



June 12, 2020

**National Stock Exchange of India Limited**

Listing Department,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051.

**BSE Limited**

Department of Corporate Services,  
Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001.

**Company Symbol: ICIL**

**Scrip Code No.: 521016**

**Subject: Outcome of Board Meeting held on June 12, 2020**

Dear Sir/Madam,

We wish to inform you that at the Board Meeting held today i.e. on June 12, 2020, the Board of Directors of the Company approved the Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended March 31, 2020.

Pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements), 2015 ('Listing Regulations'), we are enclosing herewith the following:

1. Audited Standalone & Consolidated Financial Results of the Company for the quarter and year ended March 31, 2020;
2. Independent Auditor's Report on Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended March 31, 2020 issued by M/s. Suresh Kumar Mittal & Co., Statutory Auditors of the Company; and
3. Declaration of unmodified opinion on Auditor's Report pursuant to Regulation 33 (3) (d) of Listing Regulations signed by Mr. K. Muralidharan, Chief Financial Officer of the Company.

Further, the Board at its meeting held today recommended Final Dividend of 30% (Re. 0.60 per equity share of Rs. 2/- each) for the Financial Year ended 31<sup>st</sup> March, 2020. The said dividend, if declared at the ensuing Annual General Meeting (AGM), will be paid to the shareholders within 30 days of AGM.

The meeting of the Board of Directors commenced at 12.00 Noon and concluded at 2.20 p.m.

We are enclosing extract of Audited financial results of the Company for the quarter and year ended March 31, 2020. However, in terms of SEBI circular no SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, there shall be no publication of said Financial Results in the newspapers.

Kindly take note of the same.

Thanking you,

For **Indo Count Industries Limited**



**Amruta Avasare**  
**Company Secretary & Compliance Officer**  
**Membership No.: ACS 18844**

Encl.: A/a

## Indo Count Industries Ltd

**Head Office:** 301, Arcadia, 3rd Floor, Nariman Point, Mumbai - 400 021, Maharashtra, India; **T:** 022 4341 9500, **F:** 022 2282 3098

**Marketing Office:** Dosti Imperia, 2nd floor, Manpada, Ghodbunder Road, Thane (w) - 400 607, Maharashtra, India; **T:** 022 4151 1800, **F:** 022 2172 0121

**Home Textile Division:** T3, Kagal - Hatkanangale Five Star, MIDC Ind. Area, Kolhapur - 416216, Maharashtra, India; **T:** 0231 662 7900, **F:** 0231 662 7979

**Spinning Division:** D1, MIDC, Gokul Shirgaon, Kolhapur - 416234, Maharashtra, India; **T:** 0231 268 7400, **F:** 0231 267 2161

**Regd. Office:** Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra, India; **T:** 0230 2463100 / 2461929

**CIN:** L72200PN1988PLC068972, **E:** info@indocount.com, **W:** www.indocount.com

**INDO COUNT INDUSTRIES LIMITED**

CIN No.: L72200PN1988PLC068972

Regd. Off. - Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416 109.

e-mail icilinvestors@indocount.com; website www.indocount.com

**STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020**

| Part - I  |   | (Rs. in Crore except EPS) |                         |                       |                       |                       |
|-----------|---|---------------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| Sr. No.   | Particulars   | Quarter Ended             |                         |                       | Year Ended            |                       |
|           |   | 31-03-2020<br>Audited     | 31-12-2019<br>Unaudited | 31-03-2019<br>Audited | 31-03-2020<br>Audited | 31-03-2019<br>Audited |
| <b>1</b>  | <b>Income</b>   |                           |                         |                       |                       |                       |
|           | Revenue from Operations   | 376.16                    | 608.76                  | 396.87                | 1,965.07              | 1,812.54              |
|           | Other Operating Income  | 24.09                     | (0.04)                  | 4.72                  | 54.32                 | 10.39                 |
|           | <b>Total Income</b>   | <b>400.25</b>             | <b>608.72</b>           | <b>401.59</b>         | <b>2,019.39</b>       | <b>1,822.93</b>       |
| <b>2</b>  | <b>Expenses</b>   |                           |                         |                       |                       |                       |
|           | Cost of Materials Consumed  | 229.90                    | 261.11                  | 204.81                | 1,090.70              | 974.55                |
|           | Purchases of Stock-in-Trade   | 0.69                      | 1.05                    | 2.19                  | 3.47                  | 2.85                  |
|           | Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | (39.89)                   | 80.21                   | 14.40                 | (9.29)                | (4.96)                |
|           | Employee Benefits Expense   | 32.49                     | 32.59                   | 27.32                 | 124.62                | 120.76                |
|           | Finance Costs   | 7.88                      | 9.60                    | 8.29                  | 36.93                 | 33.71                 |
|           | Depreciation  | 10.34                     | 10.31                   | 8.27                  | 40.65                 | 32.58                 |
|           | Other Expenses  | 139.51                    | 155.83                  | 132.51                | 577.62                | 568.79                |
|           | <b>Total Expenses</b>   | <b>380.92</b>             | <b>550.70</b>           | <b>397.79</b>         | <b>1,864.70</b>       | <b>1,728.28</b>       |
| <b>3</b>  | <b>Profit before Exceptional Items and Tax (1-2)</b>                          | <b>19.33</b>              | <b>58.02</b>            | <b>3.80</b>           | <b>154.69</b>         | <b>94.65</b>          |
| <b>4</b>  | Exceptional Items (Refer Note 3 (a) & (b))                                    | -                         | 36.91                   | -                     | 98.46                 | -                     |
| <b>5</b>  | <b>Profit before Tax (3-4)</b>  | <b>19.33</b>              | <b>21.11</b>            | <b>3.80</b>           | <b>56.23</b>          | <b>94.65</b>          |
| <b>6</b>  | <b>Tax Expenses</b>   |                           |                         |                       |                       |                       |
|           | Current Tax   | 8.29                      | 5.61                    | (1.11)                | 17.40                 | 30.89                 |
|           | Deferred Tax  | (3.58)                    | (1.12)                  | 2.92                  | (34.93)               | 4.54                  |
|           | <b>Total Tax Expenses</b>   | <b>4.71</b>               | <b>4.49</b>             | <b>1.81</b>           | <b>(17.53)</b>        | <b>35.43</b>          |
| <b>7</b>  | <b>Net Profit for the period (5-6)</b>  | <b>14.62</b>              | <b>16.62</b>            | <b>1.99</b>           | <b>73.76</b>          | <b>59.22</b>          |
| <b>8</b>  | <b>Other Comprehensive Income (after tax)</b>                                 |                           |                         |                       |                       |                       |
|           | a) Items that will not be reclassified to Profit or Loss                      | (0.63)                    | 0.00                    | (0.18)                | (0.62)                | 0.02                  |
|           | b) Items that will be reclassified to Profit or Loss                          | (33.83)                   | 6.89                    | 15.97                 | (46.49)               | (28.60)               |
|           | <b>Total Other Comprehensive Income (after tax)</b>                           | <b>(34.46)</b>            | <b>6.89</b>             | <b>15.79</b>          | <b>(47.11)</b>        | <b>(28.58)</b>        |
| <b>9</b>  | <b>Total Comprehensive Income (7+8)</b>                                       | <b>(19.84)</b>            | <b>23.51</b>            | <b>17.78</b>          | <b>26.65</b>          | <b>30.64</b>          |
| <b>10</b> | <b>Paid up Equity Share Capital (of Rs. 2 each)</b>                           | <b>39.48</b>              | <b>39.48</b>            | <b>39.48</b>          | <b>39.48</b>          | <b>39.48</b>          |
| <b>11</b> | <b>Other Equity</b>   |                           |                         |                       | <b>932.89</b>         | <b>920.51</b>         |
| <b>12</b> | <b>Earning Per Share of Rs. 2 each (not annualised for the quarters):</b>     |                           |                         |                       |                       |                       |
|           | a) Basic  | 0.74                      | 0.84                    | 0.10                  | 3.74                  | 3.00                  |
|           | b) Diluted  | 0.74                      | 0.84                    | 0.10                  | 3.74                  | 3.00                  |



