Complete Comfort

17th July, 2019

National Stock Exchange of India Ltd.
Listing Department
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051.
Company Symbol: ICIL

BSE Limited
Department of Corporate Services
Floor 25, Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001.
Scrip Code No.: 521016

Sub.: 30th Annual General Meeting, Annual Report 2018-19 along with Notice of Annual General Meeting and intimation of Record Date

Dear Sir/Madam,

We wish to inform the Exchanges that the 30th Annual General Meeting ("AGM") of the Members of the Company will be held on Tuesday, 13th August, 2019 at 12.30 p.m. at Hotel Vrishali Executive, Conference Hall, 39 A/2, Tarabai Park, District Kolhapur – 416 003, Maharashtra.

Pursuant to Regulation 34(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we are enclosing herewith the Annual Report for the Financial Year 2018-19 along with the Notice of 30th AGM. The said Annual Report and Notice of AGM are also available on the website of the Company at www.indocount.com. The web-links to the same are given below:

Annual Report 2018-19: https://www.indocount.com/images/investor/Annual_Report_for_2018-19.pdf

Notice of 30th AGM: https://www.indocount.com/images/investor/AGM_Notice1_2018-19.pdf

Further, pursuant to Regulation 42 of the Listing Regulations, we hereby inform the Exchanges that the Record Date for Final Dividend of Re. 0.60/- per Equity Share of Rs. 2/- each for FY 2018-19 is Friday, 2nd August, 2019. The dividend, if declared at the 30th AGM will be paid to the members holding shares as on close of business hours of 2nd August, 2019 within 30 days of the date of 30th AGM.

The Company is providing electronic voting (remote e-voting) facility to the members through electronic voting platform of National Securities Depository Limited (NSDL). Members holding shares either in physical form or dematerialized form as on cut-off date i.e. Tuesday, 6th August, 2019 may cast their votes electronically on the resolutions included in the Notice of 30th AGM. The remote e-voting shall commence from 9.00 a.m. on Friday, 9th August, 2019 and shall end at 5.00 p.m. on Monday, 12th August, 2019.

Kindly take same on record.

Yours faithfully,
For **Indo Count Industries Limited**

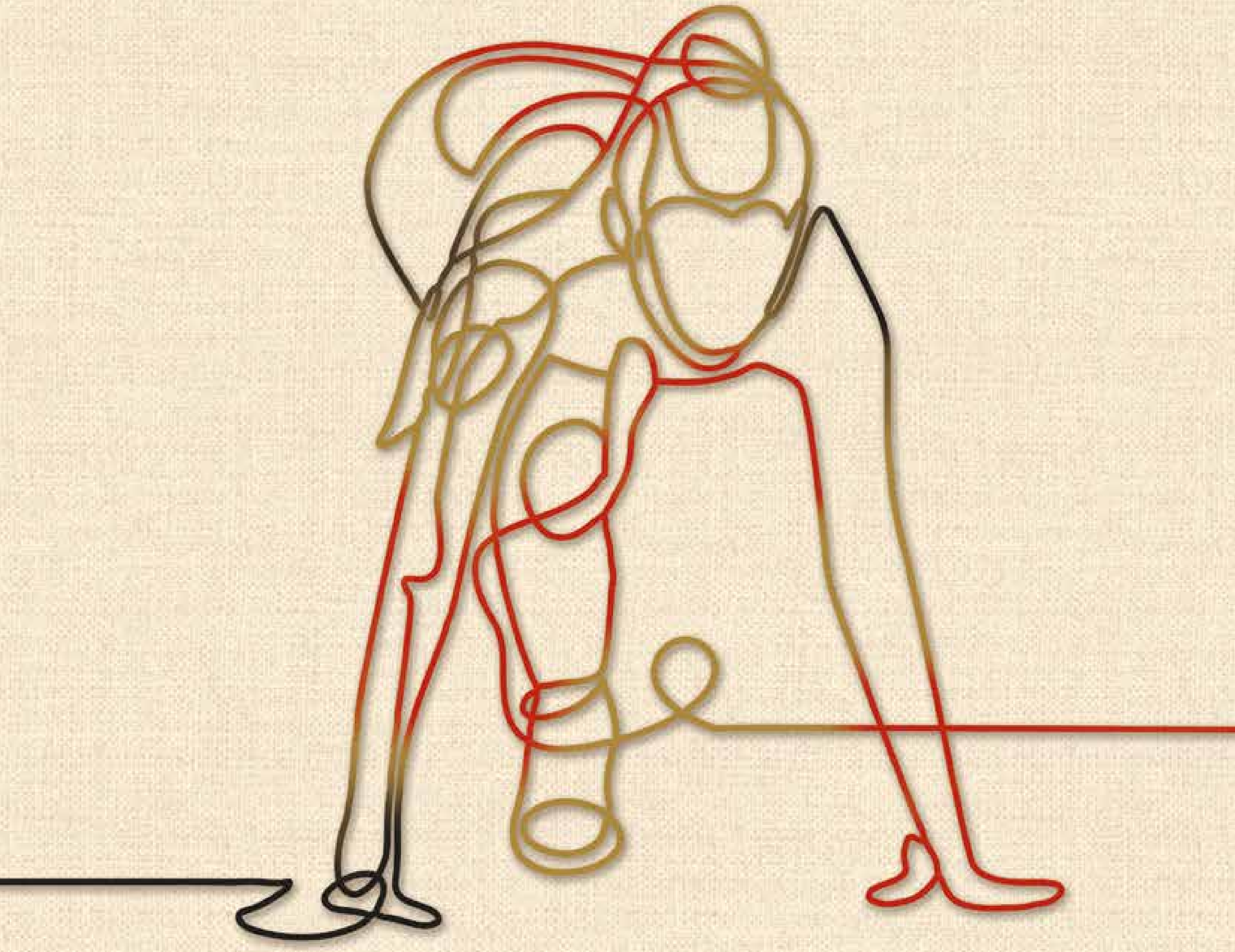
INDO COUNT INDUSTRIES LIMITED MUMBAI

Amruta Avasare
Company Secretary & Compliance Officer
Membership No.: ACS 18844
Encl.: A/a

Indo Count Industries Limited

Annual Report 2018-19

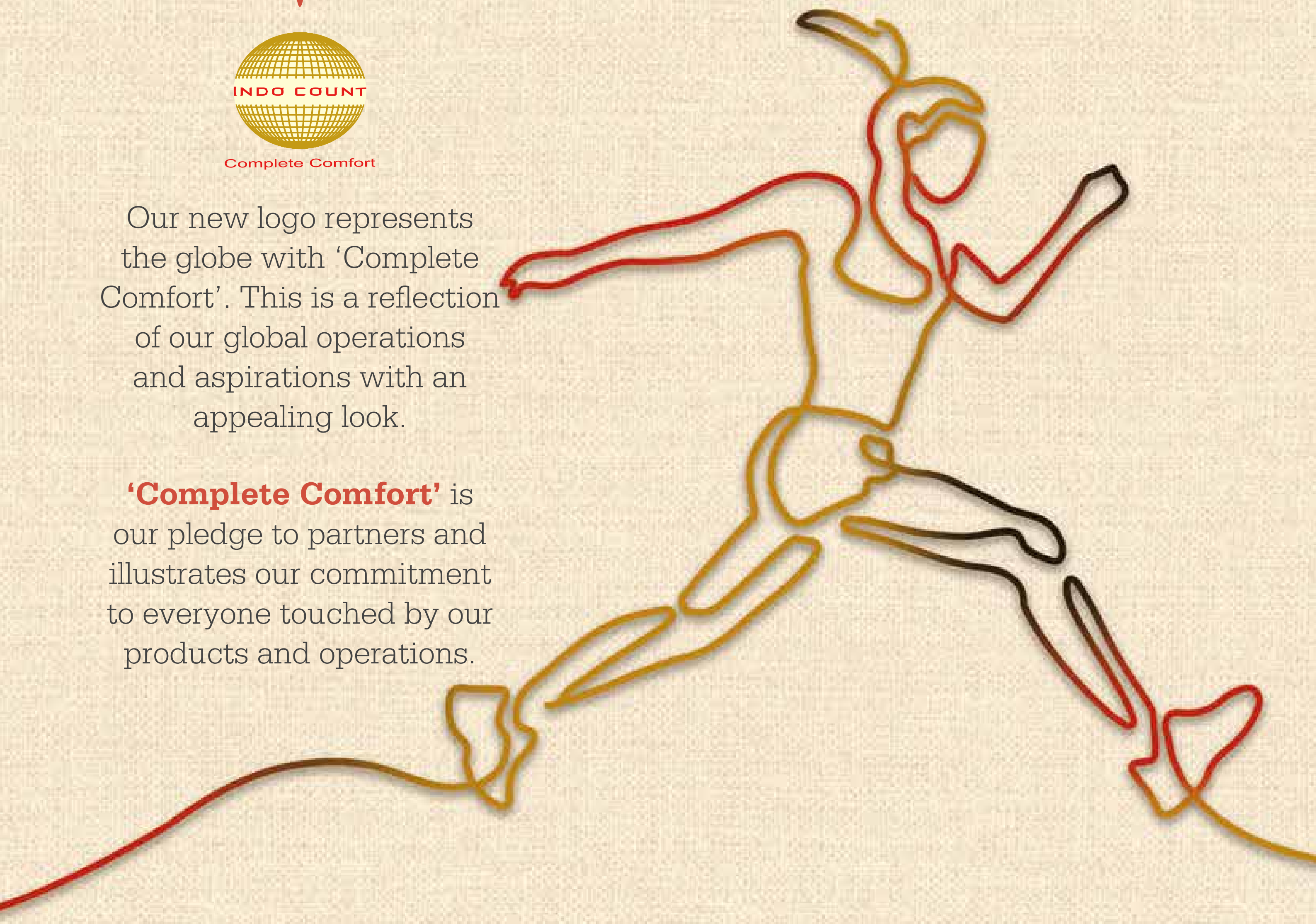
Poised for Growth



Our New Logo

Indo Count
COMPLETE COMFORT

INDO COUNT
Complete Comfort



Our new logo represents the globe with 'Complete Comfort'. This is a reflection of our global operations and aspirations with an appealing look.

'Complete Comfort' is our pledge to partners and illustrates our commitment to everyone touched by our products and operations.

Contents

We are at the cusp of capitalising on a demand recovery in our largest market.

Our foundation is strong. Our relationships over three decades with a number of marquee customer brands are getting stronger.

We possess state-of-the-art manufacturing facilities, adequate and flexible capacity, extensive sectoral understanding of products and design preferences as well as a relatively under-leveraged Balance Sheet.

We are

Poised for Growth.

The Company is ready to embark on the next phase of its successful journey.

Corporate Overview

Vision
To be one of the leading players in the global home textiles industry on the strengths of technology, experience and innovation.

Mission
We are committed to provide all our customers superior product quality, timely services and value for money through our technological and organisational strengths.

Principles
- Complete Comfort to customers
- Focus on customer satisfaction
- Foster stability and sustainability.

Installed capacity
90 million metres

per annum correlates to ~22 million sheet sets a year.

Portfolio
We are one of the leading Home Textile manufacturers with a product range that includes bed sheets, fashion bedding, utility bedding and institutional bedding with a backward integration starting from spinning and extending across the entire value chain.

Brands

In-house brands

14

- Boutique Living
- Heirlooms of India
- Atlas
- Revival
- The Pure Collection
- Haven
- Linen Closet
- Simply Put
- Whole Comfort
- True Grip
- Purity Home
- Cotton Exchange
- Color Sense
- Kids Corner

Licensed brands

4

- Morris & Co.
- Harlequin
- Sanderson
- Scion

Boutique Living

In India, the Company's brand 'Boutique Living' provides premium bedding through more than 500 stores pan-India.

Footprints
The Company has headquarters in India (Mumbai), and exports to more than 54 countries across six continents and USA constitutes the largest market share of the Company. The Company has two Indian and four foreign subsidiaries.

Clientele
The Company's key international clients includes renowned marquee customers across the globe.

ISO Certifications
- ISO 9001:2015 – Quality Management System
- ISO 14001:2015 – Environmental Management System
- OHSAS 18001:2007 – Occupational Health And Safety Management System.

Listing
The Company's equity shares are listed on the BSE Limited and National Stock Exchange of India Limited.

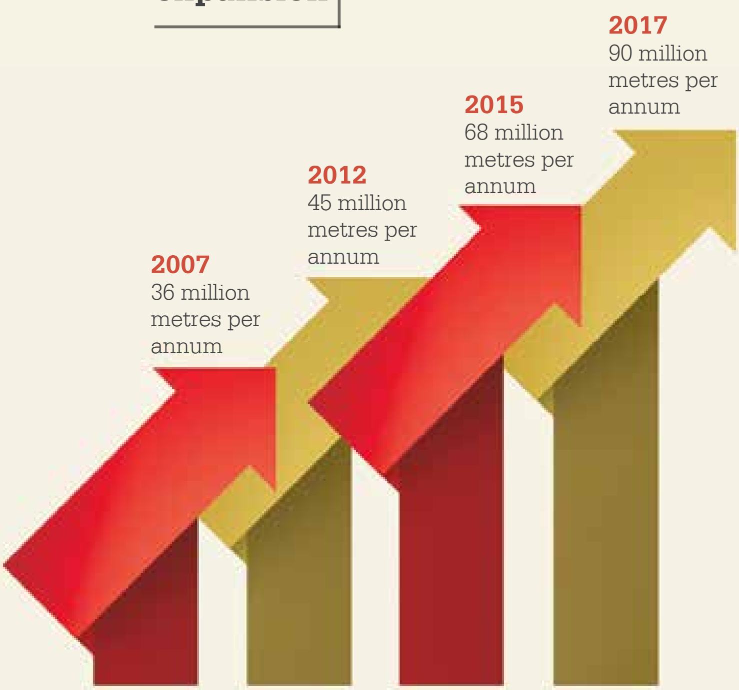
Credit Rating by CARE & ICRA
- **AA-** with outlook Negative for Long-term bank facilities which signifies high degree of safety regarding timely payment of financial obligations.
- **A1+** for Short-term facilities, the highest rating.

