573.52
Interest Received		15.27		33.60
Cash Flow from Exceptional items		(1,568.85)		(1,234.90)
Net Cash flow from/(used in) investing activities(B)		(1,509.91)		403.29

[₹ in lac]

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
C) CASH FLOW FROM FINANCING ACTIVITIES.		
Proceeds from issue of Preference shares	-	250.00
Share Application money received	110.00	-
Share Application money utilised against Preference shares	-	(250.00)
Changes in Minority Interest	17.96	(13.15)
Net increase/(Decrease) in long term borrowings	(3,961.48)	(3,447.33)
Net increase/(Decrease) in short term borrowings	8,609.75	1,255.11
Finance Cost	(4,357.54)	(3,518.57)
Preference Dividend	(10.00)	-
Tax on dividend	(1.62)	-
Net Cash flow from / (used in) financing activities (C)	407.07	(5,723.94)
Net Increase / (decreae) in cash and cash equivalents (A+B+C)	147.09	(815.20)
Cash and cash equivalents at the beginning of the year	714.10	1,529.30
Cash and cash equivalents at the end of the year	861.19	714.10
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and cash and cash equivalents as per Balance sheet	861.19	714.10
Cash and cash equivalents at the end of the year Comprises of:		
(a) cash on hand	18.24	8.72
(b) foreign currency on hand	4.67	-
(c) Balance with banks		
(i) In Current accounts	792.39	548.74
(ii) In EEFC accounts	-	-
(iii) In earmarked Accounts	45.89	156.64

As per our report of even date annexed
For B.K.SHROFF & CO.,
Chartered Accountants
Reg. No. 302166E

ANIL KUMAR JAIN
Chairman & Managing Director

R. N. GUPTA
Joint Managing Director

O. P. SHROFF
Partner
Membership No. 6329

R. SUNDARAM
President Finance & Company Secretary

Mumbai: 24th May 2013

1. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of consolidation

(i) The accounts have been prepared to comply with all material aspects applicable to accounting policies of Indo Count Industries Limited. Goodwill arising on investments made in subsidiary company has been treated as intangible asset and capital reserve arising on investments made in subsidiary company has been treated as reserve and surplus.

(ii) The consolidated accounts have been prepared based on a line by line consolidation of the profit & loss account and balance sheet of Indo Count Industries Limited and its subsidiary. For the purpose of consolidation, adjustments have been made in respect of shareholdings in subsidiary company, amounts owed from/to company within group and in respect of intra group transactions, as per Accounting Standard (AS-21) “Consolidated Financial Accounts”.

(iii) The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the holding company.

(iv) Indo Count Industries Limited holds 93.76 % shareholding in Pranavaditya Spinning Mills Limited (PSML) . PSML is incorporated in India and is engaged in the business of manufacture of cotton yarn.

(v) Indo Count Industries Limited holds 100 % shareholding in Indo Count Global Inc USA.(ICG).ICG is incorporated in USA and is engaged in the business of selling Home Textile Products.

2. Significant Accounting Policies:

(a) Method of Accounting

i) The accounts are prepared under the historical cost convention using the accrual method of accounting unless otherwise stated hereinafter.

ii) Accounting policies not significantly referred to are consistent with generally accepted accounting principles.

(b) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

(c) Fixed Assets

Fixed assets are stated at cost except for land, plant & machinery (other than of electronics division) and buildings which have been shown at revalued amount. Cost is inclusive of inward freight, duties & taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational, start-up and trial run expenses form part of the value of the assets capitalised. As per practice, expenses incurred on modernisation / debottlenecking / relocation / relining of plant & equipment are capitalised. Fixed assets, other than leasehold land, acquired on lease are not treated as assets of the company and lease rentals are charged off as revenue expenses.

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company’s fixed assets. If any indication exists, an asset’s recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

(d) Capital Work-in Progress

All expenditure including interest cost incurred during the project construction period are accumulated and disclosed as capital work-in-progress until the assets are ready for commercial use. Assets under construction are not depreciated. Income earned from investment of surplus borrowed funds during construction/trial run period is reduced from capital work-in-progress. Expenditure/ income arising during trial run is added to/ reduced from capital work-in-progress.

(e) Investments

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

Current investments are stated at lower of cost and quoted / fair value.

(f) Inventories

Inventories are valued at lower of cost or net realizable value except for waste.

Cost is determined using the first-in-first-out (FIFO) basis except for inventories of home textiles division where cost is determined at weighted average .

Finished goods and stock in process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Wastage and rejections are valued at estimated realizable value.

Obsolete, defective and unserviceable stocks are duly provided for.

The closing stock of units partly comprises of such materials lying in finished or semi-finished stage. The mode of valuation referred to ‘ Weighted Average Cost’ represents cost worked out by taking into account the price charged by such units.

(g) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(h) Excise Duty

Provision for excise duty is made on waste and finished goods lying in bonded warehouse and meant for sale in domestic tariff area. CENVAT benefit is accounted for by reducing the purchase cost of the material / Fixed assets.

(i) Retirement and other employee related benefits

i) Short term Employee Benefits

All employee benefits payable only within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc and the expected cost of bonus, exgratia, incentives are recognized in the period during which the employee renders the related service.

ii) Post employment Benefits

a) Defined Contribution Plans

State Government Provident Fund Scheme is a defined contribution plan. The contribution paid/payable under the scheme is recognized in the profit and loss account during the period in which the employee renders the related service.

b) Defined Benefit Plans

The employee Gratuity Fund Scheme and Leave Encashment Scheme managed by different trusts are defined benefit plans. The present value of obligation under such defined benefit plans are determined based on acturial valuation under the projected unit credit method which recognizes each period of service as giving rise to additional unit of employees benefits entitlement and measues each unit separately to build up the final obligation.

The obligations are measured at the present value of future cash flows. The discount rates used for determining the present value having maturity periods approximated to the returns of related obligations.

Actuarial gains and losses are recognized immediately in the profit & loss account.

In case of funded plans, the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on net basis.

(j) Research and Development

Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure on research & development is shown as an addition to fixed assets.

(k) Depreciation

Depreciation is calculated on fixed assets on straight-line method in accordance with Schedule XIV to the Companies Act 1956. Leasehold assets are depreciated over the lease period. Software system is amortized over a period of five years. Depreciation on amount of additions made to cost of fixed assets on account of foreign exchange fluctuation is provided prospectively over the residual life of the fixed assets.