*Anil Kumar Jain*

## STATEMENT OF AUDITED STANDALONE ASSETS &amp; LIABILITIES AS AT 31ST MARCH, 2020

(Rs. in Crore)

| Particulars                                | As at<br>31-03-2020<br>Audited | As at<br>31-03-2019<br>Audited |
|--|--------------------------------|--------------------------------|
| <b>A ASSETS</b>                            |                                |                                |
| <b>1 Non-current assets</b>                |                                |                                |
| (a) Property, Plant and Equipment          | 533.74                         | 541.51                         |
| (b) Capital Work-in-Progress               | 5.86                           | 16.40                          |
| (c) Other Intangible Assets                | 13.07                          | 2.60                           |
| (d) Financial Assets                       |                                |                                |
| (i) Investments                            | 24.92                          | 24.92                          |
| (ii) Loans                                 | 3.33                           | 1.73                           |
| (iii) Others                               | 0.00                           | 0.00                           |
| (e) Other Non-Current Assets               | 6.43                           | 7.65                           |
| <b>Sub-total - Non current assets</b>      | <b>587.35</b>                  | <b>594.81</b>                  |
| <b>2 Current assets</b>                    |                                |                                |
| (a) Inventories                            | 501.01                         | 466.71                         |
| (b) Financial Assets                       |                                |                                |
| (i) Investments                            | 0.10                           | 46.35                          |
| (ii) Trade Receivables                     | 257.92                         | 275.04                         |
| (iii) Cash and Cash Equivalents            | 125.64                         | 17.74                          |
| (iv) Bank Balances other than (iii) above  | 2.54                           | 2.54                           |
| (v) Loans                                  | 0.31                           | 0.20                           |
| (vi) Others                                | 4.33                           | 18.81                          |
| (c) Current Tax Assets (Net)               | 21.33                          | 12.70                          |
| (d) Other Current Assets                   | 158.15                         | 117.11                         |
| <b>Sub-total - Current assets</b>          | <b>1,071.33</b>                | <b>957.20</b>                  |
| <b>TOTAL - ASSETS</b>                      | <b>1,658.68</b>                | <b>1,552.01</b>                |
| <b>B EQUITY AND LIABILITIES</b>            |                                |                                |
| (a) Equity Share Capital                   | 39.48                          | 39.48                          |
| (b) Other Equity                           | 932.89                         | 920.51                         |
| <b>Sub-total - Equity</b>                  | <b>972.37</b>                  | <b>959.99</b>                  |
| <b>LIABILITIES</b>                         |                                |                                |
| <b>1 Non-Current Liabilities</b>           |                                |                                |
| (a) Financial Liabilities                  |                                |                                |
| (i) Borrowings                             | 36.10                          | 57.44                          |
| (ii) Other Financial Liabilities           | 5.89                           | -                              |
| (b) Provisions                             | 5.79                           | 5.01                           |
| (c) Deferred Tax Liabilities (Net)         | 58.05                          | 108.83                         |
| (d) Other Non-Current Liabilities          | 7.98                           | 8.37                           |
| <b>Sub-total - Non-Current Liabilities</b> | <b>113.81</b>                  | <b>179.65</b>                  |
| <b>2 Current Liabilities</b>               |                                |                                |
| (a) Financial Liabilities                  |                                |                                |
| (i) Borrowings                             | 291.85                         | 228.50                         |
| (ii) Trade Payables due to:                |                                |                                |
| - Micro & Small Enterprise                 | 18.87                          | 4.91                           |
| - Other than Micro & Small Enterprise      | 97.35                          | 121.42                         |
| (iii) Other Financial Liabilities          | 92.15                          | 33.22                          |
| (b) Other Current Liabilities              | 72.28                          | 24.32                          |
| <b>Sub-total - Current Liabilities</b>     | <b>572.50</b>                  | <b>412.37</b>                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>        | <b>1,658.68</b>                | <b>1,552.01</b>                |



Amil K. ...