R&D and accreditations
- The Company's plant at Kagal, Kolhapur has been accredited by the NABL (National Accreditation Board for Testing & Calibration Laboratories) which certified it as ISO/IEC 17025.
- Received 'LEED Green Building Certification' from Green Building Council, USA. LEED (Leadership in Energy and Environmental Design) is the most well-known green building rating system in the world, and a globally recognised symbol of sustainable achievement.
- Collaboration with University of Leeds, UK, for focused and structured innovations in R&D.


ZSK Embroidery Machine

How we have invested, evolved and grown over the years

Capacity expansion




Single needle quilting machine

Our growth journey

30+ years

1988	Journey began with incorporation
1990 -91	Public issue and listing
1991	Commenced spinning operations
2007	Forayed into Home Textiles business by setting up state-of-the-art manufacturing capacity

Today we are among the top five global manufacturers and exporters of bed linen.

Through subsidiaries

2007	Acquired Pranavaditya Spinning Mills Limited
2011	Established USA subsidiary with a showroom and a design studio on the prestigious Fifth Avenue in New York
2014	Established UK and Australia subsidiary, showrooms and design studios in Manchester and Melbourne, respectively
2016	Established Indo Count Retail Ventures Private Limited and entered the domestic Indian market by launching the Boutique Living brand
2017	Established a wholly-owned subsidiary in Dubai, UAE

Awards and recognitions

2018-19

VASUNDHARA AWARD

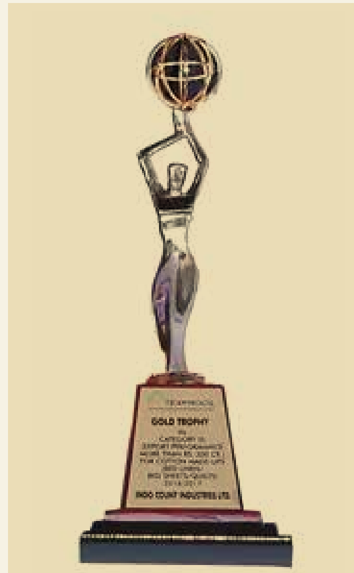
Winner of the prestigious "Vasundhara Award" from the Government of Maharashtra in recognition of the Company's contribution towards and commitment to the promotion of environment, energy conservation / natural resources and social / welfare activities. The Company was adjudged the second Best Company in Maharashtra among all large units.

The Award, consisting of a trophy, a certificate of merit and a cash award of ₹2 lakhs, was presented by Honourable Minister of Environment, Government. of Maharashtra, in an award ceremony held on World Environmental Day.

STATE EXPORT AWARD

Directorate of Industries, Government of Maharashtra, awarded the Company with the State Export Award in recognition of its export performance in the LSI category during 2016-17. The award was presented by Honourable Minister of Industries, Governmentt. of Maharashtra.

TEXPROCIL AWARDS



Gold Trophy
2016-17

Silver Trophy
2014-15 and 2015-16

Bronze Trophy
2009-10 to 2013-14

RECOGNITIONS BY LARGE RETAILERS IN USA

Platinum Certification Status in its Sheets and Fashion Bedding category, 2017 by JC Penney.

Best Collaboration in Design & Product Development award by KOHL'S

INDO COUNT
Complete Comfort

Key locations
Indian origin. Global mindset.

54
The number of countries where we are present

Indo Count exports products to more than 54 countries across six continents

Argentina • Australia • Austria • Brazil • Bangladesh • Belgium • Canada • China
Colombia • Costa Rica • Cote D'ivoire • Dominica • Denmark • Egypt • Ecuador • Finland
France • Guatemala • Germany • Greece • Holland • Hong Kong • Indonesia • Italy • Israel
Ireland • Japan • Mauritius • Mexico • Malaysia • Madagascar • Morocco • New Zealand
Netherlands • Oman • Peru • Puerto Rico • Portugal • Paraguay • Poland • Romania
Saudi Arabia • Singapore • Spain • South Africa • Sweden • South Korea • Turkey
Taiwan • Uruguay • UAE • UK • USA • Vietnam

Manufacturing facilities and offices in India

The Company has state-of-the-art manufacturing facilities - at Kolhapur, Maharashtra.

- Gokul-Shirgaon
- Kagal

The Company's headquarters are in Mumbai

Presence through international subsidiaries

USA
- A wholly-owned subsidiary in Indo Count Global Inc
- Showroom and design studio at Fifth Avenue, New York
- Warehouse for retail and e-commerce

United Kingdom
- A wholly-owned subsidiary in Indo Count UK Limited
- Showroom and design studio in Manchester

Australia
A wholly-owned subsidiary in Indo Count Australia Pty. Ltd.

UAE
A wholly-owned subsidiary in Indo Count Global DMCC

Financial Highlights, 2018-19 (Consolidated)

1945
Revenue
(₹ in crore)

166
EBITDA
(₹ in crore)

60
PAT
(₹ in crore)

3.05
EPS*
(₹)

0.31
Debt-equity ratio

2.31
Current ratio

0.84
Asset-turnover ratio

9.4
RoCE
(in %)

*Face value of ₹2/- each

- 6% growth in volume from 54.3 million metres in FY 2017-18 to 57.5 million metres in FY 2018-19
- Revenue from operations on a standalone basis increased to ₹1,813 crore against ₹1,709 crore in the previous year
- Turnover on a consolidated basis increased to ₹1,934 crore against ₹1,858 crore in the previous year
- Consolidated net debt stood at ₹281 crore as on March 31, 2019 as against ₹346 crore in the previous year; the Company was almost free of long-term debt.
- Recommended a final dividend @ 30% i.e ₹0.60 per equity share of ₹2 per share for FY 2018-19, signifying a higher dividend pay-out ratio.

Executive Chairman's Message

DEAR SHAREHOLDERS

I take this opportunity to share the highlights of another year. Though the year 2018-19 faced various headwinds, the focused approach of your Company ensured that the performance remained on-course.

Our sales volume registered a growth of 6% on a Y-o-Y basis and we were able to maintain our top line at the same pace despite a challenging business environment comprising increased input costs, lower government export incentives. On a consolidated basis, your Company's revenue and net profit stood at ₹1945 crore and ₹60 crore respectively. I would also like to emphasise that your Company's exposure to debt was low with a debt-equity ratio of 0.30.

The market overview

The US economy grew at around 2.9% in 2018 and the Company's major markets of US and EU reported a revival in consumer confidence and spending. There was a re-stocking by US retailers in anticipation of better sales and this supported the offtake of our products as well.

During the year under review, India continued to hold its position in the US textiles market. India's contribution in the made-ups segment increased and the share of Indian cotton bed sheets and terry towel exports to US were the largest contributors in 2018.

India retained its position as the third largest supplier of textile and apparel products to the US. India's textile and apparel exports to the US rose in 2018 while exports from other competing nations could not scale up.

The Indian home textile market grew, encouraging existing players to consolidate their capacities. The domestic home textile market is estimated to grow from US$ 6 billion in 2017 to around US$ 15 billion by 2025.

Business-strengthening initiatives

Your Company, leveraging its consistent specialisation and knowledge capital, innovated successful products and designs. The combination of our good quality products and service commitment empowered marquee customers to strengthen their respective brands, increasing repeat offtake from the Company.

We collaborated with the University of Leeds, UK, for structured innovation and continuously invested in debottlenecking and balancing capacities, coupled with investments in updated technologies and modernisation.

We continue to add brands in our portfolio, and during the year under review, we launched two new brands viz. Whole Comfort and Purity Home in the global market. We are making efforts in promoting our brands, strengthening our brand strategy.

Our brand 'Boutique Living' is in the third year after its launch in the domestic market and steadily expanding its presence in the Indian market. The brand is now available in more than 500 outlets, in addition to an online presence.

Sustainability initiatives

Conservation and optimal utilization of natural resources continues to be the topmost priority for your Company.

I am glad to inform that your Company's Home Textile facility at Kagal received LEED - Green Building Certification from Green Building Council, USA, the most well-known green building rating system in the world and a globally recognised symbol of sustainable achievement. Further, your Company adopted various measures viz. state-of-the-art, zero discharge effluent treatment plant (ETP) and a reverse osmosis (RO) plant for recycling waste and water, as well as rain water harvesting and solar power .

Outlook

The growing trade frictions between USA and China could have implications for businesses the world over. We believe that this could encourage a number of large USA brands to look for alternative suppliers from countries like India, benefiting focused and specialised players.

The impact on Indian business could be positive. India's competitiveness in textiles has been secured through adequate cotton availability and skilled labour, which puts it in an advantageous position.

Your Company is optimistic of prospects, backed by the patronage of satisfied customers, shared management vision and relevant investments made in the last few years.

Your Company will continue to grow its established US and EU presence, while endeavouring to make inroads into other countries. We will continue to launch innovative products and to work as a reliable partner with our customers and associates. Further, by virtue of its understanding the likes and needs of consumers, including millennials, your Company has evolve as a complete bedding solution provider.

Every smile counts

Your Company's collaborative and participatory approach in CSR continues to improve lives in and around Kolhapur. CSR activities in the education and healthcare have now covered almost 110 schools and 100 distant villages in Kolhapur, touching the lives of almost 2.5 million beneficiaries.

Poised for Growth

Growth does not just relate to earnings but is all about experience, capacity, potential, values etc.
Over three decades, your Company has transformed to emerge amongst the largest manufacturers and exporters of bed linen from India.

Our established global performance with capability, trust and confidence of our customers leads us to believe that the future will be encouraging. With innovative bedding solutions and a focused approach, your Company is placed to benefit and emerge stronger in the global home-textiles industry and possesses all resources to grow sustainably in the future.

Our customers are established and growing, we have a talented team and our fundamental values are deep and strong. All this gives us an opportunity to excel in our business…which makes us 'Poised for growth'

Your Company's revenue and net profit stood at ₹1945 crore and ₹60 crore respectively. I would also like to emphasise that your Company's exposure to debt was low with a debt-equity ratio of 0.30

Acknowledgements

I take this opportunity to thank our employees, Board members, customers, bankers, government authorities and all other stakeholders for their continued support.

Anil Kumar Jain
Executive Chairman

Complete Comfort

At Indo Count, we never lose sight of the fact that we are in business to deliver comfort in sleep experience to consumers through our bed linen products.

This objective is achieved through an overarching discipline to achieve the highest quality standard across every initiative.

The quality commitment commenced with investment in a world-class manufacturing facility benchmarked with the best global working standards.

Over the years, the Company invested in advanced equipment sourced from some of the best technology providers, resulting in a superior uptime and high operating efficiency. The robustness of manufacturing technology is complemented by highly developed employee skills.

The knowledge bandwidth of the Company's employees covers the value chain: research, product development, design, procurement, spinning, weaving, processing, cut-and-sew operations, branding and marketing.

The ability to connect consumer research at one end with customised product development at the other has empowered the Company to deliver 'Complete Comfort' to its consumers.

One of the best ways to prepare for sustained growth is to keep the Balance Sheet less leveraged to address organic and inorganic opportunities and protect the interest of long-term customers. The financial indicators, viz. current ratio, debt-equity ratio or operating cash flows have progressively improved and show off robust financial health, well positioned to support the Company's long-term growth.

Over the years, Indo Count focused on enhancing capital efficiency through superior technology that maximised resource utilisation, manufacturing on the basis of orders received, and the manufacture of products around the highest value-addition.

Besides, the Company broadbased the geographical spread its business across various levels, ensuring risk mitigation.

Even as the Company entered business as a cotton yarn manufacturer, it integrated operations from spinning to made-ups, protecting value-addition and profitability. Though the Company marketed its products to large marquee brands for the end products to be marketed under their respective brand names, the Company launched proprietary brands to create a parallel revenue engine.

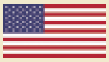
Innovation
We are respected by customers for the ability to extend the product frontier. We are known for creating innovative weaves and fabric finishes that enhance our standing as a forward-looking Company addressing the noval and demanding preferences of consumers.

Quality
We are recognised for the creativity of products that are aesthetic and enduring. The Company has state-of-the-art equipment (spinning, weaving, bleaching, dying, cutting and sewing) – a complete quality control solution.

Service
We believe that the sale begins once the product has been marketed and delivered. The high service standard invokes provision of not only high on-time and in-full delivery of agreed products but also just-in-time needs of customers.

Our business drivers

Indo Count's presence in some of the most exciting global markets



USA

- The world's largest home textiles market
- US home textile industry projected to grow at a CAGR 3% to US$ 27 billion by FY 2019-20
- US home textile industry accounts for 33% of total cotton made-up sales
- US textiles and apparel shipments were valued at US$ 76.8 billion in 2018
- US fibre, textiles and apparel exports were valued at US$ 30.1 billion in 2018

(Source: Global News Wire, Textiles Excellence)

European Union

- Textile and clothing industry turnover of €178 billion and investments of €4.9 billion in 2018
- Exports to EU valued at €50 billion in 2018
- Imported textile products worth €112 billion from developing economies
- Bed linen accounted for 32% share of the home textiles market
- Bed and bath linen are expected to grow at a CAGR of 1.7% to US$ 17 billion by 2020

(Source: Euratex)

India

- Third-largest home textiles market in the Asia-Pacific
- Home textiles market is expected to grow at a CAGR of 12% from US$ 6 billion in 2017 to US$ 15 billion by 2025
- Accounts for 5% of global textile exports made from the country
- Expected to produce 32.1 million cotton bales in 2018-19
- World's largest cotton producer, accounting for ~38% of global cotton acreage and ~23% of global cotton production
- India's annual per capita consumption of home textiles of ~US$ 3

(Source: Economic Times, Indian Textile, Technopak)

A positive long-term sectoral context

Evolving needs: Across the world consumer tastes and preferences have undergone radical shifts. What was fancied by customers a few years ago is completely out of favour today. Hence, sectoral players are laying a keen emphasis on producing research-driven innovative designs.

Cutting-edge technology: A fusion of cutting-edge technology and fashion requirements is creating the need for a high degree of functionality and aesthetics-based productisation

Chinese slowdown: China's textile and apparel exports have declined in the past two years, a reality that India expects to capitalise on by leveraging access to abundant raw material, sectoral knowledge and best-in-class infrastructure.

Growing population: Currently the world's population stands at 7.6 billion and is expected to reach 8.6 billion by 2030 and 9.8 billion by 2050, with ~83 million people being added to the global population annually.
(Source: UN org)

Nuclear families: There has been a growing instance of joint families splintering, resulting in the rise of smaller families, driving the demand for home textile products.