Depreciation on revalued assets is calculated on straight line method over the residual life of the respective assets as estimated by the valuer. The additional charge for depreciation on account of revaluation is withdrawn from the revaluation reserve and credited to the profit and loss account.

(l) Foreign Currency Transactions, Derivatives instruments and hedge accounting

Transactions in foreign currency other than those covered by forward contracts are accounted for at the prevailing conversion rates at the close of the year and difference arising out of the settlement are dealt with in the Profit and Loss account. Outstanding export documents when covered by foreign exchange forward contracts are translated at contracted rates. Foreign currency loans availed for acquisition of fixed assets are restated at the exchange rate prevailing at year end and exchange rate difference arising on such transactions are adjusted to the cost of fixed assets. Other foreign currency current assets and liabilities outstanding at the close of the year are valued at the year end exchange rates. The fluctuations are reflected under the appropriate revenue head.

The company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The company designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 ‘Financial Instruments: Recognition and Measurement’ (AS-30).

Changes in the fair value of derivatives financial instruments that do not qualify for hedge accountings are recognized in profit and loss account as they arise.

Hedging instruments are initially measured at fair value. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. If a hedge transaction is no longer expected to occur, the net cumulative gain or loss is recognized in profit and loss account for the year.

(m) Revenue Recognition

Sales are accounted for ex-factory on despatch and do not include excise duty.

(n) Claims & Benefits

Claims recoverable and export incentives / benefits are accounted on accrual basis to the extent considered recoverable. Export incentives / benefits include premium on import licence, sales tax, etc.

(o) Subsidy

Subsidy is recognized when there is reasonable assurance that the subsidy will be received and conditions attached to it are complied with.

Government subsidy in the nature of promoter's contribution is credited to capital reserve. Subsidy received against a specific asset is reduced from the cost of the asset.

(p) Income from Investment / Deposits

Income from investments / deposits is credited to revenue in the year in which it accrues. Income is stated in full with the tax thereon being accounted for under income tax deducted at source.

(q) Taxation

Provision for current tax is made by applying the applicable tax rates and tax laws. Deferred Taxation is provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure which are expected with reasonable probability to crystallize in the foreseeable future. Deferred tax benefits are recognized in the financial statements only when such benefits are reasonably expected to be realizable in the near future.

(r) Earnings per share

Basic earning per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the year.

Diluted earning per share is calculated by dividing the net profit attributable to equity shareholders by the weighted average number of equity share outstanding during the year adjusted for the effects of dilutive options.

(s) Segment Information

The company is currently organized into two business-operating segments viz: Textile and consumer durable / electronic goods. In line with the global trend, the company has viewed yarn, fabrics and textiles as one integrated business. Therefore, all these products have been considered as part of a single business segment. Yarn, covers production of basic cotton yarn over a wide range of counts, which besides being primarily exported, is also used for further value addition in fabrics and textiles. While, fabrics cover value added activity relating to knitting and weaving, textiles cover value added activity relating to processed fabrics. The company also manufactures electronic / consumer durable goods.

The accounting principles used in preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments. Revenue and direct expenses in relation to segments are categorized based on items that are individually identifiable or allocable on a reasonable basis to that segment. Certain corporate level revenue and expenses, besides financial costs and taxes are not allocated to operating segments and are included under the head "unallocable".

Assets and Liabilities represent assets employed in operations and liabilities owed to third parties that are individually identifiable or allocable on a reasonable basis to that segment. Assets and Liabilities excluded from allocation to operating segments such as investments, corporate debt and taxes etc. are classified as “unallocable”.

Segment assets employed in the company’s various business segments are all located in India. Capital expenditure includes expenditure incurred during the period of acquisition of segment fixed assets.

The company has considered geographical segment as secondary reporting segment for disclosure. For this purpose, revenues are bifurcated based on sales in India and outside India.

(t) Operating Leases

Operating lease receipts and payments are recognized as income or expenses in the profit and loss account on a Straight - line basis over the lease term.

(u) Events occurring after balance date

Events occurring after the balance sheet date have been considered in the preparation of the financial statements.

(v) Contingent Liabilities

Contingent liabilities as defined in Accounting Standard-29 are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefit will be required for an item previously dealt with as a contingent liability.

2. SHARE CAPITAL

Particulars		No. of Shares		[₹ in lac]	
		As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
a) Authorised					
Equity Shares of ₹10 each					
At the beginning of the period		55,000,000	55,000,000	5,500.00	5,500.00
Add: Additions during the period		-	-	-	-
Less: Reduction during the period		-	-	-	-
At the end of the period	A	55,000,000	55,000,000	5,500.00	5,500.00
Preference Shares of ₹10 each					
At the beginning of the period		5,000,000	5,000,000	500.00	500.00
Add: Additions during the period		-	-	-	-
Less: Reduction during the period		-	-	-	-
At the end of the period	B	5,000,000	5,000,000	500.00	500.00
TOTAL	A+B	60,000,000	60,000,000	6,000.00	6,000.00
b) Issued, Subscribed and Paid up					
Equity Shares of ₹10 each					
At the beginning of the period		35,481,634	35,481,634	3,548.16	3,548.16
Add: Additions during the period		-	-	-	-
Less: Reduction during the period		-	-	-	-
Add: Additions during the period		-	-	-	-
At the end of the period	A	35,481,634	35,481,634	3,548.16	3,548.16
4% Preference Shares of ₹10 each fully paid up *					
At the beginning of the period		2,500,000	-	250.00	-
Add: Additions during the period		-	2,500,000	-	250.00
Less: Reduction during the period		-	-	-	-
At the end of the period	B	2,500,000	2,500,000	250.00	250.00
TOTAL	A+B	37,981,634	37,981,634	3,798.16	3,798.16

* 4 % Cumulative Preference shares (amended in extra ordinary general meeting held on 17-11-2012, previously non-cumulative), redemmable on or before 12-09-2021 at par.