## STATEMENT OF AUDITED STANDALONE CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2020

Rs. in Crore

| Particulars  | For the year ended 31 March, 2020 |               | For the year ended 31 March, 2019 |                 |
|--|-----------------------------------|---------------|-----------------------------------|-----------------|
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>                              |                                   |               |                                   |                 |
| Net Profit before Exceptional Items and Tax                                |                                   | 154.70        |                                   | 94.65           |
| <b>Adjustments for:</b>  |                                   |               |                                   |                 |
| Depreciation and Amortisation  |                                   | 40.64         |                                   | 32.58           |
| Profit on Sale of Assets   |                                   | (0.00)        |                                   | (0.05)          |
| Finance Cost   |                                   | 36.93         |                                   | 33.71           |
| Interest Income  |                                   | (2.33)        |                                   | (3.34)          |
| Other Comprehensive Income   |                                   | (62.95)       |                                   | (43.93)         |
| Dividend Income on Mutual Funds  |                                   | (0.81)        |                                   | (0.42)          |
| Loss on Sale of Assets   |                                   | 0.01          |                                   | 0.03            |
| Loss/(Profit) on Redemption of Mutual Funds                                |                                   | 0.18          |                                   | (0.04)          |
| Loss in value of NAV of Mutual Funds                                       |                                   | 0.08          |                                   | (0.07)          |
| Exceptional Items  |                                   | (98.46)       |                                   | -               |
| <b>Operating Profit before Working Capital changes</b>                     |                                   | <b>67.99</b>  |                                   | <b>113.12</b>   |
| <b>Changes in Working Capital:</b>   |                                   |               |                                   |                 |
| <b>Adjustment for (Increase) / Decrease in Operating Assets:</b>           |                                   |               |                                   |                 |
| Non-Current Financial Assets   | (1.60)                            |               | (0.57)                            |                 |
| Other Non-Current Assets   | 1.22                              |               | (4.51)                            |                 |
| Inventories  | (34.30)                           |               | 57.71                             |                 |
| Trade Receivables  | 17.12                             |               | 49.95                             |                 |
| Current Financial Assets   | 14.35                             |               | 40.59                             |                 |
| Other Current Assets   | (41.03)                           | (44.24)       | 40.50                             | 183.67          |
| <b>Adjustment for Increase / (Decrease) in Operating Liabilities:</b>      |                                   |               |                                   |                 |
| Non Current Financial Liabilities  | 5.89                              |               | -                                 |                 |
| Non-Current Provisions   | 0.78                              |               | 1.74                              |                 |
| Other Non-Current Liabilities  | (0.39)                            |               | 8.77                              |                 |
| Trade Payables   | (10.11)                           |               | (54.98)                           |                 |
| Other Current Financial Liabilities  | 58.94                             |               | 10.28                             |                 |
| Other Current Liabilities  | 47.96                             |               | 3.32                              |                 |
| Current Provisions   |                                   | 103.07        |                                   | (30.87)         |
| Net Taxes (paid) / refund received   |                                   | (26.03)       |                                   | (38.58)         |
| <b>Net Cash Flow from Operating Activities (A)</b>                         |                                   | <b>100.79</b> |                                   | <b>227.34</b>   |
| <b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>                              |                                   |               |                                   |                 |
| Capital Expenditure  |                                   | (32.82)       |                                   | (58.91)         |
| Proceeds from Sale of Assets   |                                   | 0.01          |                                   | 0.79            |
| Purchase of Non-Current Investments  |                                   | (0.00)        |                                   | (5.22)          |
| Purchase of Current Investments  |                                   | 45.98         |                                   | (46.13)         |
| Dividend Income on Mutual Funds  |                                   | 0.81          |                                   | 0.42            |
| Interest Income  |                                   | 2.33          |                                   | 3.34            |
| <b>Net Cash Flow from Investing Activities (B)</b>                         |                                   | <b>16.31</b>  |                                   | <b>(105.71)</b> |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>                              |                                   |               |                                   |                 |
| Net Increase / (Decrease) in Non-Current Borrowings                        |                                   | (21.34)       |                                   | 8.60            |
| Net Increase / (Decrease) in Current Borrowings                            |                                   | 63.35         |                                   | (80.40)         |
| Finance Cost   |                                   | (36.93)       |                                   | (33.71)         |
| Final Dividend on Equity Shares (including DDT)                            |                                   | (14.28)       |                                   | (9.52)          |
| <b>Net Cash Flow from Financing Activities (C)</b>                         |                                   | <b>(9.20)</b> |                                   | <b>(115.03)</b> |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>      |                                   | <b>107.90</b> |                                   | <b>6.60</b>     |
| <b>Cash and Cash Equivalents at the beginning of the year</b>              |                                   | <b>17.74</b>  |                                   | <b>11.14</b>    |
| <b>Cash and Cash Equivalents at the end of the year</b>                    |                                   | <b>125.64</b> |                                   | <b>17.74</b>    |
| <b>Reconciliation of Cash and Cash Equivalents with the Balance Sheet:</b> |                                   |               |                                   |                 |
| <b>Cash and Cash Equivalents as per Balance Sheet</b>                      |                                   | <b>125.64</b> |                                   | <b>17.74</b>    |
| <b>Cash and Cash Equivalents at the end of the year comprises of:</b>      |                                   |               |                                   |                 |
| (a) Cash in Hand   |                                   | 0.27          |                                   | 0.20            |
| (b) Balance with Banks   |                                   |               |                                   |                 |
| - In Current Accounts  |                                   | 42.19         |                                   | 17.54           |
| (ii) In Fixed Deposits   |                                   | 83.18         |                                   | -               |



Ami K. K. K. K. K.

**Notes:**

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on June 12, 2020. The Statutory Auditors have expressed an unqualified audit opinion.
- 2 The Company has adopted Ind AS 116 "Leases" effective April 1, 2019, using modified retrospective method. The Company has applied the standard to all its leases with the cumulative impact recognised on the date of initial application i.e. April 1, 2019. Accordingly, previous periods information has not been restated. This has resulted in recognising a Right-of-Use (ROU) asset and corresponding lease liability of Rs. 16.05 Crores. In the Statement of Profit and Loss for the current period, operating lease expenses which were recognized as other expenses in previous period is now recognized as depreciation expense for the ROU and finance cost for interest accrued on lease liability. The adoption of this standard did not have significant impact on the profit for the period and earnings per share.
- 3 (a) Exceptional Item includes Rs. 94.27 Crores provided against refund of excess export benefits of earlier years by way of MEIS claimed to the extent of Rs. 72.68 Crores along with interest thereon against Adjudication Order issued by office of The Commissioner of Customs.  
  
(b) Pursuant to the Notifications dated January 14, 2020 and January 29, 2020 issued by The Ministry of Textiles & the Ministry of Commerce, Government of India, withdrawing the entitlement under Merchandise Exports from India Scheme (MEIS) with retrospective effect from March 07, 2019 on certain products exported in the past, the Company had written off the MEIS benefit of Rs. 36.91 Crores for the period from March 07, 2019 to September 30, 2019 in the financial results for the Quarter and Nine Months ended December 31, 2019 and shown as an Exceptional Item. Out of above, an amount of Rs.32.71 Crores for the period from April 1, 2019 to September 30, 2019 has been regrouped and reduced from Revenue from Operations of the Company in the Year End financial results.
- 4 The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized Provision for Income Tax for the Year ended March 31, 2020 and re-measured its Deferred Tax Liabilities based on rate prescribed in the said section.
- 5 **IMPACT OF COVID PANDEMIC AND RELATED LOCKDOWN MEASURES**  
The World Health Organization announced a global health emergency due to a new strain of coronavirus ("COVID-19") and classified this outbreak as a pandemic in March 2020 following which Government of India announced a countrywide lockdown from March 24, 2020. The manufacturing operations were temporarily shut down from 23rd March 2020 and after a period of ~ 30 days, restarted partially from 26th April, 2020 subject to conditions laid down by the State Government. The Company has taken all necessary steps to ensure the health, safety, welfare of employees and also the working environment as per the Government guidelines.  
**Business and Financial Impact:**  
Due to temporary stoppage of operations, orders valued ~ US\$ 11.0 mn. could not be executed in Q4 FY 2020 and stands postponed to FY 21. Since the outbreak of the pandemic, retail stores in our major markets viz. US and Europe have been predominantly closed except retailers selling fresh food and miscellaneous other products. Retail stores have started opening in a phased manner in June 2020 and further visibility on the business would be seen in the next couple of months as stores start their regular operations. The Company has adequate liquidity to manage the mismatch in cash flow arising due to Covid 19 situation. Company is in a position to service its existing debt comfortably and therefore has not sought any moratorium with the banks and financial institutions.  
**Outlook:**  
Given its healthy capital adequacy and stable liquidity position, good customer base, wider geographical distribution, innovative product mix, the Company is confident of dealing with the challenges posed by Covid-19.
- 6 The Board has recommended Final Dividend of Re. 0.60 per equity share (30%) of Rs. 2/- per share, subject to the approval of shareholders at ensuing Annual General Meeting.
- 7 The figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable.
- 8 The Company mainly operates only in one segment namely "Textiles" and hence segment details are not required to be published.
- 9 In line with the requirements of Regulation 47(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the results are available on the Stock Exchanges website at (www.bseindia.com and www.nseindia.com) and on the Company's website at www.indocount.com.
- 10 The figures for the Quarter ended March 31, 2020 are balancing figures between the audited figures of the full Financial Year and the reviewed year-to-date figures upto the third Quarter of the Financial Year