Rising incomes: Global per capita income is expected to grow from US$ 11,368 in 2018 to US$ 11,673 in 2019 in nominal terms. The global middle-class is expected to grow to 5.6 billion by 2030.
(Source: Statista)

Our strengths and capabilities

State-of-the-art-technology: The Company invested in cutting-edge equipment from some of the best global labels to manufacture best-in-class products across categories.

Sustainability: The Company has reinforced business sustainability through a long-term mindset related to manufacturing facilities, equipments, resource mobilisation, people, process, products and environment.

Focus: The Company's strong recall as a focused bed linen player helps generate enquiries leading to repeat engagements.

Diversity: The Company provides a variety of value-added products, strengthening its recall as a one-stop solution provider within the bed linen space.

Presence: The Company services emerging demand from more than 54 countries (major being USA) with showrooms operational in UK and USA.

Research: The Company has collaborated with Leeds University, UK, for structured innovation.

Strong positioning: The Company has positioned itself as a niche bed linen player in the home textiles segment.

Customers: The Company directly markets bed linen to large marquee customers and on e-commerce portals.

Relationships: The Company's business has demonstrated credentials to transform one-off transactions into repeat engagements and growing wallet share

Brand: Over the decades, the Company's brand has generated distinctive recalls: pioneering (product introduction), quality (high performance), dependable (client centricity) and accessible (grievance addressal).

Availability: The Company provides anytime product availability to customers, empowering them to address demand growth. The Company has invested in state-of-the-art IT technologies to derive real-time insights into business management.

... How Indo Count is competently placed to capitalise

Boutique Living

Available in more than **500** stores pan-India

Also available on Amazon, Myntra and Flipkart

Brand 'Boutique Living' entered its third year through its subsidiary Indo Count Retail Ventures Pvt. Ltd., steadily expanding its footprint in the Indian retail market. The brand is now available in 500 + stores pan- India, with a presence in multi brand outlets (MBOs) and select large format stores (LFS). The brand is available online through our website www.boutiquelivingindia.com, as well as on other online selling platforms such as Amazon, Myntra and Flipkart. Wider varieties of thread counts are used to continuously add to product offerings to inspire consumer demand. As a part of its product portfolio, the Company offers value-added bedding through premium bedding ranges. The brand entered into the Top of the Bed category with its first offering of pillow fillers in two different segments introduced in the Spring 2019 catalogue. The introduction of Dohars, also called AC blankets, received an encouraging response. We continue to promote our brand. The Company is continuously working toward widening its distribution reach and maintaining a high profile on the social media. We aspire to enter new markets by adding properties, products and price points, widening our reach and broadening our consumer acceptance.

Our products

Bed sheets

Fashion bedding

Utility bedding

Institutional bedding

In-house lifestyle brands

Boutique Living

Attributes

- Sophisticated
- Elegant
- Spirited
- Worldly
- Personal
- Simple
- Modern

Heirlooms of India

Attributes

- Timeless
- Vibrant
- Quirky
- Contemporary

Atlas

Attributes

- Modern
- Sophisticated
- Subtle
- Contemporary

Revival

REVIVAL
NEW YORK CITY

Attributes

Vintage
Classic
Sophisticated
Traditional

The Pure Collection

THE PURE COLLECTION

Attributes

Eco friendly
Organic
Vibrant
Minimalistic

Linen Closet

LINEN CLOSET

Attributes

Classic and timeless

Licensed lifestyle brands

Morris & Co.

MORRIS & Co.

Attributes

Modern
Sophisticated
Subtle
Contemporary

Harlequin

HARLEQUIN

Attributes

Classic
Elegant
Contemporary
Flamboyant

Sanderson

Sanderson

Attributes

Contemporary
Modern

Scion

scion

Attributes

Youth

Funky

Trendy

Modern

Innovations / Technologies

AllerCot™ EVER FRESH

DryMax™ COMPLETE COMFORT

ProShield™ SHIELD & CLEAR

The Complete Sheet®

weFresh for fresher living

NATURAL SHEETS

Pure™ earth

INFINITY®

AIREOLUX®

Active Cooling sleep cool

aero® BALANCE

COLOR SENSE®

Dura Shine®

TRUE GRIP® STAYS IN PLACE

Signature Sateen

EarthColors® by Archroma

Every smile counts

E-Learning

Education

110+ schools

Benefiting **~50,000 students**

Water and sanitation

~46 Water purifiers

RO systems and toilet blocks

Women's empowerment

Skill development centres

250+ Women trained in stitching

Flood relief

₹1.26 crore Contribution through supply of bed sheets

The unprecedented rains and floods that ravaged Kerala in August 2018 resulted in a massive loss of lives and destruction of livelihood, property and infrastructure. Textile materials and funds of more than ₹18 crore were donated by textile units across the country; we were one of the leading contributors, supplying more than 15000 bed sheets worth ₹1.26 crore towards Kerala's flood relief.

Our contribution towards disaster relief was appreciated by the Honourable Minister of Textiles as well as the State Government of Kerala.

Health care

Four medical vans

Operating in
100 villages

Touching
1,95,000+
patient

Provided infrastructure support and medical equipment in hospitals, Kolhapur

Baby-warming machine


2D eco testing machine


Fumigation machine


Syringe pump

CSR accolades

The Company received various certificates and accolades from the Government of Maharashtra, appreciating its CSR activities in and around Kolhapur.

STATUTORY SECTION

Corporate Information

Board of Directors

Mr. Anil Kumar Jain - *Executive Chairman*

Mr. Mohit Jain - *Executive Vice Chairman*

Mr. Kailash R. Lalpuria - *Executive Director & CEO*

Mr. Kamal Mitra - *Director (Works)*

Mr. P. N. Shah

Mr. R. Anand

Mr. Dilip J. Thakkar

Mr. Prem Malik

Mr. Sushilkumar Jiwarajka

Dr. (Mrs.) Vaijayanti Pandit

Dr. Sanjay Kumar Panda

Mr. Siddharth Mehta

Chief Financial Officer

Mr. K. Muralidharan

Company Secretary & Compliance Officer

Mrs. Amruta Avasare

Auditors

Suresh Kumar Mittal & Co.

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd. C 101, 247 Park,
L.B.S.Marg, Vikhroli (West), Mumbai- 400083

Registered Office

Office No. 1, Plot No. 266, Village Alte Kumbhoj Road, Taluka Hatkanangale, District Kolhapur – 416 109, Maharashtra, India.

Corporate Office

301, 3rd Floor, "Arcadia", Nariman Point,
Mumbai – 400 021, Maharashtra, India.

Plant Locations

D-1, MIDC
Gokul Shirgaon, Kolhapur – 416234
Maharashtra, India

T-3, MIDC
Kagal – Hatkanangale, Kolhapur – 416216
Maharashtra, India

Bankers

Union Bank of India

State Bank of India

HDFC Bank Ltd.

Bank of Baroda

CITI Bank

HSBC

Export-Import Bank of India

Corporate Identification Number

L72200PN1988PLC068972

Email

info@indocount.com

Website

www.indocount.com

Management Discussion and Analysis

Global economic review

In 2017, global economic growth approached the highest rate recorded since 2011. In 2018, amid the rise in global trade dispute, tightened financial conditions, failure of Brexit negotiations, global trade growth moderated over the course of 2018, from growth of 5.3% in 2017 to 3.8%. While these challenges materially impacted some specific sectors, stimulus measures and direct subsidies so far offset much of the direct economic impacts due to a trade frictions.

In many developed countries, growth rates have risen close to their potential, while unemployment rates have dropped to historical lows. Among the developing economies, the East and South Asia regions remain on a relatively strong growth trajectory, amid robust domestic demand conditions. Emerging Asian economies registered strong growth, supported by a demand pickup in India after a four-year interval. Even as trade activity in China moderated during H2 in response to a regulatory tightening of the property sector and non-banking financial intermediation, higher oil prices lifted growth among fuel-exporting economies in sub-Saharan Africa and the Middle East.

Overview of key geographies

United States: The US economy grew at 2.9% in 2018. The US economy continues to demonstrate strong performance on the back of record low unemployment. The headline consumer price inflation is projected at 2.1% in 2019.

Europe: In 2018, growth remained subdued among the advanced economies in the Eurozone. The European region is under pressure on account of Brexit and global trade tensions. Export growth slackened after a visible surge in the later part of the previous year. Higher energy prices dampened demand in terms of energy imports. Some countries were affected by political and industrial uncertainties. *(Source: World Economic Outlook)*

Outlook

While the global economic indicators remain largely favourable, there are short-term risks that are threatening global growth prospects. These risks include an escalation of trade disputes, an abrupt tightening of global financial conditions and intensifying climate risks. However, despite these challenges, the global economic growth is expected to remain muted at around 3.5%. *(Source: World Economic Outlook)*

Global economic growth over five years

Year	2015	2016	2017	2018	2019 (P)
Real GDP growth (%)	3.2	3.1	3.8	3.6	3.5

[Source: World Economic Outlook, April, 2019]; P: Projected

Indian economic overview

India emerged as the sixth largest economy and retained its position as the fastest-growing trillion-dollar country. In January-March 2018-19 quarter, the GDP grew 5.8%, the slowest since 2014-15. India's GDP growth rate fell from 7.2% in 2017-18 to 6.8% in FY 2018-19. In April, 2019, the International Monetary Fund (IMF) reduced India's growth forecast by 20 basis points pegging it to grow by 7.3% in 2019-20 and 7.5% in 2020-21. *(Source: IMF and Central Statistics Office).*

The economic slump has been caused by temporary reasons, like the financial crisis in the NBFC sector. This affected credit expansion, financial markets and consumer sentiment, which resulted in slower GDP growth.

However, key initiatives implemented by policy makers over the last couple of years are likely to provide long-term fundamental strengths and nourishment to the Indian economy. In 2018, the country attracted more foreign inflows than China- ~US$ 38 billion, higher than China's US$ 32 billion. India witnessed a 23-notch jump to a record 77th position in the World Bank's latest report on the Ease of Doing Business that captured the performance of 190 countries. The commencement of the US-China trade frictions opened a new opportunity for India, particularly in the agro sector. Inflation (including food and energy prices) was pegged at 2.6% on an annual basis, one of the lowest in years and well below the Reserve Bank of India's medium-term target of 4%. The rupee rebounded after touching a low of ₹74.45 to a dollar to close the financial year at ₹69.44. During the fiscal under review, the Indian Government continued to invest deeper in digitalisation, renewable energy capacity generation and infrastructure building.

Indian Textiles

Indian textile trade in the EU & US

India was the fourth-largest supplier to the EU. The average tariff on textile products faced by India in the EU stood at 5.9%. India's textile and apparel exports to USA have grown at a CAGR of 2% in the last five years. The average tariff on textile products faced by India in the US is 6.2%. The US is the top export destination for textiles made in India with a share of 21%. 50% of India's exports to USA were in the form of apparel, followed by home textiles with a considerable share of 37%. India's largest exported commodity to USA in 2017 comprised bed and table linen. India has a strong presence in the home linen category in USA with a share of 40% of USA's total imports. *(Source: Economic Times, Wazir Advisors)*

Outlook

The fiscal deficit for 2019-20 is pegged at 3.4% with a target of 3% by the 2020-21. India is expected to grow at 7.3% in FY2019-20, benefiting from the ongoing structural reforms. *(Source: CSO, Fitch, Economic Times, Business Standard, IBEF, Business Today, India Today, IMF)*

The size of India's textile market is expected to reach US$ 223 billion market by 2021. The aggregate income of the addressable population (individuals with >US$9,500 in annual income) is expected to treble between 2020-25. *(Source: IBEF, Wazir Advisors)*

The growing trade frictions between US and China will have implications for businesses the world over. The impact on Indian business could be positive. India's competitiveness has been secured through large raw cotton availability, which puts it at an advantage over China in extending its value-addition chain from cotton to yarn to sheet to the final end product. We believe that the trade frictions could encourage a number of marquee US brands to seek alternative suppliers from countries like India.

Governmental initiatives

- Under the Technology Up-gradation Fund Scheme, investments were made to promote modernisation and upgradation of the textile industry by providing credit at reduced rates. Nearly ₹2,300 crore (US$ 355.27 million) was allocated by the Government of India for this scheme.
- The Amended Technology Upgradation Fund Scheme (ATUFS) is expected to create employment for 3.5 million people and attract investments worth ₹950 billion (US$ 14.17 billion) by 2022.
- 100% FDI is allowed in the textile sector through the automatic route.
- The Union Ministry of Textiles, Government of India, along with Energy Efficiency Services Limited, launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for promoting the power-loom sector of India.
- The Directorate General of Foreign Trade revised rates for incentives under the Merchandise Exports from India Scheme for two sub-sectors - readymade garments and made ups - from 2% to 4%.
- The Cabinet Committee on Economic Affairs approved a scheme for capacity building in the textile sector with an outlay of ₹1,300 crore (US$ 202.9 million) from 2017-18 to 2019-20. The scheme is aimed at providing a demand-driven and placement-oriented skilling programme to create jobs in the organised textile sector and promote skilling and skill upgradation in the traditional sectors.
- The Government of India announced a special package to boost exports by US$ 31 billion, to create one crore job opportunities and attract investments worth ₹800 billion (US$ 11.93 billion) between 2018 and 2020.
- The Goods and Services Tax (GST) Council doubled the limit of textile players from ₹2 million to ₹4 million from April, 2019. It also raised the composition scheme turnover threshold from ₹1 crore to ₹1.5 crore for FY2020.
- During the end of the year, the Ministry of Textile introduced a new scheme to refund central levies, which were earlier limited to only State levies. The industry expects that this will bring some respite to exports.

Union Budget, 2018-19 and Textile Industry

- Allocation of ₹112.15 crore (US$ 17.32 million) by the Government of India towards schemes for power-loom units.
- Allocation of ₹7,148 crore (US$ 1 billion) by the Government of India for the textile industry.
- Allocation for ROSL stood at ₹2,163.85 crore (US$ 334.24 million), which is expected to be beneficial for exporters of apparels and made-ups, as backlog and working capital will be released.
- Allocation of ₹30 crore (US$ 4.63 million) by the Government of India for the Scheme for Integrated Textile Parks (47 ongoing projects)
- Allocation of ₹2,300 crore (US$ 355.27 million) for the Technology Up-gradation Fund Scheme.