Terms / rights attached to equity shares

(i) The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share, The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of equity shares in the company held by each shareholder holding more than 5% of shares is as under:

Name of the Shareholder	No. of Shares			
	As at 31.03.2013	percentage	As at 31.03.2012	percentage
Indocount Securities Limited	5,270,777	14.85%	5,270,777	14.85%
Sandridge Investments Limited	12,400,491	34.95%	12,400,491	34.95%
Elm Park Fund Ltd.	2,717,161	7.66%	-	-

Details of preference shares in the company held by each shareholder holding more than 5% of shares is as under:

Name of the Shareholder	No. of Shares			
	As at 31.03.2013	percentage	As at 31.03.2012	percentage
Tozai Enterrprises Pvt. Ltd.	2,500,000	100%	2,500,000	100%

3. RESERVES & SURPLUS

[₹ in lac]

Particulars		As at 31.03.2013	As at 31.03.2012
Capital Reserve			
At the beginning of the period		198.81	198.81
Add: Additions during the period		-	-
Less: Reduction during the period		-	-
At the end of the period	A	198.81	198.81
Share Premium			
At the beginning of the period		1,443.59	1,443.59
Add: Additions during the period		-	-
Less: Reduction during the period		-	-
At the end of the period	B	1,443.59	1,443.59
Debenture Redemption Reserve			
At the beginning of the period		750.00	750.00
Add: Transferred from Profit & Loss Account		-	-
Less: Reduction during the period		-	-
At the end of the period	C	750.00	750.00
Revaluation Reserve			
At the beginning of the period		14,336.95	15,501.28
Add: Transferred from Profit & Loss Account		-	-
Less: Reduction during the period		1,164.13	1,164.33
At the end of the period	D	13,172.82	14,336.95
Transitional Reserve			
At the beginning of the period		(4.19)	-
Add: Creation during the period for Balance Sheet items		(194.64)	(79.86)
Add: Creation during the period for Profit and Loss items		214.29	75.67
At the end of the period	E	15.46	(4.19)
Profit & Loss Account			
At the beginning of the period		(2,635.26)	(2,341.42)
Add: Profit / (Loss) for the period		2,933.23	(218.17)
Less: Transferred to Transitional Reserve		(214.29)	(75.67)
Less: Dividend on preference shares		(10.00)	-
Less: Dividend distribution Tax		(1.62)	-
At the end of the period	F	72.06	(2,635.26)
TOTAL (A + B + C + D + E + F)		15,652.74	14,089.90

4. LONG TERM BORROWINGS (Secured)

[₹ in lac]

	Particulars	As at 31.03.2013	As at 31.03.2012
1)	DEBENTURES (b)		
	10 % 300 Secured redeemable non convertible debentures of ₹ 10,00,000/ each	1,584.00	2,034.00
	(reduced by installments paid till date ₹1,416.00 lac (previous year ₹ 966.00 lac))		
2)	TERM LOAN		
	Rupee loans		
	From Banks (b)	6,540.26	8,485.20
	From Financial Institutions (b)	2,046.16	2,627.29
3)	Working Capital Term Loan (b)	1,584.00	2,075.83
4)	Demand Term Loan (c)	1,803.12	2,315.15
5)	Hire Purchase Finance (d)	33.66	15.21
	TOTAL	13,591.20	17,552.68

a) Based on reference of Union Bank of India, the Lead Bank, a financial restructuring package was approved by Empowered Group of Corporate Debt Restructuring (CDR-EG).
While the company had given effect of the restructuring package in its books of account, banks have continued to raise demand notices for interest payment at the rate of interest charged prior to the sanction of restructuring package.
The company has taken up the matter with the banks and accordingly the resultant difference in interest (which is still under reconciliation / determination) between the demand notice received from banks and as per company's books of account, has not been provided, as the liability is not payable.

b) Secured inter se on pari-passu basis by way of mortgage of all immovable properties and hypothecation of all movable properties (save and except stocks and book debts and moveables of electronic division) both present and future. Loans (including current maturities of long term debts) of ₹ 15,764.11 lac (previous year ₹ 18,339.53 lac) are additionally secured by personal guarantee of the Managing Director.

c) Secured against third charge on the fixed assets of the company. Loans (including current maturities of long term debts) of ₹ 2,434.72 lac (previous year ₹ 2,933.69 lac) are additionally secured by personal guarantee of the Managing Director.

d) Secured against hypothecation of Vehicles acquired under Auto Loan Schemes.

e) The term loans are further secured by way of first / second charge on the existing fixed assets of a subsidiary company. Further, the company has pledged 72,16,512 equity shares held by it in a subsidiary company, as per CDR stipulation. However, the company has complied all the stipulations of CDR terms and the pledged shares are yet to be released.

Long Term Loans Repayment Schedule

[₹ in lac]

Particulars	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	4-5 Years
10 % Secured redeemable non convertible Debentures	450.00	390.00	390.00	354.00
TERM LOAN:				
Rupee loans:				
From Banks	1,858.48	1,609.95	1,609.95	1,461.90
From Financial Institutions	581.25	503.75	503.75	457.41
Working Capital Term Loan	450.00	390.00	390.00	354.00
Demand Term Loan	512.25	443.95	443.95	402.97
Hire Purchase Finance	14.06	8.73	8.57	2.29
TOTAL	3,866.04	3,346.38	3,346.22	3,032.57

The company has defaulted in repayment of Loans and interest in respect of the following:

Particulars	As at 31.03.2013		As at 31.03.2012	
	Period of Default	[₹ In lac]	Period of Default	[₹ In lac]
Demand Term Loans:				
ICICI Bank				
Principle	0- 30 days	-	0- 30 days	42.26
	61-90 days	-	61-90 days	42.26
Interest	0-30 days	-	0-30 days	11.78
	31-60 days	-	31-60 days	11.53
	61-90 days	-	61-90 days	11.53
	91-120 days	-	91-120 days	10.95
				-
IDBI Bank				
Principle	0- 30 days	-	0- 30 days	55.92
Interest	0-30 days	-	0-30 days	14.95
	31-60 days	-	31-60 days	13.89
	61-90 days	-	61-90 days	14.70

In terms of master restructuring agreement dated 30-03-2009, if the company commits a default in payment or repayment of three consecutive installment of principal amounts of the facilities or interest thereon or any combination thereof, then, the lenders shall have the right to convert, at their option, the whole of the outstanding amount of the facilities and /or 20% of rupee equivalent of the defaulted amount into fully paid-up equity shares of the company, at par, in the manner specified in a notice in writing to be given by the lenders to the company prior to the date on which the conversion is to take effect, which date shall be specified in the said notice.