For and on behalf of the Board of Directors



Anil Kumar Jain

Place: Mumbai  
Date: June 12, 2020

Anil Kumar Jain  
Executive Chairman  
DIN: 00086106



**Independent Auditor's Report on Audited standalone Quarterly Financial Results and Year to Date Results Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of  
Indo Count Industries Limited

**Opinion**

We have audited the accompanying standalone quarterly financial results of Indo Count Industries Limited (the company) for the quarter and year ended 31<sup>st</sup> March, 2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter and year ended 31<sup>st</sup> March, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to Note 5 to the standalone financial results, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

These financial results have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation of these financial





results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.





- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other Matter**

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the listing Regulations.



Place: New Delhi  
Date: 12<sup>th</sup> June, 2020  
UDIN: 20521915AAAAAY1155

For Suresh Kumar Mittal & Co.  
Chartered Accountants  
Firm Registration No. 500063N

ANKUR BAGLA  
PARTNER

Membership Number: 521915



**INDO COUNT INDUSTRIES LIMITED**

CIN No.: L72200PN1988PLC068972

Regd. Off. - Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416 109.

**STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020**

| <b>Part - I</b> |   | <b>(Rs. in Crore except EPS)</b> |                                 |                               |                               |                               |
|-----------------|---|----------------------------------|---------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b>Sr. No.</b>  | <b>Particulars</b>  | <b>Quarter Ended</b>             |                                 |                               | <b>Year Ended</b>             |                               |
|                 |   | <b>31-03-2020<br/>Audited</b>    | <b>31-12-2019<br/>Unaudited</b> | <b>31-03-2019<br/>Audited</b> | <b>31-03-2020<br/>Audited</b> | <b>31-03-2019<br/>Audited</b> |
| <b>1</b>        | <b>Income</b>   |                                  |                                 |                               |                               |                               |
|                 | <b>Revenue from Operations</b>  | 400.56                           | 636.86                          | 437.11                        | 2,080.13                      | 1,934.21                      |
|                 | Other Operating Income  | 24.41                            | 0.01                            | 4.71                          | 54.63                         | 10.49                         |
|                 | <b>Total Income</b>   | <b>424.97</b>                    | <b>636.87</b>                   | <b>441.82</b>                 | <b>2,134.76</b>               | <b>1,944.70</b>               |
| <b>2</b>        | <b>Expenses</b>   |                                  |                                 |                               |                               |                               |
|                 | Cost of Materials Consumed  | 230.30                           | 263.34                          | 221.66                        | 1,107.64                      | 1,035.92                      |
|                 | Purchases of Stock-in-Trade   | 0.37                             | -                               | 0.10                          | 0.37                          | 0.10                          |
|                 | Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-  | (27.87)                          | 89.57                           | 31.23                         | 31.46                         | (4.98)                        |
|                 | Employee Benefits Expense   | 38.43                            | 38.29                           | 34.18                         | 148.07                        | 144.29                        |
|                 | Finance Costs   | 8.31                             | 10.54                           | 8.77                          | 39.25                         | 35.60                         |
|                 | Depreciation  | 11.06                            | 11.02                           | 8.95                          | 43.46                         | 35.27                         |
|                 | Other Expenses  | 148.37                           | 164.20                          | 138.98                        | 609.37                        | 603.14                        |
|                 | <b>Total Expenses</b>   | <b>408.97</b>                    | <b>576.96</b>                   | <b>443.87</b>                 | <b>1,979.62</b>               | <b>1,849.34</b>               |
| <b>3</b>        | <b>Profit before Exceptional Items and Tax (1-2)</b>                      | <b>16.00</b>                     | <b>59.91</b>                    | <b>(2.05)</b>                 | <b>155.14</b>                 | <b>95.36</b>                  |
| <b>4</b>        | Exceptional Items (Refer Note 3 (a) & (b))                                | -                                | 36.91                           | -                             | 98.46                         | -                             |
| <b>5</b>        | <b>Profit before Tax (3-4)</b>  | <b>16.00</b>                     | <b>23.00</b>                    | <b>(2.05)</b>                 | <b>56.68</b>                  | <b>95.36</b>                  |
| <b>6</b>        | <b>Tax Expenses</b>   |                                  |                                 |                               |                               |                               |
|                 | Current Tax   | 9.75                             | 5.61                            | (0.48)                        | 18.88                         | 31.54                         |
|                 | Deferred Tax  | (2.00)                           | (2.17)                          | 2.96                          | (35.30)                       | 3.98                          |
|                 | <b>Total Tax Expenses</b>   | <b>7.75</b>                      | <b>3.44</b>                     | <b>2.48</b>                   | <b>(16.42)</b>                | <b>35.52</b>                  |
| <b>7</b>        | <b>Net Profit for the period (5-6)</b>                                    | <b>8.25</b>                      | <b>19.56</b>                    | <b>(4.53)</b>                 | <b>73.10</b>                  | <b>59.84</b>                  |
| <b>8</b>        | <b>Other Comprehensive Income (after tax)</b>                             |                                  |                                 |                               |                               |                               |
|                 | a) Items that will not be reclassified to Profit or Loss                  | (0.64)                           | 0.02                            | (0.17)                        | (0.60)                        | 0.08                          |
|                 | b) Items that will be reclassified to Profit or Loss                      | (35.25)                          | 7.03                            | 16.39                         | (47.99)                       | (32.68)                       |
|                 | <b>Total Other Comprehensive Income (after tax)</b>                       | <b>(35.89)</b>                   | <b>7.05</b>                     | <b>16.22</b>                  | <b>(48.59)</b>                | <b>(32.60)</b>                |
| <b>9</b>        | <b>Total Comprehensive Income (7+8)</b>                                   | <b>(27.64)</b>                   | <b>26.61</b>                    | <b>11.69</b>                  | <b>24.51</b>                  | <b>27.24</b>                  |
| <b>10</b>       | <b>Net Profit attributable to :</b>                                       |                                  |                                 |                               |                               |                               |
|                 | - Owners  | 7.95                             | 20.17                           | (4.42)                        | 73.78                         | 60.24                         |
|                 | - Non-controlling interests   | 0.30                             | (0.61)                          | (0.11)                        | (0.68)                        | (0.40)                        |
| <b>11</b>       | <b>Other Comprehensive Income attributable to :</b>                       |                                  |                                 |                               |                               |                               |
|                 | - Owners  | (35.88)                          | 7.03                            | 16.22                         | (48.58)                       | (32.61)                       |
|                 | - Non-controlling interests   | (0.01)                           | 0.01                            | 0.00                          | (0.01)                        | 0.01                          |
| <b>12</b>       | <b>Total Comprehensive Income attributable to :</b>                       |                                  |                                 |                               |                               |                               |
|                 | - Owners  | (27.93)                          | 27.21                           | 11.80                         | 25.20                         | 27.63                         |
|                 | - Non-controlling interests   | 0.29                             | (0.60)                          | (0.11)                        | (0.69)                        | (0.39)                        |
| <b>13</b>       | <b>Paid up Equity Share Capital (of Rs. 2 each)</b>                       | <b>39.48</b>                     | <b>39.48</b>                    | <b>39.48</b>                  | <b>39.48</b>                  | <b>39.48</b>                  |
| <b>14</b>       | <b>Other Equity</b>   |                                  |                                 |                               | <b>946.54</b>                 | <b>935.27</b>                 |
| <b>15</b>       | <b>Earning Per Share of Rs. 2 each (not annualised for the quarters):</b> |                                  |                                 |                               |                               |                               |
|                 | a) Basic  | 0.40                             | 1.02                            | (0.22)                        | 3.74                          | 3.05                          |
|                 | b) Diluted  | 0.40                             | 1.02                            | (0.22)                        | 3.74                          | 3.05                          |