  (Source: Union Budget 2018-19)

Growth drivers

- Rise in incomes have resulted in the increase of aspirational buying. Consumers have become more fashion-conscious and this trend is expected to rise in the foreseeable future.
- Demographic dividend: India has a population of nearly 1.35 billion people. By 2020, it could become the youngest country in the world with ~64% of the population falling under the working age category. This will drive the demand for the textile industry across the foreseeable future.
- Aspirational buying: The behaviour of consumers has changed over the past few years as they have shifted from need-based purchases to aspiration-based purchases. Significant increase has also been noticed in the spending by consumers belonging to Tier-II, III and IV cities.

- Internet-penetration: India is the second largest smartphone market in the world (~430 million users) with the cheapest mobile data in the world (1 GB data for US$ 0.26). Increase in the number of internet users has been a major growth driver of online retail.
- Chinese decline: China's growth in the global textile and apparel trade has slowed significantly over the past couple of years. Reduction in China's global share has created opportunities for competing nations to increase their share of the global trade. India has the most favourable resources (skilled manpower, abundant availability of raw materials and infrastructure) to take advantage of the situation.
- Growing middle-class: The Indian middle-class market is projected to overtake US as the second largest in the world by 2022. Growing power of the middle-class, coupled with rising incomes, could catalyse the growth of the textile industry.
- Increasing consumption: Total consumption expenditure was pegged at US$ 1,824 million in 2017 and is projected to reach US$ 3,600 by 2020. Increase in consumption has been catalysed by the increasing awareness about national and international brands. This, coupled with the rising disposable incomes and changing lifestyles, will drive the growth of the textile industry.
- Urbanisation: India is urbanizing faster than probably any other large country. It has been estimated that by FY20, 35% of India's population could be living in urban centres, accounting for 70 to 75% of India's GDP.

  (Source: Business Times, Ministry of Textiles, IMF, McKinsey Global Institute, Financial Express, IBEF, PwC)

SWOT analysis

Strengths

- Adequate supply of raw materials
- Stable long-term demand
- Increased penetration of organised retail
- Implementation of new technologies
- Arrival of innovative products

Weaknesses

- Volatile raw material prices and increasing wages
- Rapidly changing consumer behaviours
- Increasing downstream competition due to e-commerce platforms
- High power costs and long export lead times

Opportunities

- Decline in Chinese dominance
- Favourable government initiatives
- Elimination of trade barriers to expand market access

Threats

- Increasing seasons per year has shortened fashion cycles
- International labour and environmental laws have become more stringent
- Increasing competition from other apparel hubs such as Vietnam and Bangladesh
- Maintaining a balance between price quality and demand supply
- Elimination of quota system will lead to fluctuations in export demand

Global home textiles industry overview

The global home textiles market is expected to reach US$130 billion by 2021. The global home textiles product market can be segmented on the basis of category and geography. On the basis of category, the market is segmented into bed linens and spreads, bath/toilet linens, kitchen linens and upholsteries, among others. On the basis of geography, the market is segmented into North America, Europe, the Asia Pacific, Middle East, Africa and South America.

Bed linen and bed spread accounts for the largest share of 45%, while bath linen constitutes 20% and other segments such as floor coverings, furnishings, and table and kitchen linens make up 35% of the home textiles market. The bed linens and spreads segment is expected to grow at a CAGR of 4.4% to reach US$60 billion by 2020.

The US and Europe are among the world's largest home textiles markets, together accounting for approximately 50% or more of the global consumption of home textiles. The US continues to remain the largest importer of home textiles.

Meanwhile, the Asia-Pacific, accounting for approximately 45% of the market share, remains the most dominant producer and consumer of home textiles. China is the largest manufacturer and consumer of home textiles with a market size of US$30 billion. India, being one of the largest home textiles market in the Asia Pacific, accounted for 5% of global textile exports from the country. The Country is the world's largest cotton producer, accounting for ~38% of global cotton acreage and ~23% of global cotton production

US imports value: Country wise market share (%)

Category	Apr'19			Apr'18			YTD CY19		
	India	China	Pakistan	India	China	Pakistan	India	China	Pakistan
Pillow cases	46	25	16	51	20	15	51	22	15
Cotton sheets	45	26	21	52	18	19	49	22	21
Bedspreads & quilts	16	59	16	17	51	21	16	60	15
Terry & other towels	40	24	21	38	26	18	38	26	21
Bedding & pillow covers	25	38	18	26	40	19	26	40	17
Cotton made-Ups	32	34	19	34	32	19	33	35	18

(Source, OTEXA, JM Financial)

Market share for US imports of cotton sheets (%)

Countries	2014	2015	2016	2017	2018
India	47	48	49	50	49
China	23	23	22	20	21
Pakistan	17	17	16	16	17
Rest of the world	13	12	14	14	12

(Source, OTEXA, JM Financial)

Market share for US imports of cotton made ups (%)

Countries	2014	2015	2016	2017	2018
India	29	31	33	33	33
China	39	38	36	36	37
Pakistan	18	18	18	17	17
Rest of the world	14	13	13	14	14

(Source, OTEXA, JM Financial)

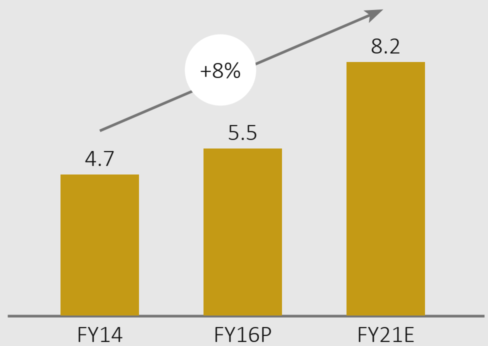
Indian home textiles industry overview

India presently accounts for a 7% share of the global home textiles trade. India consolidated its position as the second-largest exporter of home textiles, while also being a prominent domestic consumer.

India's bed linen consumption is expected to reach ₹19,350 crore by 2021, growing at a CAGR of 8%. Towel consumption in the country is estimated to reach ₹7,060 crore by 2021, curtains ₹4,790 crore, blankets ₹2,850 crore, upholsteries ₹3,080 crore, kitchen linens ₹2,400 crore, while rugs and carpets ₹1,250 crore by 2021.

The home décor market will be driven by a growing real estate market and rising pride in home décor. Significant increase in the affordable housing and services sector, coupled with the rise in disposable incomes and improving lifestyles, are expected to strengthen the demand for home textiles. *(Source: Wazir Advisors, Indian Retailer, Indian Textile)*

India's home textile industry mix (USD Bn)



Global cotton industry overview

The global cotton production will decline ~4% in cotton year 2019 (October-September), because of a fall in production in major cotton producing nations such as US and India, owing to dry weather and likelihood of deficit monsoons. India, specifically, is looking at a likely decline of over 5%, owing to a predicted deficit in southwest monsoons, pink bollworm infestation and non-availability of BT (bacillus thuringiensis) variety of seeds.

Global consumption is expected to decline too, but marginally (by 0.04%), owing to an expected 8% decline in cotton consumption by 2020. China's stock-to-use ratio started to decline from cotton year 2015 onward, following China's de-stocking policy. Stock levels are expected to decline further to 10.8 months in crop year 2019 (September-August). *(Source: CRISIL)*

Cotton production by country (million tonnes)

Countries	2015/16	2016/17	2017/18	2018/19P
India	5.6	5.9	6.3	5.9
China	4.8	5.0	6.0	6.0
United States	2.8	3.7	4.6	4.0
Pakistan	1.5	1.7	1.8	1.7

(Source: USDA, JM Financial, P: Projected)

Cotton prices (USD/kg)

	CY17	CY18	YoY (%)	YTD'18	YTD'19	YoY(%)	CMP	YTD change (%)
Cotlook A	1.8	2.0	9	2.0	1.8	(10)	1.7	(1.9)
US	1.6	1.8	11	1.8	1.6	(13)	1.4	(7.8)
India	1.8	1.8	0	1.7	1.7	0	1.8	0.4
China	2.4	2.4	2	2.5	2.3	(9)	2.1	(10)
China-India spread	0.6	0.7	6	0.8	0.5	(32)	0.3	(43)

(Source: Bloomberg, JM Financial, YTD: January-May, 2019)

Note: Cotlook A is an average of the cheapest 5 quotations from a selection of the principal upland cottons traded internationally

Indian cotton industry overview

Cotton Association of India (CAI) in its April, 2018 estimate of the cotton crop for the season 2018-19 beginning from 1st October, 2018 estimated 315 lakh bales of cotton crop, lower by 6 lakh bales compared to the previous estimate of 321 lakh bales.

The scarcity of water in some states and uprooting of cotton plants by farmers in about 70-80% area without waiting for third and fourth pickings were stated to be the main reasons for a reduction in the cotton crop this year.

The projection of cotton export for the season reduced from 47 lakh bales to 46 lakh bales on account of prevailing higher prices of Indian cotton and smaller crop size. Last year, cotton exports from India were 69 lakh bales. The cotton exports this year are estimated to be lower by about 33%

Imports are expected to be lower than trade estimates. So far, India signed import deals for around 2.5 mn bales in the current year. Of this, 1.1 mn bales arrived and the remaining was being shipped for July-September deliveries.

IMD forecasted average rainfall in 2019. However, imports could gain pace again if monsoon progress in India remains significantly weak against what is expected, as it could threaten the domestic kharif crop, which largely depends on monsoonal rainfall.

India's cotton balance sheet (million tonnes)

Cotton	2015-16	2016-17	2017-18	2018-19P
Production	5.6	5.9	6.3	5.9
Consumption	5.3	5.2	5.4	5.4
Surplus/(Deficit)	0.4	0.7	0.9	0.5
Exports	1.3	1.0	1.1	1.0
Ending stocks	2.3	2.4	1.9	1.9

(Source: USDA, JM Financial, P: Projected)

India yarn/cotton prices (INR/kg)

	CY17	CY18	YoY (%)	YTD'18	YTD'19	YoY(%)	CMP	YTD change (%)
Cotton- Shankar 6	116	122	6	114	124	9	126	3.3
Cotton yarn	205	210	2	207	213	4	222	8.3
Yarn cotton spread	89	88	(2)	93	89	(5)	96	15.6

(Source: JM Financial, YTD: January-May, 2019)

Note: Shankar 6 is one of the best variety of cotton)

(Source: USDA, Cotton Association of India, Cotton Association of India, Economic Times, Business Standard, JM Financial)

Global Bed Linen Segment Overview

The bed linen segment is expected to reach US$ 108 billion by 2025, driven by a burgeoning housing market, increasing consumer spending on home furnishings, technological developments and growing availability of products in a wide array of textures, fabrics, designs and colours.

The Asia-Pacific represents the largest and the fastest-growing market worldwide. Key factors driving growth in the region include stable economic growth, rising number of nuclear family households, availability and access to a range of products through expanding retail network, and higher spending power of the middle class. Lower prices and labour costs in Asian countries such as China and India have predominantly led to an increase in exports from these countries. China leads the global bed linen exports in terms of both volume and value. (Source: Global News Wire, Global Industry Analyst)

Global Textile and Apparel Industry

The global textile & apparel market size was valued at US$ 925.3 billion in 2018 compared to ~US$ 872 billion in 2017. In 2017, the EU and the US were the largest apparel markets with a combined share of >41% while accounting for just 11% of the global population. China and India collectively accounted for a market of ~16% while they were home to ~36% of the global population.

Population growth, rising disposable incomes, retail boom and rapid urbanization in developing countries like China, India, and Mexico are likely to boost demand. Moreover, various technological advances across the region could act as growth drivers. China is the largest exporter in the world, accounting for 36% of global exports, closely followed by India (US$ 37 billion), Bangladesh (US$ 35 billion) and Germany (US$ 34 billion), respectively. (Source: Grand View Research, Wazir Advisors)

Outlook

The global textiles and apparel market is projected to reach US$ 1,230 billion by 2025, growing at a CAGR of 4.2%. Among the top eight markets for apparel, India and China are expected to grow at steady CAGRs of 12% and 10%, respectively, compared to the global average of 5%. China is pegged to become the biggest apparel market by adding >US$ 450 billion in market size by 2025. India could surpass Japan and emerge as the fourth-most attractive apparel market by adding ~US$160 billion by 2025. *(Source: Wazir Advisors, Grandview Research)*

Operational performance, FY 2018-19

The Company's major markets of US and EU reported a revival in consumer confidence and spending, marked by the large success of popular occasions like Black Friday and Christmas. There was a re-stocking by US retailers in anticipation of better sales and this strengthened our offtake as well.

The Company tied up with the LEEDS University UK for R&D. With the expertise of LEEDS, a major in textile research, we intend to bring path-breaking innovations for global customers. We are also working towards a significant use of sustainable cotton, also known as (BCI) Better Cotton Initiative.

The Company had consistently strengthened the launch of innovative bed linen products around modern and functional designs, strengthening its relationship with marquee global brands.

The Company innovated bedding designs, leveraging its consistent specialization and knowledge capital. The combination of our high product quality and service commitment empowered the Company's marquee institutional customers to strengthen their respective brands, increasing repeat offtake from the Company.

Besides, the green shoots of the Company's recovery were also a result of painstaking and patient initiatives undertaken by the Company across the last few years.

In May, 2019, the Board approved to postpone the investment of ₹200 crore in additional weaving capacity. The Company is confident of sweating its existing capacities to the fullest to fulfill client demand.

During the year under review, the Company launched two brands in the global market viz. Whole Comfort in utility bedding and Purity Home in fashion bedding. The Company widened its Indian footprint, coupled with a growing online presence. The Company's aspirational brand Boutique Living is available across more than 500 outlets.

Financial Performance FY2018-19

Our sales volumes for the year stood at 57.5 mn metres versus 54.3 mn metres in FY18, registering a growth of 6% on YoY basis. On a standalone basis, total revenue stood at ₹1,822.93 crore for the year ended 31st March, 2019 as against ₹1,718 crore in the previous year. Further, your Company achieved EBIDTA of ₹161 crore and net profit of ₹59 crore for FY19.