5. OTHER LONG TERM LIABILITIES

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
Employee Benefits	201.87	335.21
TOTAL	201.87	335.21

6. SHORT TERM BORROWINGS (Secured)

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
Loans repayable on Demand		
From Banks		
- In Rupees (a,b)	22,582.08	13,192.28
- In Foreign Currency	270.94	1,050.99
TOTAL	22,853.02	14,243.27

(a) Secured by hypothecation of Raw materials, Semi finished goods, Finished goods, Stores and Spares, Goods in transit and Book Debts of Spinning and Home textile divisions, and further secured by second charge on Fixed Assets both present and future and personally guaranteed by the Managing Director.

(b) Loan of a subsidiary company is secured against pledge of stock of cotton bales together with corporate guarantee of the holding company.

7. TRADE PAYABLES

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
Total outstanding dues of Micro Enterprises and Small Enterprises (a, b)	2.93	2.93
Others	18,752.35	11,196.03
TOTAL	18,755.28	11,198.96

(a) The names of small scale industrial undertakings to whom the company owes any sum and outstanding for more than thirty days: Saikrupa Industries.

Payments against supplies from small-scale industries are made in accordance with agreed terms. Besides, there are no claims from the parties for interest on overdue payments.

(b) The company has not received any intimation from other suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

8. OTHER CURRENT LIABILITIES

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
Current Maturities of Long Term Debts	4,654.56	3,742.23
Interest accrued and due on borrowings	145.20	140.36
Security deposit	33.47	43.75
Advance from Customers	79.86	125.39
Other Payables *	3,354.48	2,906.43
TOTAL	8,267.57	6,958.16

* Includes amount to be credited to Investor Education & Protection Fund-

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
a) Unpaid Dividend	-	-
b) Unpaid application money received for allotment of securities and due for refund	--	--
c) Unpaid matured deposits	-	-
d) Unpaid matured debentures	-	-
e) Interest accrued on (a) to (d) above	-	-

9. SHORT TERM PROVISIONS

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
Provision for Income Tax	555.88	-
Provision for Wealth Tax	0.20	0.34
Dividend on Preference Shares	10.00	-
Tax on Dividend	1.62	-
TOTAL	567.70	0.34

10. FIXED ASSETS

[₹ in lac]

PARTICULARS	GROSS BLOCK				DEPRECIATION	NET BLOCK	
	As at 1-04-2012	Additions	Sales / Adjustment	As at 31.03.2013	As at 31.03.2013	As at 31.03.2013	As at 31-03-2012
TANGIBLE:							
a) At cost							
Land - Freehold	28.75	-	-	28.75	-	28.75	28.75
Land - Leasehold	273.11	-	-	273.11	9.43	263.68	254.35
Buildings *	6,510.99	93.13	-	6,604.12	2,097.27	4,506.85	4,503.18
Plant & Machinery	34,212.63	2,041.16	2.98	36,250.81	18,963.46	17,287.35	13,814.84
Furniture & Fixtures	376.58	60.26	-	436.84	310.21	126.63	128.21
Factory & Office Equipments	473.15	60.34	-	533.49	316.25	217.24	189.13
Vehicles #	200.88	48.81	9.48	240.21	137.50	102.71	71.58
b) At revalued cost							
Land - Freehold	817.46	-	-	817.46	-	817.46	817.46
Land - Leasehold	774.72	-	-	774.72	16.09	758.63	772.03
Buildings	2,029.93	-	-	2,029.93	230.44	1,799.49	1,970.96
Plant & Machinery	14,749.75	-	-	14,749.75	4,961.60	9,788.15	13,848.27
Factory & Office Equipments	13.63	-	-	13.63	4.54	9.09	10.23
INTANGIBLE:							
Goodwill	71.84	-	-	71.84	-	71.84	71.84
Software	32.38	156.22	-	188.60	9.71	178.89	29.14
TOTAL	60,565.80	2,459.92	12.46	63,013.26	27,056.50	35,956.76	36,509.97
Previous Year	59,881.16	690.79	6.15	60,565.80	24,055.83		

Includes

a) * (i) 10 shares of ₹ 50 each of Arcadia Premises Co-operative Society Ltd.

b) # One vehicle costing ₹ 38.45 lacs, is in the name of the Managing Director as a nominee of the Company.

c) The holding company revalued its land, buildings and plant & machinery (except for electronics division and 2 D.G. sets of spinning division) as on 01-10-2008 based on the valuation made by an approved valuer. Accordingly, the original cost of such assets resulted in gross increase in the value of assets over their original cost by ₹ 15,092.28 lac , increase in depreciation upto 31-03-2013 on revaluation by ₹ 4,498.55 lac and thereby net revaluation reserve as at 31-03-2013 is ₹ 10593.73 lac.

d) Revaluation of 2 D.G. sets of spinning division of holding company was carried out on 01-04-2009 by an approved valuer. The revaluation resulted in a gross increase in the value of assets over their original cost by ₹ 1,238.07 lac. increase in depreciation up to 31-03-2013 on revaluation by ₹ 412.52 lac and thereby net revaluation reserve as at 31-03-2013 is ₹ 825.55 lac.

e) The Indian subsidiary company revalued its land, buildings and plant & machinery as on 01-04-2009 based on the valuation made by an approved valuer. Accordingly, the original cost of such assets resulted in gross increase in the value of assets over their original cost by ₹ 2,055.14 lac, increase in depreciation upto 31-03-2013 on revaluation by ₹ 301.60 lac and thereby net revaluation reserve as at 31-03-2013 is ₹ 1,753.54 lac.

f) The term loans of holding company are additionally secured by way of first/second charge on the existing fixed assets of Indian subsidiary company.

11. CAPITAL WORK IN PROGRESS

Capital work in progress does not include capital advances ₹117.00 lac (previous year ₹ 61.61 lac).