*Ami K. K. K. K.*

## STATEMENT OF AUDITED CONSOLIDATED ASSETS &amp; LIABILITIES AS AT 31ST MARCH, 2020

(Rs. in Crore)

| Particulars                                | As at<br>31-03-2020<br>Audited | As at<br>31-03-2019<br>Audited |
|--|--------------------------------|--------------------------------|
| <b>A ASSETS</b>                            |                                |                                |
| <b>1 Non-current assets</b>                |                                |                                |
| (a) Property, Plant and Equipment          | 561.53                         | 571.81                         |
| (b) Capital work-in-Progress               | 5.86                           | 16.41                          |
| (c) Other Intangible Assets                | 13.07                          | 2.60                           |
| (d) Financial Assets                       |                                |                                |
| (i) Loans                                  | 3.96                           | 1.73                           |
| (ii) Others                                | 0.00                           | 0.00                           |
| (e) Other Non-Current Assets               | 6.44                           | 7.66                           |
| <b>Sub-total - Non current assets</b>      | <b>590.86</b>                  | <b>600.21</b>                  |
| <b>2 Current assets</b>                    |                                |                                |
| (a) Inventories                            | 523.72                         | 530.71                         |
| (b) Financial Assets                       |                                |                                |
| (i) Investments                            | 0.10                           | 46.35                          |
| (ii) Trade Receivables                     | 242.33                         | 255.30                         |
| (iii) Cash and Cash Equivalents            | 139.36                         | 23.12                          |
| (iv) Bank Balances other than (iii) above  | 10.99                          | 10.38                          |
| (v) Loans                                  | 0.31                           | 0.20                           |
| (vi) Others                                | 4.33                           | 18.81                          |
| (c) Current Tax Assets (Net)               | 23.20                          | 15.85                          |
| (d) Other Current Assets                   | 160.52                         | 123.75                         |
| <b>Sub-total - Current assets</b>          | <b>1104.86</b>                 | <b>1024.47</b>                 |
| <b>TOTAL - ASSETS</b>                      | <b>1,695.72</b>                | <b>1,624.68</b>                |
| <b>B EQUITY AND LIABILITIES</b>            |                                |                                |
| (a) Equity Share Capital                   | 39.48                          | 39.48                          |
| (b) Other Equity                           | 946.54                         | 935.27                         |
| Equity attributable to owners              | 986.02                         | 974.75                         |
| Non-controlling interests                  | 6.94                           | 7.01                           |
| <b>Sub-total - Equity</b>                  | <b>992.96</b>                  | <b>981.76</b>                  |
| <b>LIABILITIES</b>                         |                                |                                |
| <b>1 Non-Current Liabilities</b>           |                                |                                |
| (a) Financial Liabilities                  |                                |                                |
| (i) Borrowings                             | 36.10                          | 57.44                          |
| (ii) Other Financial Liabilities           | 5.89                           | -                              |
| (b) Provisions                             | 6.46                           | 5.63                           |
| (c) Deferred Tax Liabilities (Net)         | 57.48                          | 108.63                         |
| (d) Other Non-Current Liabilities          | 7.98                           | 8.38                           |
| <b>Sub-total - Non-Current Liabilities</b> | <b>113.91</b>                  | <b>180.08</b>                  |
| <b>2 Current Liabilities</b>               |                                |                                |
| (a) Financial Liabilities                  |                                |                                |
| (i) Borrowings                             | 292.73                         | 256.93                         |
| (ii) Trade Payables due to:                |                                |                                |
| - Micro & Small Enterprise                 | 20.25                          | 4.91                           |
| - Other than Micro & Small Enterprise      | 108.95                         | 139.03                         |
| (iii) Other Financial Liabilities          | 91.73                          | 36.22                          |
| (b) Other Current Liabilities              | 75.03                          | 25.71                          |
| (c) Current Tax Liabilities (Net)          | 0.16                           | 0.04                           |
| <b>Sub-total - Current Liabilities</b>     | <b>588.85</b>                  | <b>462.84</b>                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>        | <b>1,695.72</b>                | <b>1,624.68</b>                |