At a consolidated level, the total revenue stood at ₹1,945 crore for FY2018-19 as against ₹1,867 crore in the previous year, a growth of 4.1%. Your Company reported EBIDTA and Net Profit of ₹166 crore and ₹60 crore respectively for the year ended 31st March, 2019. EPS stood at ₹3.05 for the year ended 31st March, 2019

Lower government incentives and economic slowdown impacted revenue growth. Further, various factors such as increase in raw material cost, selling cost, employee benefit expenses and adverse forex movements resulted in a fall in EBITDA and Net Profit for the year ended 31st March, 2019.

Our consolidated net debt stood at ₹281 crore as on 31st March, 2019 versus ₹346 crore as on 31st March, 2018. Accordingly, our net debt to equity ratio as of 31st March, 2019 was 0.3 times.

Remaining steadfast in the objective of delivering the best possible value to shareholders in the form of consistent dividend payments, the Board of Directors recommended a Final Dividend of ₹0.60 per equity share i.e. (30%) of ₹2 per share for the financial year ended 31st March, 2019.

Key Financial Parameters

Particulars	Standalone		Consolidated	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Debtors turnover	55	66	48	54
Inventory turnover	175	201	188	207
Interest coverage ratio*	3.81	7.17	3.68	6.59
Current ratio	2.43	2.09	2.31	2.06
Debt equity ratio	0.30	0.38	0.31	0.37
Operating profit margin	6.45	7.90	6.63	7.74
Net profit margin (%)*	1.70	7.30	1.40	6.40
Return on net worth*	3.20	14.00	2.80	13.10

** Reason for variation (>25%): Net Profit Margin declined mainly on account of the impact of exchange rate fluctuations on sales realization and lower export benefits earned; consequently, the adverse return on net worth and interest rate coverage ratio. The Interest coverage ration however remained healthy over 3.50 times.*

Credit Rating

As on 31st March, 2019, for long-term bank facilities of the Company, credit rating assigned by CARE and ICRA was 'AA-' with outlook being Negative. The said ratings signify a high degree of safety regarding the timely servicing of financial obligations.

Further, for the Company's short-term bank facilities, ICRA and CARE reaffirmed the rating as 'A1+', which signifies strong safety regarding timely payment of financial obligations and carry the lowest credit risk.

Sustainability

Our Company sources a majority of its raw material from the cotton growing areas of Maharashtra. Indo Count Industries, therefore is an active participant in various initiatives taken by 'CITI CDRA' to improve the productivity of cotton in Maharashtra, making it more sustainable. Besides our own collaboration with CITI CDRA, Indo Count Industries has also contributed to the cause of sustainable cotton by using BCI/sustainable cotton to address 60% of our cotton requirement.

Our collaboration with key retailers in their sustainability initiatives are through Higg Index self-assessment standards to measure metrics such as energy usage, gas emissions, water consumption, chemicals policies waste management and labor practices, which are taken into consideration and compared globally with all the manufacturers for assessing environmental and social sustainability throughout the supply chain. The Company is also engaged with companies like Bayer Crop science who play a major role in shaping agriculture through break-through innovations for the benefit of farmers, consumers and the environment.

Risk management

Economic risk: Any slowdown in the global economy can impact the Company's top line.

Mitigation: Despite uncertainties, the major advanced and emerging economies clocked sustained growth. Consumption-driven investments have been on the rise in several economies, leading to increased demand for home textiles.

Forex risk: Dealing in foreign currencies could hamper the Company's revenues in case of currency fluctuation.

Mitigation: The Company continuously monitors its exposure to currency volatility. The Company enters foreign currency forward contracts of six to twelve month tenures after receiving orders from clients.

Price risk: Volatility in raw material prices impacts the overall cost of production.

Mitigation: The Company books raw materials as soon as there is order clarity and also holds adequate inventory to insulate itself from short term spikes.

Competition risk: Increasing number of players could intensify competition and impact market share.

Mitigation: The Company continues to focus on increasing the market share through strong R&D and timely delivery of quality products to differentiate itself from its peers.

Environmental risk: Inability to comply with environmental norms can lead to punitive actions being taken.

Mitigation: The Company continuously monitors regulatory changes to ensure compliance with all applicable regulations. the Company regularly upgrades its technological equipment.

Internal control systems and their adequacy

The Company's resilience and focus is driven to a large extent by its strong internal control systems for financial reporting. Keeping in mind the nature, size and complexity of business operations the well formulated control framework covers various aspects of governance, compliance, audit, control and reporting. Stringent procedures ensure high accuracy in recording and providing reliable financial & operational information, meeting statutory compliances.

The Company's internal team and Audit Committee keep a close eye on business operations and any deviations are promptly brought to the notice of the leadership. These findings provide input for risk identification and assessment. Timely and adequate measures are undertaken to ensure undisrupted functioning of the business. A host of strategies are devised as a follow-up measure to safeguard the Company The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively

Human resources

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. The Company's employee strength stood at 2,222 as on 31st March, 2019.

Cautionary statement

Statements in this document/discussion relating to future status, events, or circumstances, including but not limited to statements describing the Company's objectives, projections, estimates and expectations maybe 'forward looking statements' within the meaning of applicable laws and regulations. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those either expressed or implied in the statements. Important factors that could make a difference to your Company's operations include economic conditions affecting demand/supply and price conditions in the market in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

Board's Report

Dear members

On behalf of the Board of Directors ("the Board"), it gives me immense pleasure to present the Thirtieth Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended 31st March, 2019.

FINANCIAL RESULTS (As per IND AS)

(₹ In crore, except EPS)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Total Income	1,822.93	1,808.30	1,944.70	1,958.17
EBIDTA	160.94	265.34	166.23	262.15
Less: Finance Cost	33.71	32.74	35.60	34.74
Less: Depreciation & amortisation	32.58	30.46	35.27	33.06
Profit before Tax	94.65	202.14	95.36	194.35
Tax Expenses	35.43	71.06	35.52	69.08
Net Profit	59.22	131.08	59.84	125.27
Other comprehensive Income (net of tax)	(28.58)	0.25	(32.60)	(0.06)
Total Comprehensive Income	30.64	131.33	27.24	125.21
Basic & Diluted EPS (in ₹)	3.00	6.64	3.05	6.38
Cash Profit	96.37	181.69	99.17	176.25

OPERATIONAL AND FINANCIAL PERFORMANCE

During the year 2018-19, on a standalone and consolidated basis, there has been increase in sales volumes leading to 6% and 4% growth in turnover respectively. However, various factors such as increase in raw material cost, selling cost, employee benefit expenses and adverse forex movements resulted in fall in EBITDA and Net Profit for the year ended 31st March, 2019.

At a consolidated level, your Company achieved revenue from operations of ₹1,934.21 crore for FY 2018-19 as against ₹1,858.52 crore in the previous year. Your Company reported EBIDTA and Net Profit of ₹166.23 crore and ₹59.84 crore respectively for the year ended 31st March, 2019. EPS stood at ₹3.05 for the year ended 31st March, 2019.

On a standalone basis, revenue from operations stood at ₹1,812.54 crore for the year ended 31st March, 2019 as against ₹1,709.18 crore in the previous year. Further, your Company achieved EBIDTA and Net Profit of ₹160.94 crore and ₹59.22 crore respectively for the year ended 31st March, 2019.

The financial and operational performance overview and outlook is provided in detail in the Management Discussion and Analysis forming part of this Annual Report.

DIVIDEND

Your Directors are pleased to recommend a Final Dividend @ 30% i.e. ₹0.60 per equity share of face value of ₹2/- each amounting to ₹11.84 crore subject to the approval of members of the Company at the ensuing Annual General Meeting.

The aforesaid dividend is in line with the Dividend Distribution Policy adopted by the Company.

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), the Board of Directors of your Company had approved Dividend Distribution Policy, which is given separately and forms part of this Annual Report.

The Dividend Distribution Policy is also uploaded on the website of the Company and web-link for the same is https://www.indocount.com/images/investor/Dividend-Distribution-Policy1.pdf

TRANSFER TO RESERVE

During the year under review, the balance of ₹2.5 crore under Capital Redemption Reserve has been transferred to Retained Earnings.

AWARDS AND RECOGNITIONS

Your Company is recipient of various awards, recognitions and accolades. We are happy to inform you that during the year under review, your Company was honoured with the prestigious "VASUNDHARA AWARD" from the Government of Maharashtra in recognition of your Company's contribution towards commitment & promotion of Environment, Energy Conservation / Natural Resources & Social / Welfare Activities in Maharashtra. Your Company was adjudged as the 2nd Best Company in the entire state of Maharashtra among all the large units. Further, your Company was conferred awards by large retailers in USA viz. "Platinum Certification Status" for Sheets & Fashion bedding category from JC Penney and Best Collaboration in Design & Product Development from KOHL'S.

Some of the other accolades and recognitions received by your Company in past includes Gold Trophy from TEXPROCIL for highest exports in cotton made ups in FY 2016-17.

SHARE CAPITAL

As on 31st March, 2019, the Authorised Share Capital of your Company was ₹60 crore comprising of 27,50,00,000 equity shares of ₹2/- each and 50,00,000 preference shares of ₹10/- each. Further, the total issued, subscribed and paid up share capital of your Company stood at ₹394,799,340/- comprising of 197,399,670 Equity Shares of ₹2/- each. During the year under review, there has been no change in the Authorised, Issued, subscribed and paid-up share capital of your Company.

Your Company has not issued any equity shares with differential voting rights or sweat equity shares. Further, your Company does not have any employee stock option scheme or employee stock purchase scheme.

CREDIT RATING

As on 31st March, 2019, for long term bank facilities of your Company, Credit Rating assigned by CARE and ICRA is "AA-" with outlook as Negative. The said ratings signify high degree of safety regarding timely servicing of financial obligations.

Further, for the Company's short term bank facilities, ICRA and CARE reaffirmed the rating as "A1+" which signifies very strong degree of safety regarding timely payment of financial obligations and carry lowest credit risk.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2019 along with Auditors' Report forms part of this Annual Report.

The Audited Financial Statements of the Company and subsidiaries will be available on the website of the Company at www.indocount.com. Further, a copy of the Audited Financial Statements of the Subsidiaries shall be made available for inspection at the registered office of the Company during business hours on any working day upto the date of Annual General Meeting. Any shareholder interested in obtaining a copy of separate Financial Statements of the subsidiaries shall make specific request in writing to the Company Secretary.

SUBSIDIARIES

As on 31st March, 2019, your Company has 6 direct subsidiaries viz. Pranavaditya Spinning Mills Limited, Indo Count Retail Ventures Private Limited, Indo Count Global Inc., USA, Indo Count UK Limited, Indo Count Australia Pty Ltd. and Indo Count Global DMCC (Formerly known as Hometex Global DMCC). Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013 read with rules made thereunder, a statement containing salient features of the financial position of subsidiaries is given in Form AOC-1 attached as **"Annexure 1"** forming integral part of this Report. As required under Section 134 of the Companies Act, 2013, the said form also highlights performance of the subsidiaries.

Your Company does not have any Associate Company as defined under the Companies Act, 2013 and has not entered into any joint venture agreement during the year under review.

Though your Company does not have any material subsidiary pursuant to Regulation 16 of the Listing Regulations, it has adopted a policy for determining material subsidiaries, which can be accessed at https://www.indocount.com/images/investor/Policy-for-Determining-Material-Subsidiary-01.04.2019.pdf

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, there were following changes at the Board level as given below:

i. Mr. Kailash R Lalpuria (DIN : 00059758) was appointed by the Board as a Whole Time Director designated as an Executive Director of the Company for a period of 3 years w.e.f. 4th May, 2018. His appointment was duly approved by the members of the Company at the Annual General Meeting held on 11th September, 2018. Mr. Kailash R. Lalpuria was also appointed as a Chief Executive Officer (CEO) of the Company w.e.f. 8th February, 2019 under section 203 of the Companies Act, 2013. With the said appointment his designation is "Executive Director & CEO".

ii. The designation of Mr. Mohit Jain (DIN : 01473966) was changed to Vice Chairman in Non-Executive Category w.e.f. 1st July, 2018 and the same was duly approved by the members of the Company at the Annual General Meeting held on 11th September, 2018.

iii. Mr. Sushil Kumar Jiwarajka (DIN : 00016680) was appointed as a Non-Executive Independent Director of the Company for a second term of five consecutive years w.e.f. 4th May, 2018.

iv. Dr. Sanjay Kumar Panda (DIN : 02586135) and Mr. Siddharth Mehta (DIN : 03072352) were appointed as Non-Executive Independent Directors of the Company for a first term of five consecutive years w.e.f. 3rd August, 2018.

The aforesaid appointment of Directors and re-designation of Mr. Mohit Jain were made by the Board pursuant to the recommendation of Nomination and Remuneration Committee(NRC) and were duly approved by the members of the Company at the Annual General Meeting held on 11th September, 2018.

The existing first term of Mr. Dilip J. Thakkar (DIN: 00007339), Mr. Prem Malik (DIN: 00023051) and Dr. (Mrs.) Vaijayanti Pandit (DIN: 06742237), Independent Directors is expiring on 15th August, 2019 and they are eligible for the re-appointment for a second term. Pursuant to the recommendation of Nomination and Remuneration Committee (NRC), and on the basis of performance evaluation the Board of Directors of the Company at its meeting held on 8th February, 2019, approved and recommended to the members of the Company, re-appointment of Mr. Dilip J. Thakkar, Mr. Prem Malik and Dr. (Mrs.) Vaijayanti Pandit as Non-Executive Independent Directors of the Company, not liable to retire by rotation, for a second term of five consecutive years w.e.f. 16th August, 2019 to 15th August, 2024. Accordingly, special resolutions for their re-appointment are included in the Notice of ensuing Annual General Meeting (AGM).

Mr. Pradyumna Natvarlal Shah (DIN : 00096793) and Mr. Anand Ramanna (DIN : 00040325) Independent Directors of the Company are not seeking re-appointment for a second term due to their advanced age and consequently, they shall cease to be Directors of the Company w.e.f. 16th August, 2019 due to expiry of their first term. The Board places on record its appreciation for the immense contributions and valuable guidance given by Mr. P. N. Shah and Mr. R. Anand during their long association as Board members of the Company.