12. NON CURRENT INVESTMENTS

Particulars		No. of Shares		[₹ in lac]	
		As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
- Quoted					
Trade Investments - Long Term					
Others					
Margo Finance Limited		-	154,902	-	15.49
Less : Provision for Diminution				-	8.49
SUB TOTAL	A			-	7.00
- Unquoted					
Non - Trade Investments - Long Term					
Others					
Indo Count Textile Ventures Pvt. Ltd.		100	100	0.01	0.01
Shiva Services Limited		10,000	10,000	1.00	1.00
Shri Datta Nagari Sahakari Pat Sanstha Ltd.		1,050	1,050	0.11	0.11
Choudeshwari Co-op Bank Ltd.		200	200	0.05	0.05
Less : Provision for Diminution				1.00	1.00
SUB TOTAL	B			0.17	0.17
TOTAL	A+B			0.17	7.17
Aggregate value of :					
Quoted investments				-	7.00
Unquoted investments				0.17	0.17
Market value of Quoted investments				-	7.00

13. DEFERRED TAX ASSETS

As required under Accounting standard (AS-22), 'Accounting for taxes on income' issued by the Institute of Chartered Accounts of India, the Company is required to account for deferred taxation while preparing its accounts. The details of deferred tax assets / liabilities are as under:

[₹ in lac]

Particulars		As at 31.03.2011	Tax effect for the period	As at 31.03.2012	Tax effect for the period	As at 31.03.2013
Deferred Tax liability						
Fixed Assets		(3,683.43)	44.93	(3,638.50)	(36.19)	(3,674.69)
	A	(3,683.43)	44.93	(3,638.50)	(36.19)	(3,674.69)
Deferred Tax Assets						
Loss		6,092.13	(19.24)	6,072.89	(417.11)	5,655.78
Others		130.29	79.17	209.46	(64.83)	144.63
	B	6,222.42	59.93	6,282.35	(481.94)	5,800.41
Net Deferred Tax Assets/(Liability)	A-B	2,538.98	104.86	2,643.85	(518.13)	2,125.72

14. LONG TERM LOANS & ADVANCES

[₹ in lac]

Particulars		As at 31.03.2013	As at 31.03.2012
(Unsecured-considered good)			
Capital Advances		117.00	61.61
Security Deposits		164.87	150.98
SUB-TOTAL	A	281.87	212.59
(Unsecured-considered doubtful)			
Others (considered doubtful)		27.13	43.12
Less : Provision for doubtful advances		27.13	43.12
SUB-TOTAL	B	-	-
TOTAL	A+B	281.87	212.59

15. INVENTORIES

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
Stores & Spares *	1,192.17	1,338.40
Raw Materials **	6,371.81	3,590.53
Dyes and Chemicals ***	433.10	388.07
Waste	56.36	38.74
Work in Progress	6,982.92	6,630.27
Finished Goods ****	9,544.18	2,818.82
TOTAL	24,580.54	14,804.83

* includes goods in transit ₹ 20.97 lac (previous year ₹ 14.89 lac).
** includes goods in transit ₹ 857.69 lac (previous year ₹ 328.69 lac).
*** includes goods in transit ₹ 13.55 lac (previous year ₹ 2.25 lac).
**** includes goods in transit ₹ 1,713. 55 lac (previous year ₹ 1,013.92 lac).

16. TRADE RECEIVABLES

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
Exceeding Six Months	25.55	85.10
Less : Provision for doubtful debts	5.94	27.62
SUB - TOTAL	19.61	57.48
Others	8,772.68	5,798.47
TOTAL	8,792.29	5,855.95

17. CASH & CASH EQUIVALENTS

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
Cash in hand	18.24	8.72
Foreign currency in hand	4.67	-
Balances with Banks		
In Current Acounts *	792.39	548.74
Held as margin / Fixed deposits **	45.89	156.64
TOTAL	861.19	714.10

* Includes balance in current account with The Kolhapur Urban Co-operative Bank Ltd. ₹ 1.21 lac, (previous year ₹ 4.82 lac) maximum amount outstanding anytime during the year ₹ 3.10 lac, (previous year ₹ 5.49 lac) and The Shamrao Vittal Co-operative Bank ₹ 1.80 lac, (previous year ₹ 2.83 lac), maximum amount outstanding anytime during the year ₹ 5.59 lac, (previous year ₹ 3.63 lac)
** Includes receipts for ₹ 0.01 lac (previous year ₹ 0.01 lac) lodged with Sales Tax Department
** Fixed deposits with maturity within 12 months is ₹ 31.06 lac (previous year ₹ 152.52 lac)

18. SHORT TERM LOANS & ADVANCES

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
Advance Income Tax (including tax deducted at source)	279.71	282.05
Loan to related parties	0.95	0.78
Others (considered good)	4,991.33	4,778.44
TOTAL	5,271.99	5,061.27

19. OTHER CURRENT ASSETS

(Unsecured-considered good)

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
Mat Credit entitlement	565.94	148.35
Export Incentives / Claims recoverable	5,315.95	1,846.30
Interest accrued on Loans & Deposits	0.66	0.49
TOTAL	5,882.55	1,995.14

20. CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

(a) Contingent Liabilities

[₹ in lac]

	Particulars	As at 31.03.2013	As at 31.03.2012
i)	Amount outstanding in respect of export bills discounted under Export Letters of Credit (Since realised ₹ 11,025.97 lac, previous year ₹ 3,152.00 lac)	7,469.84	3,328.23
ii)	Bank Guarantees *	372.37	701.16
iii)	Claims against the company not acknowledged as debts	12.38	12.38
iv)	Corporate guarantee given to a bank for securing financial assistance to subsidiary company	200.00	200.00

* The holding company has given bank guarantee for ₹ 4.11 lac to DGFT on behalf of Indian subsidiary company for duty free import of machines.

(b) In terms of EPCG Licence issued, the company has undertaken an export obligation for ₹ 33,346.92 lac, which is to be fulfilled over a period of 8 years. The company has completed the obligation to the extent of ₹ 26,909.65 lac and necessary application for redemption of license against which obligation is completed has been made to DGFT.