Amir Khan

## STATEMENT OF AUDITED CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2020

Rs. in Crore

| Particulars  | For the year ended 31 March, 2020 |                | For the year ended 31 March, 2019 |                 |
|--|-----------------------------------|----------------|-----------------------------------|-----------------|
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>                              |                                   |                |                                   |                 |
| Net Profit before Exceptional Items and Tax                                |                                   | 155.14         |                                   | 95.36           |
| <b>Adjustments for:</b>  |                                   |                |                                   |                 |
| Depreciation and Amortisation  |                                   | 43.46          |                                   | 35.27           |
| Profit on Sale of Assets   |                                   | (0.00)         |                                   | (0.05)          |
| Finance Cost   |                                   | 39.25          |                                   | 35.60           |
| Interest Income  |                                   | (2.38)         |                                   | (3.35)          |
| Other Comprehensive Income   |                                   | (62.94)        |                                   | (43.85)         |
| Dividend Income on Mutual Funds  |                                   | (0.81)         |                                   | (0.42)          |
| Loss on Sale of Assets   |                                   | 0.01           |                                   | 0.02            |
| Loss/(Profit) on Redemption of Mutual Funds                                |                                   | 0.18           |                                   | (0.04)          |
| Loss in value of NAV of Mutual Funds                                       |                                   | 0.08           |                                   | (0.07)          |
| Exceptional Items  |                                   | (98.46)        |                                   | -               |
| <b>Operating Profit before Working Capital changes</b>                     |                                   | <b>73.53</b>   |                                   | <b>118.47</b>   |
| <b>Changes in Working Capital:</b>   |                                   |                |                                   |                 |
| <b>Adjustment for (Increase) / Decrease in Operating Assets:</b>           |                                   |                |                                   |                 |
| Non-Current Financial Assets   | (2.23)                            |                | (0.57)                            |                 |
| Other Non-Current Assets   | 1.22                              |                | (4.49)                            |                 |
| Inventories  | 6.99                              |                | 59.83                             |                 |
| Trade Receivables  | 12.97                             |                | 31.91                             |                 |
| Current Financial Assets   | 13.75                             |                | 40.58                             |                 |
| Other Current Assets   | (36.76)                           | (4.06)         | 31.42                             | 158.68          |
| <b>Adjustment for Increase / (Decrease) in Operating Liabilities:</b>      |                                   |                |                                   |                 |
| Other Non Current Financial Liabilities                                    | 5.89                              |                | -                                 |                 |
| Non Current Provisions   | 0.82                              |                | 1.71                              |                 |
| Other Non-Current Liabilities  | (0.39)                            |                | 8.77                              |                 |
| Trade Payables   | (14.75)                           |                | (47.62)                           |                 |
| Other Current Financial Liabilities  | 55.51                             |                | 13.53                             |                 |
| Other Current Liabilities  | 49.32                             |                | (0.84)                            |                 |
| Current Provisions   | -                                 | 96.40          | -                                 | (24.45)         |
| Net Taxes (paid) / refund received   |                                   | (26.11)        |                                   | (38.19)         |
| <b>Net Cash Flow from Operating Activities (A)</b>                         |                                   | <b>139.76</b>  |                                   | <b>214.51</b>   |
| <b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>                              |                                   |                |                                   |                 |
| Capital Expenditure  |                                   | (33.12)        |                                   | (59.72)         |
| Proceeds from Sale of Assets   |                                   | 0.01           |                                   | 0.79            |
| Proceeds from Sale of Non-Current Investments                              |                                   | -              |                                   | 0.00            |
| Purchase of Shares of Minority   |                                   | (0.00)         |                                   | -               |
| Purchase of Current Investments  |                                   | 45.98          |                                   | (46.13)         |
| Dividend Income on Mutual Funds  |                                   | 0.81           |                                   | 0.42            |
| Interest Income  |                                   | 2.38           |                                   | 3.35            |
| <b>Net Cash Flow from Investing Activities (B)</b>                         |                                   | <b>16.06</b>   |                                   | <b>(101.29)</b> |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES.</b>                             |                                   |                |                                   |                 |
| Net Increase / (Decrease) in Non-Current Borrowings                        |                                   | (21.34)        |                                   | 8.59            |
| Net Increase / (Decrease) in Current Borrowings                            |                                   | 35.81          |                                   | (65.33)         |
| Finance Cost   |                                   | (39.25)        |                                   | (35.60)         |
| Final Dividend on Equity Shares (including DDT)                            |                                   | (14.28)        |                                   | (9.52)          |
| Transitional Reserve of Balance Sheet Items                                |                                   | (0.52)         |                                   | (3.81)          |
| <b>Net Cash Flow from Financing Activities (C)</b>                         |                                   | <b>(39.58)</b> |                                   | <b>(105.67)</b> |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>      |                                   | <b>116.24</b>  |                                   | <b>7.55</b>     |
| <b>Cash and Cash Equivalents at the beginning of the year</b>              |                                   | <b>23.12</b>   |                                   | <b>15.57</b>    |
| <b>Cash and Cash Equivalents at the end of the year</b>                    |                                   | <b>139.36</b>  |                                   | <b>23.12</b>    |
| <b>Reconciliation of Cash and Cash Equivalents with the Balance Sheet:</b> |                                   |                |                                   |                 |
| <b>Cash and Cash Equivalents as per Balance Sheet</b>                      |                                   | <b>139.36</b>  |                                   | <b>23.12</b>    |
| <b>Cash and Cash Equivalents at the end of the year comprises of:</b>      |                                   |                |                                   |                 |
| (a) Cash in Hand   |                                   | 0.28           |                                   | 0.21            |
| (b) Balance with Banks   |                                   |                |                                   |                 |
| - In Current Accounts  |                                   | 55.90          |                                   | 22.91           |
| - In Fixed Deposits  |                                   | 83.18          |                                   | -               |

Amil Kumar Jain



**Notes:**

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on June 12, 2020. The Statutory Auditors have expressed an unqualified audit opinion.
- 2 The Group has adopted Ind AS 116 "Leases" effective April 1, 2019, using modified retrospective method. The Group has applied the standard to all its leases with the cumulative impact recognised on the date of initial application i.e. April 1, 2019. Accordingly, previous periods information has not been restated. This has resulted in recognising a Right-of-Use (ROU) asset and corresponding lease liability of Rs. 16.05 Crores. In the Statement of Profit and Loss for the current period, operating lease expenses which were recognized as other expenses in previous period is now recognized as depreciation expense for the ROU and finance cost for interest accrued on lease liability. The adoption of this standard did not have significant impact on the profit for the period and earnings per share.
- 3 (a) Exceptional Item includes Rs. 94.27 Crores provided against refund of excess export benefits of earlier years by way of MEIS claimed to the extent of Rs. 72.68 Crores along with interest thereon against Adjudication Order issued by office of The Commissioner of Customs.  
  
(b) Pursuant to the Notifications dated January 14, 2020 and January 29, 2020 issued by The Ministry of Textiles & the Ministry of Commerce, Government of India, withdrawing the entitlement under Merchandise Exports from India Scheme (MEIS) with retrospective effect from March 07, 2019 on certain products exported in the past, the Group had written off the MEIS benefit of Rs. 36.91 Crores for the period from March 07, 2019 to September 30, 2019 in the financial results for the Quarter and Nine Months ended December 31, 2019 and shown as an Exceptional Item. Out of above, an amount of Rs.32.71 Crores for the period from April 1, 2019 to September 30, 2019 has been regrouped and reduced from Revenue from Operations of the Group in the Year End financial results.
- 4 Holding Company of the Group elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized Provision for Income Tax for the Year ended March 31, 2020 and re-measured its Deferred Tax Liabilities based on rate prescribed in the said section.
- 5 **IMPACT OF COVID PANDEMIC AND RELATED LOCKDOWN MEASURES**  
The World Health Organization announced a global health emergency due to a new strain of coronavirus ("COVID-19") and classified this outbreak as a pandemic in March 2020 following which Government of India announced a countrywide lockdown from March 24, 2020. The manufacturing operations were temporarily shut down from 23rd March 2020 and after a period of ~ 30 days, restarted partially from 26th April, 2020 subject to conditions laid down by the State Government. The Company has taken all necessary steps to ensure the health, safety, welfare of employees and also the working environment as per the Government guidelines.  
**Business and Financial Impact:**  
Due to temporary stoppage of operations, orders valued ~ US\$ 11.0 mn. could not be executed in Q4 FY 2020 and stands postponed to FY 21. Since the outbreak of the pandemic, retail stores in our major markets viz. US and Europe have been predominantly closed except retailers selling fresh food and miscellaneous other products. Retail stores have started opening in a phased manner in June 2020 and further visibility on the business would be seen in the next couple of months as stores start their regular operations. The Company has adequate liquidity to manage the mismatch in cash flow arising due to Covid 19 situation. Company is in a position to service its existing debt comfortably and therefore has not sought any moratorium with the banks and financial institutions.  
**Outlook:**  
Given its healthy capital adequacy and stable liquidity position, good customer base, wider geographical distribution, innovative product mix, the Company is confident of dealing with the challenges posed by Covid-19.
- 6 The Board has recommended Final Dividend of Re. 0.60 per equity share (30%) of Rs. 2/- per share, subject to the approval of shareholders at ensuing Annual General Meeting.
- 7 The figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable.
- 8 The Group mainly operates only in one segment namely "Textiles" and hence segment details are not required to be published.
- 9 In line with the requirements of Regulation 47(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the results are available on the Stock Exchanges website at ([www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)) and on the Company's website at [www.indocount.com](http://www.indocount.com).
- 10 The figures for the Quarter ended March 31, 2020 are balancing figures between the audited figures of the full Financial Year and the reviewed year-to-date figures upto the third Quarter of the Financial Year