Pursuant to the recommendation of NRC and subject to the approval of members of the Company, the Board of Directors of the Company at its meeting held on 22nd May, 2019, approved re-appointment of Mr. Anil Kumar Jain (DIN:00086106) as a Whole-time Director designated as "Executive Chairman" of the Company, and re-appointment of Mr. Kamal Mitra as a Whole Time Director designated as "Director (Works)" of the Company, for a period of 3 years w.e.f. 1st October, 2019. Further, at the said board meeting, on the recommendation of NRC, the Board approved change in designation of Mr. Mohit Jain to Whole-time Director designated as "Executive Vice Chairman" of the Company, for a period of 3 years w.e.f. 1st July, 2019. The approval of members of the Company is sought in ensuing AGM for the said re-appointments/re-designation.

During FY 2018-19, Mr. Dilip Kumar Ghorawat resigned from the position of Chief Financial Officer of the Company w.e.f. close of working hours of 20th September, 2018. In accordance with the provisions of Section 203 of the Companies Act, 2013 ('Act') Mr. K. Muralidharan was appointed as Chief Financial Officer of the Company w.e.f. 2nd November, 2018 by the Board pursuant to recommendation of NRC.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Kamal Mitra, Director (Works) of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for the re-appointment. The Board recommends his re-appointment for consideration of the members at the ensuing Annual General Meeting.

As required under the provisions of Listing Regulations, Companies Act, 2013 and Secretarial Standard -2, details of Directors being appointed/re-appointed are provided in the Notice of Annual General Meeting.

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence. In the opinion of the Board, all Independent Directors are independent of the management.

As on 31st March, 2019, Mr. Kailash R. Lalpuria, Executive Director & CEO, Mr. K. Muralidharan, Chief Financial Officer and Mrs. Amruta Avasare, Company Secretary are the Key Managerial Personnel of the Company in terms of Section 203 of the Companies Act, 2013.

NUMBER OF BOARD MEETINGS

During the year under review, Four (4) Board Meetings were held on 4th May, 2018, 3rd August, 2018, 2nd November, 2018 and 8th February, 2019. The maximum interval between any two consecutive Board Meetings did not exceed 120 days.

COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to Section 178 of the Companies Act, 2013, NRC has formulated "Nomination and Remuneration Policy" which deals *inter-alia* with appointment and remuneration of Directors, Key Managerial Personnel, Senior Management and other employees. The said policy is uploaded on the website of the Company and web-link thereto is https://www.indocount.com/images/investor/Nomination-And-Remuneration-Policy1.pdf

The salient features of the policy are as under:

I) Criteria for Directors

a) Appointment:

i. NRC shall identify, ascertain and consider the integrity, qualification, expertise and experience of the person for the appointment as a Director of the Company and recommend to the Board his / her appointment. The Directors shall uphold ethical standards of integrity and probity and shall exercise their duties and responsibilities in the interest of the Company.

ii. A person proposed to be appointed as Director should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. They shall possess appropriate core skills/expertise/ competencies/ knowledge in one or more fields of finance, law, management, sales and marketing, administration, CSR, research and in the context of business and/or the sector in which the Company operates. The NRC has the discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

iii. Independent Director shall satisfy criteria of Independence specified under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulations and shall give declaration that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his / her duties with an objective independent judgment and without any external influence. The NRC and the Board shall assess veracity of the said declaration and determine whether the directors are independent of the management.

iv. The Company shall comply with the provisions of the Act and Listing Regulations and any other laws if applicable for appointment of Director of the Company. The Company shall ensure that provisions relating to limit of maximum directorships, age, term etc. are complied with.

b) Remuneration of the Whole Time /Executive Director(s) / Managing Director :

i. The remuneration including commission payable to the Whole Time /Executive Director(s) / Managing Director shall be determined and recommended by the NRC to the Board for approval.

ii. While determining the remuneration of the Executive Directors, following factors shall be considered by the NRC/Board:

- Role played by the individual in managing the Company including responding to the challenges faced by the Company
- Individual performance and company performance so that remuneration meets appropriate performance benchmarks
- Reflective of size of the Company, complexity of the sector/ industry/company's operations and the Company's financial position
- Consistent with recognized best industry practices.
- Peer remuneration
- Remuneration involves balance between fixed and incentive pay reflecting performance objectives appropriate to the working of the Company and its goals.
- Remuneration is reasonable and sufficient to retain and motivate directors to run the Company successfully.

c) Remuneration to Non-Executive / Independent Directors:

i. Sitting Fees: Independent Directors are entitled for sitting fees for attending meetings of the Board and committees (excluding Share Transfer Committee) and Independent Directors Meeting as may be approved by the Board within the limit specified under the Act.

ii. Limit of Remuneration/Commission: The remuneration / commission of Non- Executive Directors shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force. The Remuneration/ Commission shall be recommended by NRC which shall be approved by the Board within the limits approved by the members of the Company, subject to the same not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

II. Criteria for Key Managerial Personnel, Senior Management and other Employees

This section applies to the KMP (other than Managing Director, Whole Time Directors/Executive Directors)

a) Appointment:

i. The NRC shall ascertain and consider the integrity, qualification, background and experience of the person for appointment as a KMP and at senior management position of the Company and recommend to the Board his / her appointment. The NRC has the discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

b) Remuneration of Key Managerial Personnel and Senior Management and other employees

i. The NRC shall decide and recommend to the Board, remuneration of KMP & Senior Management Personnel to ensure that it is competitive, reasonable and sufficient to motivate and retain the employee.

ANNUAL EVALUATION OF BOARD PERFORMANCE AND ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Criteria of performance evaluation of the Board & Directors are laid down by Nomination and Remuneration Committee (NRC) of the Company. Further, during the year under review, pursuant to the provisions of Companies (Amendment) Act 2017, NRC decided to continue existing method of performance evaluation through circulation of performance evaluation sheets based on SEBI Guidance Note dated 5th January, 2017 and that only Board should carry out performance evaluation of Board, Committees and Individual Directors.

An assessment sheet based on SEBI Guidance Note, containing the parameters of performance evaluation along with rating scale was circulated to all the Directors. The Directors rated the performance against each criteria. Thereafter, consolidated score was arrived. Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out performance evaluation of its own, evaluation of working of the Committees and performance evaluation of all Directors in aforesaid manner.

A meeting of Independent Directors of the Company was held on 2nd November, 2018, in which Independent Directors *inter-alia* evaluated performance of Executive Chairman, Vice Chairman, other Whole-time Directors and the Board and committees as a whole through performance evaluation sheets.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (3) (c) and 134(5) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, state and confirm that:

1. In the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. Such accounting policies as mentioned in the notes to the Financial Statements for the year ended 31st March, 2019 have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the Company for the year ended on that date;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual financial statements for the year ended 31st March, 2019 have been prepared on a going concern basis;
5. Internal financial controls to be followed by the Company have been laid down and that the said financial controls were adequate and were operating effectively;
6. Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

The key philosophy of all our Corporate Social Responsibility (CSR) initiatives is guided by our belief "Every Smile Counts..." Our CSR projects focus on participatory and collaborative approach with the community. Over a period of 5 years, your Company has carried out CSR activities in the areas of Education, Healthcare, Women empowerment and Water and Sanitation.

In compliance with the provisions of the Companies Act, 2013, your Company has adopted a Corporate Social Responsibility (CSR) policy which is available on web-link https://www.indocount.com/images/investor/ICIL-CSR-Policy.pdf

Your Company implements the CSR projects through 'Indo Count Foundation' and has also collaborated with other trusts for carrying out CSR Activities. The Report on CSR activities implemented by your Company during the year under review is provided as **"Annexure 2"** to this Report.

AUDIT COMMITTEE

Mr. Dilip J. Thakkar and Mr. Siddharth Mehta, Independent Directors were appointed as members of the Audit Committee w.e.f. 8th February, 2019. As on 31st March, 2019, the Audit Committee comprises of 6 Directors / Members out of which 5 are Independent Directors and 1 is Executive Director. The said Composition is as per Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. More details on Audit Committee are given in Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

STATUTORY AUDITORS

In accordance with the provisions of Section 139 of the Companies Act, 2013, at the Annual General Meeting held on 21st August, 2017, M/s. Suresh Kumar Mittal & Co., Chartered Accountants (Firm Registration No. 500063N) were appointed as the Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of 28th Annual General Meeting (AGM) till the conclusion of 33rd AGM subject to the ratification by the members at every AGM.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting was omitted vide notification dated 7th May, 2018, issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors in ensuing AGM of the Company.

The Company has received a letter from M/s. Suresh Kumar Mittal & Co., Chartered Accountants confirming that they are eligible for continuing as Statutory Auditors of the Company.

AUDITORS' REPORT

The Auditors' Report on standalone and consolidated financial statements for the year ended 31st March, 2019 forms integral part of this Annual Report. The Auditors' Report does not contain any qualifications, reservations, adverse remarks, disclaimer or emphasis of matter. Notes to the Financial Statements are self-explanatory and do not call for any further comments.

The Statutory Auditors of the Company have not reported any fraud under Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment for the time being in force).

SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rules thereunder, the Board has appointed M/s. Kothari H. & Associates, Practicing Company Secretaries to conduct Secretarial Audit of the Company for the year ended 31st March, 2019. The Secretarial Audit Report issued by them in Form No. MR-3 is provided as **"Annexure 3"** to this Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remark.

SEGMENT

The Company operates only in a single segment i.e. Textile Segment.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from public, under Chapter V of the Companies Act, 2013.

CORPORATE GOVERNANCE REPORT

As per Regulation 34(3) read with Schedule V of the Listing Regulations, your Company has complied with the requirements of corporate governance. A Corporate Governance Report along with Statutory Auditors' Certificate confirming compliance of corporate governance for the year ended 31st March, 2019 is provided separately and forms integral part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 of the Listing Regulations, Management Discussion and Analysis containing Information inter-alia on industry trends, your company's performance, future outlook, opportunities and threats for the year ended 31st March, 2019, is provided in a separate section forming integral part of this Annual Report.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, Extract of the Annual Return in Form No. MGT-9 for the year ended 31st March, 2019 is annexed as an **"Annexure 4"** and is also available on the website of the Company at https://www.indocount.com/images/investor/Form-MGT.9-Extract-of-Annual-Return-for-the-year-ended-March-31-2019_2.pdf. Further, pursuant to Section 134(3)(a) of the Act, a copy of Annual Return for the year ended 31st March, 2019 will be hosted on the website of the Company at www.indocount.com.

SECRETARIAL STANDARDS

During the year under review, your Company has complied with all the applicable secretarial standards. The same has also been confirmed by Secretarial Auditors of the Company.

BUSINESS RESPONSIBILITY REPORT

Pursuant to the Regulation 34 of the Listing Regulations, Business Responsibility Report (BRR) for the year ended 31st March, 2019 is hosted on your Company's website and the web-link thereto is as given below: https://www.indocount.com/images/investor/Business-Responsibility-Report-2018-20191.pdf.

RELATED PARTY TRANSACTIONS

All Related Party Transactions entered during FY 2018-19 were on arm's length basis and in the ordinary course of business and in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There were no material related party transactions during the year under review that would require approval of shareholders under Listing Regulations. The prior omnibus approval of Audit Committee is obtained for all Related Party Transactions. A statement of all Related Party Transactions is reviewed by the Audit Committee on a quarterly basis. Your Company has adopted a policy on Related Party Transactions which has been uploaded on the Company's website and can be accessed at https://www.indocount.com/images/investor/Policy_on_Related_Party_Transactions.pdf

Pursuant to Section 134 of the Companies Act, 2013, particulars of contracts / arrangements with Related Parties are provided in Form AOC-2 as **"Annexure 5"** to this Report.

PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES, SECURITIES UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review, your Company has neither given loan to any bodies corporates or any other persons nor provided any corporate guarantee or security under section 186 of the Companies Act, 2013.

As regards investments, during the year under review, your Company has made investment of AED 27,00,000 (equivalent to ₹5.22 crore) in the shares of Indo Count Global DMCC (Formerly known as Hometex Global DMCC), a wholly owned subsidiary of your Company and has made investment in certain mutual funds.

Particulars of investments and disclosure required under Section 186(4) of the Companies Act, 2013 are provided in the notes to the standalone financial statements.

RISK MANAGEMENT

Your Company recognizes that risk is an integral part of the business and is committed to manage the risks in a proactive and efficient manner. Your Company has adopted Risk Management Policy for risk identification, assessment and mitigation. Major risks identified by the Company are systematically addressed through mitigating actions on a continuous basis. Some of the risks that the Company is exposed to are financial risks, raw material price risk, regulatory risks, Forex risks and economy risks. Risk factors and its mitigation are covered extensively in the Management Discussion and Analysis. The Internal Audit Reports and Risk Management Framework are reviewed by the Audit Committee.

Further, as a matter of good Corporate Governance, though not mandatory, pursuant to Regulation 21 of the Listing Regulations, the Board of Directors of your Company at its meeting held on 8th February, 2019 constituted Risk Management Committee comprising of Mr. Kailash R. Lalpuria, Executive Director & CEO as Chairman, Mr. Prem Malik, Mr. Siddharth Mehta, Non-Executive Independent Directors and Mr. K. Muralidharan, Chief Financial Officer as its Members.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, your Company has established a vigil mechanism for the Directors and employees of the Company to report concerns about unethical behaviour, actual or suspected incidents of fraud or violation of Code of Conduct. The details of Vigil Mechanism/ Whistle Blower Policy are provided in the Corporate Governance Report. The Vigil Mechanism/Whistle Blower Policy may be accessed on the Company's website at https://www.indocount.com/images/investor/Whistle-Blower-Policy-Vigil-Mechanism.pdf

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your company always endeavours and provide conductive work environment that is free from discrimination and harassment including sexual harassment. Your Company has zero tolerance towards sexual harassment at workplace and has adopted a policy for prevention of Sexual Harassment of Women at workplace. The Company has set up an Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into complaints relating to sexual harassment at workplace of any woman employee. During the year under review, no complaints pertaining to sexual harassment were received and no complaint was pending as on 31st March, 2019.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required under Section 134(3)(m) of the Companies Act, 2013 read with rules thereunder is given as **"Annexure 6"** forming part of this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 regarding remuneration of Directors, Key Managerial Personnel and other related disclosure is given as **"Annexure 7"** to this Report.