(c) In terms of advance license obtained for import of raw materials, the company has undertaken an export obligation for ₹ 1,726.63 lac which is to be fulfilled over a period of 2 years. The company has completed the obligation to the extent of ₹ 1.726.63 lac

(d) Under the package scheme of incentives of Government of Maharashtra for Mega Projects , the company is eligible for VAT and Electricity duty refund benefits for its home textiles and consumer durable goods divisions. However, if it contravenes any of the conditions of the scheme or eligibility certificate or certificate of entitlement or agreement, it shall repay forthwith the entire benefits drawn / availed along with interest thereon together with costs, charges and expenses thereon

(e) i) The Board for Industrial and Financial Reconstruction (BIFR) in its order dated 16th Setember 2010 has directed that the Indian subsidiary company ceases to be a sick industrial company within the meaning of section 3 (1) (o) of the SICA as its net worth has turned positive for the year ended 31.03.10 and its revival is sustainable. It is therefore discharged from the purview of SICA/BIFR.

ii) The unimplemented provisions of SS-07 as may be these would be implemented by the Indian subsidiary company/ promoters and the concerned agencies and implementation would be monitored by the Board of Directors of the Indian subsidiary company.

iii) The Indian subsidiary company would complete necessary formalities with the concerned Registrar of Companies as may be required.

iv) Aggrieved with the impugned order of BIFR directed to implement the unimplemented provisions of SS-07, The Director General of Income Tax (DGIT) has filed an appeal with the Appellate Authority of Industrial and Financial reconstruction (AAIFR) requesting to set aside the BIFR order dated 16.09.2010.

(f) The Indian subsidiary company has not made any provision of MAT/ Income Tax on the basis of scheme of rehabilitation sanctioned by the BIFR. In their order dated 16.09.2010, the “ Board” has stated that the un implemented provisions of SS-07 would be implemented by the company/ promoters and concerned agencies. Against this order DGIT had filed an appeal before AAIFR challenging the validity of the order. The Indian subsidiary company is confident that the directions of BIFR will be upheld and no liability towards MAT/ Income Tax will arise. In case any liability arises, the same will be accounted for as and when arises/ determined.

(g) Commitments

[₹ in lac]

Particulars	As at 31.03.2013	As at 31.03.2012
a) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	345.13	519.21
b) Letter of credits opened for which the material has not yet been shipped	618.46	619.48

21. REVENUE FROM OPERATIONS

[₹ in lac]

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
Gross Sales of Products	113,751.47	77,108.16
Less: Excise Duty	2,372.61	2,744.49
Net Sales	111,378.86	74,363.67
Sale of Services (a)	41.29	278.60
Export Incentives / Benefits	7,257.60	3,329.01
Revenue from Operations	118,677.75	77,971.28

a) Includes tax deducted at source ₹ 0.83 lac (previous year ₹ 1.67 lac)

22. OTHER INCOME

[₹ in lac]

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
Interest Banks *	7.04	11.53
Interest Others **	8.23	22.06
VAT Refund under IPS	2,166.58	2,573.52
Miscellaneous Receipts and Incomes	11.68	8.07
Insurance claim received	51.51	-
Exchange rate difference	32.79	10.16
Provision for doubtful debts/advances written back	37.67	-
Profit on sale of assets	2.19	-
Rent received	0.48	0.48
Previous year's income	0.10	6.69
Sundry balances / Excess provision written back (Net)	15.57	33.58
Liability no longer payable	75.80	76.29
Total	2,409.64	2,742.38

* Includes tax deducted at source ₹ 1.32 lac (previous year ₹ 1.08 lac)

** Includes tax deducted at source ₹ 2.26 lac(previous year ₹ 0.89 lac)

Includes operating lease:

In respect of the Parent Company :

i. The company has entered into lease arrangements , for renting specified machinery at a rent of ₹ 2.71 lac per month for a period of 120 months and are renewable at the option of the lessee after the end of the term.

ii. Disclosure in respect of assets given on operating lease:

[₹ in lac]

Particulars	2012-13	2011-12
Gross Carrying amount of assets *	549.63	549.63
Accumulated Depreciation *	336.35	305.70
Depreciation for the period (excluding amortisation of revaluation)	30.65	30.65
* Includes revalued figures.		

23. COST OF MATERIALS CONSUMED

[₹ in lac]

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
Raw material & Components consumed		
Opening Stock	3,261.84	3,738.14
Add : Purchases	82,774.41	54,096.91
SUB-TOTAL	86,036.25	57,835.05
Less : Closing Stock	5,514.12	3,261.84
Cost of Sales	80,522.13	54,573.21

24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

[₹ in lac]

Particulars		For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
Closing Stock			
Finished Goods		9,544.18	2,818.82
Stock in Process		6,982.92	6,630.27
Waste		56.36	38.74
SUB - TOTAL	A	16,583.46	9,487.83
Less : Opening Stock			
Finished Goods		2,818.82	2,763.67
Stock in Process		6,630.27	5,191.18
Waste		38.74	110.15
SUB - TOTAL	B	9,487.83	8,065.00
(Increase)/ Decrease in Stock	A-B	(7,095.63)	(1,422.83)

25. EMPLOYEE BENEFITS EXPENSE

[₹ in lac]

Particulars		For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
Salaries & Wages		4,560.56	3,553.15
Director’s Remuneration *		228.86	118.61
Contribution to Provident & Other Funds		280.49	219.40
Gratuity		130.88	111.32
Staff Welfare Expenses		134.10	74.35
Recruitment & Training expenses		13.28	10.35
TOTAL		5,348.17	4,087.18

* Includes a sum of ₹ Nil (previous year ₹ 96.54 lac) paid to Managing Director and Executive Director as per sanction of shareholders. It exceeds by ₹ Nil (previous year ₹ 48.54 lac) as per Schedule XIII of Companies Act 1956 due to inadequacy of profit. The company has received approval from the Central Go vernment for the excess remuneration paid.

EMPLOYEE POST RETIREMENT BENEFITS

[₹ in lac]