For and on behalf of the Board of Directors

Place: Mumbai  
Date: June 12, 2020



Anil Kumar Jain

Anil Kumar Jain  
Executive Chairman  
DIN: 00086106

**Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of  
Indo Count Industries Limited

**Report on the audit of the Consolidated Financial Results**

**Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Indo Count Industries Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter and year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements of the subsidiaries, the Statement:

i. includes the results of the following entities:

- a) Indo Count Industries Limited (Holding company)
- b) Pranavaditya Spinning Mills Limited (Subsidiary)
- c) Indo Count Retail Ventures Pvt. Ltd (Wholly Owned Subsidiary)
- d) Indo Count Global Inc., USA (Wholly Owned Subsidiary)
- e) Indo Count UK Limited (Wholly Owned Subsidiary)
- f) Indo Count Australia Pty Ltd (Wholly Owned Subsidiary)
- g) Indo Count Global DMCC (Formerly known as Hometex Global DMCC) (Wholly Owned Subsidiary)

ii. is presented in accordance with the requirements of the Listing Regulations in this regard; and

iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter and year ended March 31, 2020.





### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

We draw attention to Note 5 to the consolidated financial results, which describes the uncertainties and the impact of Covid-19 pandemic on the Group's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

### **Management's Responsibilities for the Consolidated Financial Results**

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.





### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.





Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

We also performed procedures in accordance with the Circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, as amended, to the extent applicable.

#### Other Matter

- i. The Statement include the audited Financial Results of 3 subsidiaries whose Financial Statements reflect Group's share of total assets of Rs 57.85 Crore as at March 31, 2020, total revenues of Rs 30.30 Crore and Rs 178.52 Crore, total net profit after tax of Rs. 0.73 Crore and Rs. 7.83 Crore, total comprehensive income/(loss) of Rs. (0.68) Crore and Rs. 6.33 Crore, for the quarter and the year ended on that date respectively, and net cash outflows of Rs. 7.34 Crore for the year ended March 31, 2020, as considered in the Statement which have been audited by their respective independent auditor. The independent auditors' reports on financial statements of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

The independent auditor of 1 of the subsidiaries has drawn attention to the fact that as at 31 March 2020 the Company has an accumulated loss of AED 386,757. Further, the Company has ceased operations since December 2019 due to adverse market conditions. Further, uncertainty due to recent COVID-19 outbreak shall adversely affect the financial position, results of operations and cash flows of the Company. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, it is the intention of the management to resume its service or trading operations when the market conditions improve and the shareholder has agreed to continue with the operations of the Company. Further the shareholder has agreed to provide continuing financial support to enable the Company to discharge its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis. Their opinion is not modified in respect of this matter.





- ii. The Statement include the unaudited Financial Results of 1 subsidiary whose Financial Statements reflect Group's share of total assets of Rs 0.01Crore as at March 31, 2020, total revenues of Rs Nil and Rs Nil, total net profit after tax of Rs. Nil and Rs. Nil, total comprehensive income of Rs. Nil and Rs. Nil, for the quarter and the year ended on that date respectively, and net cash outflows of Rs. Nil for the year ended March 31, 2020, as considered in the Statement. These unaudited financial statements have been furnished to us by the Board of Directors and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited Financial Results. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Results are not material to the Group.
- iii. The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

Place: New Delhi  
Date: 12<sup>th</sup> June 2020  
UDIN: 20521915AAAAAZ7673

For Suresh Kumar Mittal & Co.  
Chartered Accountants  
Firm Registration No. 500063N



ANKUR BAGLA  
PARTNER

Membership Number: 521915





**INDO COUNT INDUSTRIES LIMITED**

CIN No.: L72200PN1988PLC068972

Regd. Off. - Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416 109. Tel. No. (230) 2483105 Fax No. (230) 2483275

e-mail icilinvestors@indocount.com; website www.indocount.com

**Extract of Consolidated Financial Results for the Quarter and Year ended 31st March, 2020**

(Rs. In Crores except EPS)

| Sl. No. | Particulars  | Quarter ended         |                         |                       | Year ended            |                       |
|---------|--|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|
|         |  | 31-03-2020<br>Audited | 31-12-2019<br>Unaudited | 31-03-2019<br>Audited | 31-03-2020<br>Audited | 31-03-2019<br>Audited |
| 1       | Total income from operations   | 424.97                | 636.87                  | 441.82                | 2134.76               | 1944.70               |
| 2       | Net Profit for the period before Exceptional item and tax                | 16.00                 | 59.91                   | (2.05)                | 155.14                | 95.36                 |
| 3       | Exceptional Item (Refer Note (iv) (a) & (b))                             | -                     | 36.91                   | -                     | 98.46                 | -                     |
| 4       | Net Profit for the period before tax                                     | 16.00                 | 23.00                   | (2.05)                | 56.68                 | 95.36                 |
| 5       | Net Profit for the period after tax                                      | 8.25                  | 19.56                   | (4.53)                | 73.10                 | 59.84                 |
| 6       | Total Comprehensive Income for the period                                | (27.64)               | 26.61                   | 11.69                 | 24.51                 | 27.24                 |
| 7       | Paid up Equity Share Capital   | 39.48                 | 39.48                   | 39.48                 | 39.48                 | 39.48                 |
| 8       | Earning Per Share (of Rs.2/- each)<br>Basic and Diluted (Not Annualised) | 0.40                  | 1.02                    | (0.22)                | 3.74                  | 3.05                  |

**Notes :**

i) Company's Standalone Financial information is as below:

(Rs. In Crores except EPS)

| Sl. No. | Particulars   | Quarter ended         |                         |                       | Year ended            |                       |
|---------|---|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|
|         |   | 31-03-2020<br>Audited | 31-12-2019<br>Unaudited | 31-03-2019<br>Audited | 31-03-2020<br>Audited | 31-03-2019<br>Audited |
| 1       | Total income from operations                              | 400.25                | 608.72                  | 401.59                | 2,019.39              | 1,822.93              |
| 2       | Net Profit for the period before Exceptional item and tax | 19.33                 | 58.02                   | 3.80                  | 154.69                | 94.65                 |
| 3       | Exceptional Item (Refer Note (iv) (a) & (b))              | -                     | 36.91                   | -                     | 98.46                 | -                     |
| 4       | Net Profit for the period before tax                      | 19.33                 | 21.11                   | 3.80                  | 56.23                 | 94.65                 |
| 5       | Net Profit for the period after tax                       | 14.62                 | 16.62                   | 1.99                  | 73.76                 | 59.22                 |
| 6       | Total Comprehensive Income for the period                 | (19.84)               | 23.51                   | 17.78                 | 26.65                 | 30.64                 |

ii) The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on June 12, 2020. The Statutory Auditors have expressed an unqualified audit opinion.

iii) The Group has adopted Ind AS 116 "Leases" effective April 1, 2019, using modified retrospective method. The Group has applied the standard to all its leases with the cumulative impact recognised on the date of initial application i.e. April 1, 2019. Accordingly, previous period information has not been restated. This has resulted in recognising a Right-of-Use (ROU) asset and corresponding lease liability of Rs. 16.05 Crores. In the Statement of Profit and Loss for the current period, operating lease expenses which were recognized as other expenses in previous period is now recognized as depreciation expense for the ROU and finance cost for interest accrued on lease liability. The adoption of this standard did not have significant impact on the profit for the period and earnings per share.

iv) (a) Exceptional Item includes Rs. 94.27 Crores provided against refund of excess export benefits of earlier years by way of MEIS claimed to the extent of Rs. 72.68 Crores along with interest thereon against Adjudication Order issued by office of The Commissioner of Customs.

(b) Pursuant to the Notifications dated January 14, 2020 and January 29, 2020 issued by The Ministry of Textiles & the Ministry of Commerce, Government of India, withdrawing the entitlement under Merchandise Exports from India Scheme (MEIS) with retrospective effect from March 07, 2019 on certain products exported in the past, the Group had written off the MEIS benefit of Rs. 36.91 Crores for the period from March 07, 2019 to September 30, 2019 in the financial results for the Quarter and Nine Months ended December 31, 2019 and shown as an Exceptional Item. Out of above, an amount of Rs.32.71 Crores for the period from April 1, 2019 to September 30, 2019 has been regrouped and reduced from Revenue from Operations of the Group in the Year End financial results.

**v) IMPACT OF COVID PANDEMIC AND RELATED LOCKDOWN MEASURES**

The World Health Organization announced a global health emergency due to a new strain of coronavirus ("COVID-19") and classified this outbreak as a pandemic in March 2020 following which Government of India announced a countrywide lockdown from March 24, 2020.

The manufacturing operations were temporarily shut down from 23rd March 2020 and after a period of ~ 30 days, restarted partially from 26th April, 2020 subject to conditions laid down by the State Government.

The Company has taken all necessary steps to ensure the health, safety, welfare of employees and also the working environment as per the Government guidelines.

**Business and Financial Impact:**

Due to temporary stoppage of operations, orders valued ~ US\$ 11.0 mn. could not be executed in Q4 FY 2020 and stands postponed to FY 21.

Since the outbreak of the pandemic, retail stores in our major markets viz. US and Europe have been predominantly closed except retailers selling fresh food and miscellaneous other products. Retail stores have started opening in a phased manner in June 2020 and further visibility on the business would be seen in the next couple of months as stores start their regular operations.

The Company has adequate liquidity to manage the mismatch in cash flow arising due to Covid 19 situation. Company is in a position to service its existing debt comfortably and therefore has not sought any moratorium with the banks and financial institutions.

**Outlook:**

Given its healthy capital adequacy and stable liquidity position, good customer base, wider geographical distribution, innovative product mix, the Company is confident of dealing with the challenges posed by Covid-19.

vi) Holding Company of the Group elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized Provision for Income Tax for the Nine Months ended December 31, 2019 and re-measured its Deferred Tax Liabilities based on rate prescribed in the said section.

vii) The above is an extract of the detailed format of Financial Results of the Quarter and Year ended March 31, 2020 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The full Financial Results for the Quarter and Year ended on March 31, 2020 are available on the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com and on the Company's website at www.indocount.com.

viii) The Board has recommended Final Dividend of Re. 0.60 per equity share (30%) of Rs. 2/- per share, subject to the approval of shareholders at ensuing Annual General Meeting.

ix) The Group mainly operates only in one segment namely "Textiles" and hence segment details are not required to be published.

x) The figures for the Quarter ended March 31, 2020 are balancing figures between the audited figures of the full Financial Year and the reviewed year-to-date figures upto the third Quarter of the Financial Year

**For and on behalf of the Board of Directors**

**Anil Kumar Jain**

Executive Chairman

DIN: 00086106

Place: Mumbai

Date: June 12, 2020



June 12, 2020

**National Stock Exchange of India Limited**

Listing Department,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051.

**BSE Limited**

Department of Corporate Services,  
Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001.

**Company Symbol: ICIL**

**Scrip Code No.: 521016**

**Subject: Declaration on Auditors' Report with Unmodified Opinion under Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015**

Dear Sir/Madam,

In accordance with the provisions of Regulation 33 (3) (d) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, I, Mr. K. Muralidharan, Chief Financial Officer of Indo Count Industries Limited (CIN: L72200PN1988PLC068972) having its Registered Office at Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, District Kolhapur-416109, Maharashtra, hereby declare that, M/s. Suresh Kumar Mittal & Co, Chartered Accountants (ICAI Registration No.500063N), Statutory Auditors of the Company, have issued an Audit Report with unmodified opinion on the Audited Standalone & Consolidated Financial Results of the Company for the quarter and year ended March 31, 2020.

Kindly take this declaration on your record.

Thanking you,

For **Indo Count Industries Limited**

**K. Muralidharan**  
**Chief Financial Officer**

## Indo Count Industries Ltd

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**Marketing Office:** Dosti Imperia, 2nd floor, Manpada, Ghodbunder Road, Thane (w) - 400 607, Maharashtra, India; **T:** 022 4151 1800, **F:** 022 2172 0121

**Home Textile Division:** T3, Kagal - Hatkanangale Five Star, MIDC Ind. Area, Kolhapur - 416216, Maharashtra, India; **T:** 0231 662 7900, **F:** 0231 662 7979

**Spinning Division:** D1, MIDC, Gokul Shirgaon, Kolhapur - 416234, Maharashtra, India; **T:** 0231 268 7400, **F:** 0231 267 2161

**Regd. Office:** Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra, India; **T:** 0230 2463100 / 2461929  
**CIN:** L72200PN1988PLC068972, **E:** info@indocount.com, **W:** www.indocount.com