Information required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 viz. Details of top ten employees of the Company in terms of remuneration drawn during FY 2018-19 and particulars of employees drawing remuneration in excess of the limits specified in Rule 5(2) of the said rules is provided in Annexure forming part of this report. As per the provisions of Section 136 of the Companies Act, 2013, the Annual Report and Accounts are being sent to the members of the Company excluding the said Annexure. Any member interested in obtaining a copy of said Annexure may write to the Company Secretary at the Registered Office of the Company. The said annexure will be available for inspection by the members at the Registered Office of the Company twenty one days before and upto the date of ensuing Annual General Meeting during the business hours on working day.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company maintains adequate internal control system and procedures commensurate with its size and nature of operations. The internal control systems are designed to provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorisation of transactions, safeguarding the assets of the Company and prevent misuse/ losses and legal compliances.

The internal control system includes a well-defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well-structured budgeting process with regular monitoring of expenses and Internal audit. The Internal Audit reports are periodically reviewed by the management and the Audit Committee and necessary improvements are undertaken, if required.

SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of your Company between the end of the financial year 2018-19 and the date of this report.

GENERAL

Your Directors state that Cost audit was not applicable to the Company during the year under review, however, pursuant to the Order made by the Central Government for the maintenance of cost records under section 148(1) of the Act, the prescribed accounts and records have been made and maintained. There was no change in the general nature of business of your Company.

ACKNOWLEDGEMENTS AND APPRECIATION

Your Directors wish to place on record their appreciation for dedicated service and contribution made by the employees of the Company at all levels.

Your Directors would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from its customers, suppliers, bankers, financial institutions, business partners and other stakeholders.

On behalf of the Board of Directors

ANIL KUMAR JAIN
Executive Chairman
DIN: 00086106

Date: 22nd May, 2019
Place: Mumbai

ANNEXURE 1

FORM NO. AOC-1

Statement Containing Salient Features of the Financial Statements of Subsidiaries/ Associates/ Joint Ventures
(Pursuant to the first proviso to sub-section (3) of section 129 read with Rule 5 of Companies
(Accounts) Rules, 2014)

PART A – SUBSIDIARIES

(₹ In Lakhs)

Sr. No.	Name of the Subsidiary	Reporting currency of the subsidiary concerned	Exchange Rate as on 31st March, 2019	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Share-holding	Country
1	Pranavaditya Spinning Mills Limited	INR	NA	1924.13	1305.22	4752.87	1523.52	NIL	8226.07	(96.44)	(30.83)	(65.61)	NIL	74.53	India
2	Indo Count Retail Ventures Pvt. Ltd.	INR	NA	1.00	(356.51)	774.52	1130.03	NIL	979.20	(188.66)	(54.42)	(134.24)	NIL	82.50	India
3	Indo Count Global Inc., USA	USD	69.1550	446.19	1525.49	10210.26	8238.58	NIL	14928.20	351.69	94.80	256.89	NIL	100	USA
4	Indo Count UK Limited	GBP	90.5250	79.62	(18.50)	95.74	34.62	NIL	426.97	19.42	4.43	14.99	NIL	100	UK
5	Indo Count Australia Pty Ltd	AUD	49.02	0.50	NIL	0.50	NIL	NIL	NIL	NIL	NIL	NIL	NIL	100	Australia
6	Indo Count Global DMCC (Formerly known as Hometex Global DMCC)	AED	18.8893	530.65	(148.91)	439.32	57.58	NIL	379.74	(137.41)	NIL	(137.41)	NIL	100	U.A.E.

Notes:
1. Reporting period of the Subsidiaries is April to March.
2. There are no subsidiaries which have been liquidated or sold during the year 2018-19.
3. Indo Count Australia Pty Ltd is yet to commence operations.

PART B - ASSOCIATES / JOINT VENTURES – NIL

On behalf of the Board of Directors

ANIL KUMAR JAIN
Executive Chairman
DIN: 00086106

Date: 22nd May, 2019
Place: Mumbai

ANNEXURE 2

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2018-19

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Pursuant to the requirements of the Companies Act, 2013 and the rules made thereunder, your Company has framed a CSR Policy and web-link thereto is as given below: https://www.indocount.com/images/investor/ICIL-CSR-Policy.pdf The key philosophy of Company's CSR initiatives is guided by our belief "Every Smile Counts ..." The focus areas for CSR are Education and Healthcare supported by CSR Activities in the areas of Women Empowerment, Water and Sanitation and Rural Development. Going forward, the Company will continue to focus on Education, Healthcare and Environment. The Company undertakes CSR activities through its own trust "Indo Count Foundation" and collaborates with other associations/ trusts/NGO as well.
2	The Composition of the CSR Committee as on 31st March, 2019.	(1) Dr. (Mrs.) Vaijayanti Pandit – Chairperson (Independent Director) (2) Mr. Anil Kumar Jain – Member (Executive) (3) Mr. Kailash R. Lalpuria – Member (Executive)* (4) Mr. Kamal Mitra – Member (Executive) (5) Mr. Sanjay Kumar Panda – Member (Independent Director)** *Appointed as member w.e.f. 4th May, 2018 **Appointed as member w.e.f. 2nd November, 2018
3	Average net profit of the Company for last three financial years.	Average net profit of the Company for last 3 financial years is ₹31,165.39 Lakhs
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	₹623.31 Lakhs for FY 2018-19
5	Details of CSR spent during the financial year 2018-19	
	(a) Total amount to be spent for the financial year 2018-19	₹623.31 Lakhs
	(b) Total amount spent	₹312.55 Lakhs
	(c) Amount unspent, if any	₹310.76 Lakhs

Manner in which the amount spent during the financial year 2018-19 is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified.	Sector In which The Project Is Covered.	Projects or Programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs Wise (₹in lakhs)	Amount spent on the projects or programs Sub-heads: 1) Direct on projects or programs 2) Overheads (₹ in lakhs.)	Cumulative expenditure up to the reporting period (₹ in Lakhs)	Amount spent Direct or through Implementing Agency.
1.	Promoting Education mainly by implementation of E-learning systems in schools	Education	In and around Kolhapur, Maharashtra (Local areas)	100.00	29.93	29.93	Direct/ Implementing Agency
2.	Providing medical facilities through 4 medical vans reaching to distant villages, including distribution of free medicines, Providing infrastructure support & giving medical equipments at certain hospital(s)	Healthcare		150.00	110.17	110.17	Direct/ Implementing Agency

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified.	Sector In which The Project Is Covered.	Projects or Programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs Wise (₹in lakhs)	Amount spent on the projects or programs Sub-heads: 1) Direct on projects or programs 2) Overheads (₹ in lakhs.)	Cumulative expenditure up to the reporting period (₹ in Lakhs)	Amount spent Direct or through Implementing Agency.
3.	Skill Development Centre for training women in sewing and stitching skills, enabling them to get employment and be independent, thereby improving standard of living	Enhancing vocational skills	In and around Kolhapur, Maharashtra (Local areas)	50.00	14.64	14.64	Direct/ Implementing Agency
4.	Promoting sanitation by building/ maintaining toilet blocks. Making available pure and safe drinking water to the community through installation/ maintenance of Aquaguard/ RO system in school and public places	Water & Sanitation	In and around Kolhapur, Maharashtra (Local areas)	50.00	4.23	4.23	Direct/ Implementing Agency
5.	Clean Environment MIDC Beatification and Rural upliftment	Rural Development & Environment	In and around Kolhapur, Maharashtra (Local areas)	90.00	17.17	17.17	Direct/ Implementing Agency
6.	Support towards Kerala Flood Relief by Supply of bedsheets	Flood/ Disaster Relief	Kerala	183.31	126.22	126.22	Direct
7.	Consultation fees of CSR Staff and other administration expenses				10.19	10.19	
	Total			**623.31**	**312.55**	**312.55**	

Your Company's CSR initiatives usually involve assessment of needs in local areas and then putting an enhanced sustainable model to ensure maximum benefit to the community and serving local areas in Kolhapur. Your Company follows participatory approach with the community in its CSR activities and strives to ensure that CSR projects are directed towards benefit and inclusive growth of community in local areas near Kolhapur. The Company has identified Education and Healthcare as CSR focus areas and projects identified by the Company in the said areas are long term and continuous projects which will enable the Company to increase its reach appropriately. Once the Company has started any CSR projects, the Company cannot withdraw from the same and there are certain recurring expenses to be incurred on the existing projects. It is necessary that existing CSR projects which are benefitting community at large should sustain over a long period of time. Considering the same, the Company has to maintain cautious approach ensuring sustainable results/benefits and value addition and hence, amount spent on the CSR activities during FY-2018-19 has been less than the limits prescribed under the Companies Act, 2013.

RESPONSIBILITY STATEMENT

We hereby confirm that the implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and policy of the Company.

On Behalf of the Board of Directors

Dr. (Mrs.) Vaijayanti Pandit
Chairperson, CSR Committee
DIN : 06742237

Mr. Anil Kumar Jain
Executive Chairman & Member
of CSR Committee
DIN : 00086106

Mr. Kailash R. Lalpuria
Executive Director and CEO
& Member of CSR Committee
DIN : 00059758

Dated: 22nd May, 2019
Place: Mumbai

ANNEXURE 3

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Indo Count Industries Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indo Count Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- We have examined the books, papers, minute books, forms and returns filed and other records maintained by Indo Count Industries Limited for the financial year ended on 31st March, 2019 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
    - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and the SEBI (Share Based Employee Benefits) Regulations 2014 **(Not applicable to the Company during the Audit Period)**
    - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
    - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
    - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**
- We have relied on the mechanism formed by the Company for compliances under other Acts, Laws and Regulations as applicable specifically to the Company. The list of major head/ groups of Acts, Laws and Regulations as applicable specifically to the Company is:

  1. Essential Commodities Act, 1955 and Textile(Development and Regulation) Order, 2001

  We have also examined compliance with the applicable clauses of the following:

  i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Amendment made thereunder;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that Based on the information provided by the Company, and also on the review of compliance reports by the respective Department Heads, in our opinion there are adequate systems and processes in the Company commensurate with the size and the operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has not passed any resolution for:

i. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
ii. Redemption / buy-back of securities.
iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
iv. Merger / amalgamation / reconstruction, etc,
v. Foreign technical collaborations.

For KOTHARI H. & ASSOCIATES
Company Secretaries

Hitesh Kothari
Membership No.6038
Certificate of Practice No. 5502

Place: Mumbai
Date: 22nd May, 2019

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE A

To,
The Members,
Indo Count Industries Limited

Our report of even date is to be read alongwith this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For KOTHARI H. & ASSOCIATES
Company Secretaries

Hitesh Kothari
Membership No.6038
Certificate of Practice No. 5502

Place: Mumbai
Date: 22nd May, 2019

ANNEXURE 4

FORM No.MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L72200PN1988PLC068972
Registration Date	07/11/1988
Name of the Company	Indo Count Industries Limited
Category/ Sub-Category of the Company	Company having share capital
Address of the Registered office and contact details	Office No. 1, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur, Maharashtra- 416109 Phone: 91-230-2463100/2461929
Whether listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 078 Phone No: 022-49186270 Fax No: 022-49186060 Email: rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service*	% to total turnover of the Company
1	Manufacture of bedding, quilts, pillows and sleeping bags etc.	13924	92.04

* As per National Industrial Classification 2008 list.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
1	Pranavaditya Spinning Mills Limited Office No. 2, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur- 416109, Maharashtra	L17119PN1990PLC058139	Subsidiary	74.53%	2(87)
2	Indo Count Retail Ventures Private Limited Office No.4, G.No.280/2, At Post Alte, Plot No.266, Taluka Hatkanangale, Dist Kolhapur- 416112, Maharashstra	U52100PN2016PTC158599	Subsidiary	82.50%	2(87)
3	Indo Count Global Inc. Suite# 1019,The Textile Building, 295, Fifth Avenue, New York, NY 10016	EIN 38-3830098	Subsidiary	100%	2(87)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
4	Indo Count UK Ltd 1, Doughty Street, London WC1N2PH United Kingdom	9146756	Subsidiary	100%	2(87)
5	Indo Count Australia Pty Ltd Unit-1, 653-657 Mountain Highway, Bayswater VIC 3153, Australia.	600 172 334	Subsidiary	100%	2(87)
6	Indo Count Global DMCC (Formerly known as Hometex Global DMCC) Unit No: 2105, Platinum Tower, Jumeirah Lakes Towers, Dubai, UAE	DMCC99185	Subsidiary	100%	2(87)