Particulars	For the period 01.04.2012 to 31.03.2013		For the period 01.04.2011 to 31.03.2012	
During the year, the following contribution have been made under defined contribution plans:-				
Employer's Contribution to Provident Fund	94.69		124.98	
Employer's Contribution to Employees Pension Scheme	146.07		89.87	
Employer's Contribution to Employees State Insurance	2.21		2.52	
Defined Benefit Plans	Gratuity	Leave Benefit	Gratuity	Leave Benefit
i) Assumptions				
Discount Rate	8%	8%	8%	8%
Salary Escalation	4%	4%	4%	4%
ii) Table showing changes in present value of obligations				
Present value of obligation as at beginning of the year	522.29	126.81	423.25	77.23
Interest cost	41.78	10.14	33.86	6.18
Current Service Cost	50.31	43.55	44.82	18.34
Benefits Paid	(22.41)	(7.24)	(16.44)	(3.88)
Actuarial (gain)/loss on obligation	13.96	(14.58)	36.80	28.94
Present value of obligations as at end of year	605.93	158.68	522.29	126.81
iii) Table showing changes in the present value of planned assets				
Fair value of plan assets at the beginning of year	250.46	63.43	154.81	49.09
Expected return on plan assets	30.13	7.18	18.25	5.07
Contributions	194.18	47.02	93.84	13.14
Benefits paid	(22.41)	(7.24)	(16.44)	(3.88)
Actuarial gain / (Loss) on plan assets				
Fair value of plan assets at the end of year	452.35	110.39	250.46	63.43
iv) Table showing fair value of planned assets				
Fair value of plan assets at the beginning of year	250.46	63.43	154.81	49.09
Actual return on planned assets	30.13	7.18	18.25	5.07
Contributions	194.18	47.02	93.84	13.14
Benefits paid	(22.41)	(7.24)	(16.44)	(3.88)
Actuarial (gain)/loss on plan asset				
Fair value of planned assets at the end of year	452.35	110.39	250.46	63.43
Funded status	(153.58)	(48.29)	(271.83)	(63.38)
v) Actuarial Gain / Loss recognized				
Actuarial (gain) / Loss for the year – obligation	(7.59)	(14.58)	(36.80)	(28.94)
Actuarial (gain)/Loss for the year – plan assets				
Total (gain) / Loss for the year	(7.59)	(14.58)	(36.80)	(28.94)
Actuarial (gain / Loss recognized in the year	(7.59)	(14.58)	(36.80)	(28.94)
vi) The amounts to be recognized in the balance sheet and statements of Profit & loss				
Present value of obligations as at the end of year	605.93	158.68	522.29	126.81
Fair value of plan assets as at the end of the year	452.35	110.39	250.46	63.43
Funded status	(153.58)	(48.29)	(271.83)	(63.38)
Net Asset / (Liability) recognized in balance sheet	153.58	48.29	271.83	63.38
vii) Expenses recognized in statement of Profit & Loss				
Current services cost	50.31	43.55	44.82	18.34
Interest cost	41.78	10.14	33.86	6.18
Expected return on plan assets	(30.13)	(7.18)	(18.25)	(5.07)
Net Actuarial (gain)/Loss recognized in the year	13.96	(14.58)	36.80	28.94
Expenses recognized in statement of P&L	75.93	31.93	102.45	67.23

The Estimates of rate of future salary increase takes into account inflation, seniority, promotion and other relevant factors on long term basis.

The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of liability. The above information is certified by the actuary.

26. FINANCE COSTS

[₹ in lac]

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
Interest Expense		
- On Debentures	230.88	278.10
- On Term Loans	1,004.76	946.25
- On Working Capital Term Loans	228.21	265.73
- Banks	2,056.53	1,469.30
- Others	127.98	18.20
Bank Charges	595.15	461.94
Finance procurement charges	114.03	79.05
TOTAL	4,357.54	3,518.57

27. DEPRECIATION & AMORTISATION EXPENSE

[₹ in lac]

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
Depreciation	3,012.50	3,024.00
Less : Transfer to Revaluation Reserve	1,164.13	1,164.33
TOTAL	1,848.37	1,859.67

28. OTHER EXPENSES

[₹ in lac]

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
Consumption of Stores/Dyes and Packing Materials	7,623.64	4,778.68
Jobwork Charges	5,725.94	1,773.53
Power & Fuel	6,559.63	4,774.35
Rent (a)	365.67	161.09
Rates, Taxes & Fees	70.71	33.84
Insurance	307.21	241.49
Repairs to Machinery	216.68	151.19
Repairs to Buildings	37.92	13.21
Commission & Brokerage	1,885.87	1,085.63
Freight Outward	1,844.03	741.74
Other Selling expenses	2,259.89	565.71
Bad debts/advances written off	48.23	-
Exchange rate difference (Net)	1,600.76	521.25
Miscellaneous expenses (b)	2,150.00	1,659.78
TOTAL	30,696.18	16,501.49

(a) Including operating lease

(i) In respect of the Parent Compaany

[₹ in lac]

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
A) The total of future minimum lease payments under non-cancelable operating leases for each of the following years:		
i) Not latter than one year	43.99	-
ii) Later than one year and not later than five years,	-	105.48
iii) Later than five years,	-	-
B) The total of future minimum sub-lease payments expected to be received under non cancelable sub leases at the balance sheet date,	-	-
C) Lease payments recognized in the statement of profit & loss	61.48	66.28

(ii) In respect of the Subsidiary Compaany

[₹ in lac]

Particulars	2012-13	2011-12
A) The total of future minimum lease payments under non-cancelable operating leases for each of the following years:		
i) Not latter than one year	-	-
ii) Later than one year and not later than five years,		
iii) Later than five years,	161.46	187.50
B) The total of future minimum sub-lease payments expected to be received under non cancelable sub leases at the balance sheet date,	-	-
C) Lease payments recognized in the statement of profit & loss	26.04	22.97

(b) Includes payment to auditors

Details of Auditors remuneration

[₹ in lac]

Particulars	For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
As Statutory Audit Fees	6.70	6.70
As Quarterly Audit / Limited Review Fees	5.65	5.65
As Tax Audit Fees	2.05	2.05
For Tax Representations	0.22	0.55
For Certification Work	0.59	0.02
In Other Capacity	0.94	0.70
For Reimbursement of Expenses	2.77	1.24
TOTAL	18.92	16.91

29. FORWARD CONTRACTS

a) The company has outstanding foreign currency related derivative contracts in the form of options for helping its business related exposure which are not speculative in nature. The contracts have long dated tenor with multiple contigent / uncertain events. As such ascertainment of fair value of these contracts is not feasible. However , banks estimate the total mark to market (MTM) of all outstanding contracts at approx. loss of ₹ Nil as at 31-03-2013, (previous year loss of ₹ 2,409 lac). The management is of the opinion that the determination and crystalisation of liability is dependant upon the outcome of uncertain future events or actions, not wholly within the control of the Company. As adoption of AS-30 is presently not mandatory, the estimated MTM loss of ₹ Nil for the year ended 31-03-2013 (previous year loss of ₹ 2,409 lac) has not been provided.

b) Outstanding derivatives instruments as at 31-03-2013 entered by the Company :-

Currency	Number of Contracts	Amount in Foreign Currency	Amount [₹ in lac]	Buy / Sell
US $/INR	Nil	Nil	Nil	Nil
Previous Year (US $ / INR)	(3)	(US $ 8 Mn)	(3,240)	Sell

c) Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise as at 31-03-2013 are as under :-

Currency	Number of Contracts	Amount in Foreign Currency	Amount [₹ in lac]	Buy / Sell
US $ / INR	190	US $ 39.43 Mn	22,081	Sell
Previous Year	(112)	(US $ 53.20 Mn)	(26,444)	(Sell)

30. Segment data : -

A. Primary segment

[₹ in lac]

Particulars	Textiles		Consumer Durable Goods		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment revenue	106,105.95	61,575.82	12,571.80	16,395.46	118,677.75	77,971.28
Other income	379.48	167.95	2,030.16	2,574.42	2,409.64	2,742.37
Total income	106,485.42	61,743.77	14,601.96	18,969.89	121,087.38	80,713.66
Operating profit	10,732.05	5,406.94	650.62	895.15	11,382.68	6,302.09
Financial costs	4,348.32	3,510.51	9.22	8.06	4,357.54	3,518.57
Taxes	656.73	(79.73)	-	-	656.73	(79.73)
Net profit	2,310.42	(1056.64)	622.81	838.47	2,933.23	(218.17)
Segment Assets	80,010.57	64,653.70	3,919.13	3,637.18	83,929.71	68,290.89
Segment Liabilities	49,919.61	31,669.24	725.83	1,066.70	50,645.44	32,735.94
Capital employed	16,918.14	18,647.51	3,193.30	2,570.49	20,111.45	21,218.00
Capital expenditure	2,150.54	751.19	-	-	2,150.54	751.19
Depreciation	1,829.78	1,841.05	18.59	18.62	1,848.37	1,859.67
Exceptional Items	1,568.85	1,234.90	-	-	1,568.85	1,234.90
NonCash expenditure	13,172.82	14,336.95	-	-	13,172.82	14,336.95

B. Secondary Segment – Geographical -

The company's operating facilities are located in India

[₹ in lac]

Particulars		Current Year	Previous Year
Domestic revenues		21,998.40	20,823.79
Export revenues		96,679.35	57,147.49
Total		118,677.75	77,971.28

31. EARNING PER SHARE (EPS)

[₹ in lac]

Particulars		For the period 01.04.2012 to 31.03.2013	For the period 01.04.2011 to 31.03.2012
Basic Earnings Per Share			
Profit after tax as per profit & loss account		2,933.23	(218.17)
Less: Dividend on preference shares		10.00	-
Less: Dividend distribution Tax		1.62	-
Profit available for shareholders	A	2,921.61	(218.17)
No. of equity shares	B	35,481,634	35,481,634
Basic / dilutive earning Per Share (₹)	(A/B)	8.23	(0.61)

32. Figures for the previous year have been regrouped / rearranged wherever considered necessary.

33. In the opinion of the management, the current assets, loans and advances are expected to realise at least the amout at which they are stated, if realised in the ordinary course of business and provision for all known liabilities has been adequetly made in the accounts.

34. Figures have been rounded off to the nearest rupee in lac.

As per our report of even date annexed
For B.K.SHROFF & CO.,
Chartered Accountants
Reg. No. 302166E

ANIL KUMAR JAIN
Chairman & Managing Director

R. N. GUPTA
Joint Managing Director

O. P. SHROFF
Partner
Membership No. 6329

R. SUNDARAM
President Finance & Company Secretary

Mumbai: 24th May 2013

NOTES

Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Count On Us...

Indo Count Industries Limited

301, 'Arcadia', Nariman Point,
Mumbai-400021, India.
E-mail - investors@indocount.com

www.indocount.com

Prism Strategic Communications (www.prism.net.in) print@parksonsgraphics.com

Indo Count
Count On Us...

Indo Count Industries Limited

301, 'ARCADIA', 3rd Floor, Nariman Point, Mumbai - 400 021, INDIA
Tel : 022-4341 9500, 2285 6534 / 35 • Fax : 022-2282 3098, 2204 1028
E-mail : indo@indocount.com • Website : www.indocount.com
CIN : L72200PN1988PLC068972

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Indo Count Industries Ltd
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by- • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman	20.10.14 O.P. Saraff PNehete

Regd. Office : Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416 109. Tel.: (0230) 3292933, 2483105 • Fax : (0230) 2483275
Spinning Division : D-1, Gokul Shirgaon MIDC Industrial Area, Kolhapur - 416 234. Tel.: (0231) 268 7400 / 415, Fax : (0231) 267 2161, E-mail : works@indocount.com
Thane Office : 23-25 Vardhaman Industrial Complex, Near Hotel Royal Inn, Gokul Nagar, Old Agra Road, Thane (W) - 400 601. Tel.: 4151 1800 / 801 • Fax : (91-22) 4151 1866 / 2172 0121
Home Textile Division : Plot No. T-3, Five Star Kagal-Hatkanangale MIDC Ind. Area, Talandage, Tal.: Hatkanangale, Kolhapur - 416 216. Tel.: 0231-662 7900, Fax : 0231-662 7979
Delhi Office : 506, Pragati Tower, 26 Rajendra Place, New Delhi - 110 008 Tel.: (011) 2575 3331 / 2576 7330 / 41539444

Indo Count
Count On Us...

Indo Count Industries Limited

301, 'ARCADIA', 3rd Floor, Nariman Point, Mumbai - 400 021, INDIA
Tel : 022-4341 9500, 2285 6534 / 35 • Fax : 022-2282 3098, 2204 1028
E-mail : indo@indocount.com • Website : www.indocount.com
CIN : L72200PN1988PLC068972

FORM B (NOT APPLICABLE)

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Indo Count Industries Ltd
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit qualification	Qualified...../ Subject to ...../ Except for......
4.	Frequency of qualification	Whether appeared first time .... / repetitive .... / since how long period .....
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	May give gist of qualifications/headings (Refer page numbers in the annual report) and management's response
6.	Additional comments from the board/audit committee chair:	This may relate to nature of the qualification including materiality, agreement/disagreement on the qualification, steps taken to resolve the qualification, etc.
7.	To be signed by- • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman"	Anil Jain O.P. Shroff PNins