IV. SHAREHOLDING PATTERN(Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholder	No. of Shares of Face value of ₹2/- each held at the beginning of the year (As on 01-04-2018)				No. of Shares of Face value of ₹2/- each held at the end of the year (As on 31-03-2019)				% Change during the year
	Demat	Physical	Total	% of Shares	Demat	Physical	Total	% of Shares	
A. Promoters									
(1) Indian									
a) Individuals/HUF	19042965	0	19042965	9.65	18350115	0	18350115	9.30	(0.35)
b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	35301330	0	35301330	17.88	35301330	0	35301330	17.88	0.00
e) Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A)(1)	**54344295**	**0**	**54344295**	**27.53**	**53651445**	**0**	**53651445**	**27.18**	**(0.35)**
2) Foreign									
a) NRIs- Individuals	0	0	0	0.00	692850	0	692850	0.35	0.35
b) Other – Individual	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	62002455	0	62002455	31.41	62002455	0	62002455	31.41	0.00
d) Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A)(2)	**62002455**	**0**	**62002455**	**31.41**	**62695305**	**0**	**62695305**	**31.76**	**0.35**
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	**116346750**	**0**	**116346750**	**58.94**	**116346750**	**0**	**116346750**	**58.94**	**0.00**
B. Public Shareholding									
1) Institutions									
a) Mutual Funds / UTI	3509216	107000	3616216	1.83	504000	107000	611000	0.31	(1.52)
b) Banks/Financial Institutions	266193	37350	303543	0.15	105093	37350	142443	0.07	(0.08)
c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d) State Government	0	0	0	0.00	0	0	0	0.00	0.00
e) Foreign Institutional/ Portfolio Investors	15148927	0	15148927	7.67	18153081	0	18153081	9.20	1.53
f) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
g) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholder	No. of Shares of Face value of ₹2/- each held at the beginning of the year (As on 01-04-2018)				No. of Shares of Face value of ₹2/- each held at the end of the year (As on 31-03-2019)				% Change during the year
	Demat	Physical	Total	% of Shares	Demat	Physical	Total	% of Shares	
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Any other									
Alternate Investment Funds	0	0	0	0.00	367630	0	367630	0.19	0.19
Sub Total (B)(1)	**18924336**	**144350**	**19068686**	**9.65**	**18308574**	**144350**	**18906574**	**9.77**	**0.12**
2) Non-Institutions									
a) Bodies Corporate									
i) Indian	14982472	70340	15052812	7.63	13130314	58340	13188654	6.68	(0.95)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i. Individual Shareholders holding nominal share capital up to ₹1 lakh	26574859	5347230	31922089	16.17	25145155	4902502	30047657	15.22	(0.95)
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh	9179064	0	9179064	4.65	12644031	0	12644031	6.41	1.76
c) Any other (specify)									
(c-i) Trusts	2200	0	2200	0.00	3000	0	3000	0.00	0.00
(c-ii) Foreign Nationals	500	0	500	0.00	400	0	400	0.00	0.00
(c-iii) Hindu Undivided Family	1457430	0	1457430	0.74	1389330	0	1389330	0.70	(0.04)
(c-iv) Non Resident Indians (Non-Repat)	865439	43000	908439	0.46	806313	43000	849313	0.43	(0.03)
(c-v) Non Resident Indians (Repat)	2360140	0	2360140	1.20	2549432	0	2549432	1.29	0.09
(c-vi) Clearing Member	1101560	0	1101560	0.56	600029	0	600029	0.30	(0.26)
(c-vii) NBFCs registered with RBI	0	0	0	0.00	506920	0	506920	0.26	0.26
Sub Total (B)(2)	**56523664**	**5460570**	**61984234**	**31.41**	**56774924**	**5003842**	**61778766**	**31.29**	**(0.12)**
Total Public Shareholding (B) = (B)(1) + (B)(2)	**75448000**	**5604920**	**81052920**	**41.06**	**75904728**	**5148192**	**81052920**	**41.06**	**0.00**
C. Shares held by Custodians for GDRs and ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**191794750**	**5604920**	**197399670**	**100.00**	**192251478**	**5148192**	**197399670**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2018)			Shareholding at the end of the Year (As on 31-03-2019)			% change in Share holding during the Year
		No. of Shares of face value of ₹2/- each	%of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares of face value of ₹2/- each	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Anil Kumar Jain	1867555	0.95	0.00	1867555	0.95	0.00	0.00
2	Gayatri Devi Jain	6685855	3.39	0.00	6685855	3.39	0.00	0.00
3	Mohit Jain	692850	0.35	0.00	692850	0.35	0.00	0.00
4	Shikha Jain	5248825	2.66	0.00	5248825	2.66	0.00	0.00
5	Shivani Patodia	2173750	1.10	0.00	2173750	1.10	0.00	0.00
6	Neha Singhvi	2279130	1.15	0.00	2279130	1.15	0.00	0.00
7	Sunita Jaipuria	20000	0.01	0.00	20000	0.01	0.00	0.00
8	Anil Kumar Jain (HUF)	75000	0.03	0.00	75000	0.03	0.00	0.00
9	Margo Finance Ltd.	1520020	0.77	0.00	1520020	0.77	0.00	0.00
10	Rini Investment and Finance Pvt. Ltd.	119100	0.06	0.00	119100	0.06	0.00	0.00
11	Indo Count Securities Ltd.	31041385	15.73	0.00	31041385	15.73	0.00	0.00
12	Sandridge Investments Limited	62002455	31.41	0.00	62002455	31.41	0.00	0.00
13	Yarntex Exports Ltd.	2312500	1.17	0.00	2312500	1.17	0.00	0.00
14	Slab Promoters Pvt Ltd	308325	0.16	0.00	308325	0.16	0.00	0.00
	Total	116346750	58.94	0.00	116346750	58.94	0.00	0.00

iii) Change in Promoters' Shareholding

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2018		Date wise increase/decrease in shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):			Cumulative shareholding during the year		Shareholding at the end of the year as on 31.03.2019	
		No. of Shares of face value of ₹2/- each	% of total shares of the Company	Date	No. of Shares	Reason	No. of Shares of face value of ₹2/- each	% of total shares of the Company	No. of Shares of face value of ₹2/- each	% of total shares of the Company
1	Anil Kumar Jain	1867555	0.95	NIL	NIL	NIL	1867555	0.95	1867555	0.95
2	Gayatri Devi Jain	6685855	3.39	NIL	NIL	NIL	6685855	3.39	6685855	3.39
3	Mohit Jain	692850	0.35	NIL	NIL	NIL	692850	0.35	692850	0.35
4	Shikha Mohit Jain	5248825	2.66	NIL	NIL	NIL	5248825	2.66	5248825	2.66
5	Shivani Patodia	2173750	1.10	NIL	NIL	NIL	2173750	1.10	2173750	1.10
6	Neha Singhvi	2279130	1.15	NIL	NIL	NIL	2279130	1.15	2279130	1.15
7	Sunita Jaipuria	20000	0.01	NIL	NIL	NIL	20000	0.01	20000	0.01
8	Anil Kumar Jain (HUF)	75000	0.03	NIL	NIL	NIL	75000	0.03	75000	0.03
9	Margo Finance Ltd	1520020	0.77	NIL	NIL	NIL	1520020	0.77	1520020	0.77
10	Rini Investment and Finance Pvt. Ltd.	119100	0.06	NIL	NIL	NIL	119100	0.06	119100	0.06
11	Indo Count Securities Ltd.	31041385	15.73	NIL	NIL	NIL	31041385	15.73	31041385	15.73
12	Sandridge Investments Limited	62002455	31.41	NIL	NIL	NIL	62002455	31.41	62002455	31.41

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2018		Date wise increase/decrease in shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):			Cumulative shareholding during the year		Shareholding at the end of the year as on 31.03.2019	
		No. of Shares of face value of ₹2/- each	% of total shares of the Company	Date	No. of Shares	Reason	No. of Shares of face value of ₹2/- each	% of total shares of the Company	No. of Shares of face value of ₹2/- each	% of total shares of the Company
13	Yarntex Exports Ltd.	2312500	1.17	NIL	NIL	NIL	2312500	1.17	2312500	1.17
14	Slab Promoters Pvt Ltd	308325	0.16	NIL	NIL	NIL	308325	0.16	308325	0.16

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of Share-holders	Shareholding at the beginning of the year as on 01.04.2018		Date wise increase/decrease in shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):			Cumulative shareholding during the year		At the end of the year (or on the date of separation, if separated during the year) as on 31.03.2019	
		No. of Shares of face value of ₹2/- each	% of total shares of the Company	Date	No. of Shares	Reason	No. of Shares	% of total shares of the Company	No. of Shares of face value of ₹2/- each	% of total shares of the Company
1	Elm Park Fund Ltd.	5170955	2.62	NIL	NIL	NIL	5170955	2.62	5170955	2.62
2	Long Term India Fund	1961000	0.99	06.04.2018	283000	Purchase	2244000	1.14		
				06.07.2018	326216	Purchase	2570216	1.30		
				13.07.2018	385971	Purchase	2956187	1.50		
				20.07.2018	125813	Purchase	3082000	1.56		
				30.11.2018	145600	Purchase	3227600	1.64		
				07.12. 2018	61341	Purchase	3288941	1.67		
				01.03.2019	1736059	Purchase	5025000	2.55	5025000	2.55
3	National Westminster Bank Plc as Trustee of the Jupiter India Fund	3210371	1.63	06.04.2018	36621	Purchase	3246992	1.64	3246992	1.64
4	Uniworth Finance and Securities Pvt Ltd	2866317	1.45	NIL	NIL	NIL	2866317	1.45	2866317	1.45
5	Mukul Agrawal	1100000	0.56	04.05.2018	115000	Purchase	1215000	0.62		
				11.05.2018	35000	Purchase	1250000	0.63		
				22.06.2018	50000	Purchase	1300000	0.66		
				07.09.2018	99880	Purchase	1399880	0.71		
				14.09.2018	120	Purchase	1400000	0.71		
				12.10.2018	100000	Purchase	1500000	0.76		
				22.02.2019	100000	Purchase	1600000	0.81		
				15.03.2019	300000	Purchase	1900000	0.96	1900000	0.96
6	Sushma Jain	0	0.00	06.07.2018	100000	Purchase	100000	0.05		
				15.02.2019	200000	Purchase	300000	0.15		
				15.03.2019	154000	Purchase	454000	0.23		
				22.03.2019	446000	Purchase	900000	0.46		
				29.03.2019	446000	Purchase	1346000	0.68	1346000	0.68

Sl. No.	Name of Share-holders	Shareholding at the beginning of the year as on 01.04.2018		Date wise increase/decrease in shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):			Cumulative shareholding during the year		At the end of the year (or on the date of separation, if separated during the year) as on 31.03.2019	
		No. of Shares of face value of ₹2/- each	% of total shares of the Company	Date	No. of Shares	Reason	No. of Shares	% of total shares of the Company	No. of Shares of face value of ₹2/- each	% of total shares of the Company
7	Business Corporate Advisory Services LLP	1085077	0.55	15.03.2019	153831	Purchase	1238908	0.63	1238908	0.63
8	Latwalla Investments Pvt Ltd	250000	0.13	06.07.2018	99860	Purchase	349860	0.18		
				13.07.2018	150140	Purchase	500000	0.25		
				19.10.2018	100021	Purchase	600021	0.30		
				15.03.2019	489035	Purchase	1089056	0.55		
				22.03.2019	10965	Purchase	1100021	0.56	1100021	0.56
9	Prescient Wealth Management Pvt Ltd	0	0.00	20.07.2018	1000000	Purchase	1000000	0.51	1000000	0.51
10	Hypnos Fund Limited	231000	0.12	22.02.2019	220270	Purchase	451270	0.23		
				08.03.2019	75000	Purchase	526270	0.27		
				15.03.2019	400000	Purchase	926270	0.47	926270	0.47
11	Mehul Yashwant Sampat*	872375	0.44	NIL	NIL	NIL	872375	0.44	872375	0.44
12	Jupiter South Asia Investment Company Limited- South Asia Access Fund*	887428	0.45	06.04.2018	-32783	Sale	854645	0.43		
				22.02.2019	-92932	Sale	761713	0.39	761713	0.39
13	DSP Blackrock Midcap Fund*	2848186	1.44	07.12.2018	-26174	Sale	2822012	1.43		
				14.12.2018	-352362	Sale	2469650	1.25	2469650	
				28.12.2018	-111113	Sale	2358537	1.19	2358537	
				04.01.2019	-8841	Sale	2349696	1.19	2349696	
				08.03.2019	-1535793	Sale	813903	0.41	813903	0.41
				15.03.2019	-813903	Sale	0	0.00	0	0.00
14	Anvil Fintrade Pvt Ltd*	1000000	0.51	20.07.2018	-1000000	Sale	0	0.00	0	0.00

** Top ten as on 01.04.2018*

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Director/KMP	Shareholding at the beginning of the year (01-04-2018)		Date wise increase/ decrease in shareholding during the year specifying the reason for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	Cumulative shareholding during the year		At the end of the year (or on the date of separation, if separated during the year as on 31-03-2019)	
		No. of Shares of face value of ₹2/- each	% of total shares of the Company		No. of Shares	% of total shares of the Company	No. of Shares of face value of ₹2/- each	% of total shares of the Company
1	Mr. Anil Kumar Jain	1867555	0.95	N.A.	1867555	0.95	1867555	0.95
2	Mr. Mohit Jain	692850	0.35	N.A.	692850	0.35	692850	0.35
3	Mr. Kailash R. Lalpuria	0	0.00	N.A.	0	0.00	0	0.00
4	Mr. Kamal Mitra	0	0.00	N.A.	0	0.00	0	0.00
5	Mr. P.N. Shah	0	0.00	N.A.	0	0.00	0	0.00
6	Mr. R. Anand	0	0.00	N.A.	0	0.00	0	0.00
7	Mr. Dilip J. Thakkar	0	0.00	N.A.	0	0.00	0	0.00
8	Mr. Prem Malik	1500	0.00	1000 (Purchased on 25.03.2019)	2500	0.00	2500	0.00
9	Mr. Sushil Kumar Jiwarajka	0	0.00	N.A.	0	0.00	0	0.00
10	Dr. (Mrs.) Vaijayanti Pandit	0	0.00	N.A.	0	0.00	0	0.00
11	Dr. Sanjay Kumar Panda	0	0.00	N.A.	0	0.00	0	0.00
12	Mr. Siddharth Mehta	0	0.00	N.A.	0	0.00	0	0.00
13	Mrs. Amruta Avasare Company Secretary & Compliance Officer	0	0.00	N.A.	0	0.00	0	0.00
14	Mr. Dilip Kumar Ghorawat Chief Financial Officer (upto 20.09.2018)	0	0.00	N.A.	0	0.00	0	0.00
15	Mr. K. Muralidharan Chief Financial Officer (w.e.f. 02.11.2018)	0	0.00	N.A.	0	0.00	0	0.00

Note: Shares held by relatives if any, are not included in the shareholding of Directors and Key Managerial Personnel.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 1st April, 2018)				
i) Principal Amount	37061.83	-	-	37061.83
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9.30	-	-	9.30
Total(i+ii+iii)	**37071.13**	-	-	**37071.13**
Change in Indebtedness during the financial year 2018-2019				
• Addition	6673.67	-	-	6673.67
• Reduction	12849.85	-	-	12849.85
Net Change	**(6176.18)**	-	-	**(6176.18)**
Indebtedness at the end of the financial year (as on 31st March, 2019)				
i) Principal Amount	30885.65	-	-	30885.65
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	53.58	-	-	53.58
Total(i+ii+iii)	**30939.23**	-	-	**30939.23**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total
		Mr. Anil Kumar Jain (Executive Chairman)	Mr. Mohit Jain (Managing Director)#	Mr. Kailash R. Lalpuria (Executive Director)*	Mr. Kamal Mitra (Director- Works)	
1.	Gross salary					
-	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	525.12	85.68	185.35	57.88	854.03
-	(b) Value of perquisites u/s17(2) of the Income Tax Act, 1961	-	-	-	-	-
-	(c) Profits in lieu of salary under section17(3) of the Income Tax Act,1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission as % of profit	-	-	-	-	-
5.	Others	-	-	-	-	-
	Total (A)	**525.12**	**85.68**	**185.35**	**57.88**	**854.03**
	Ceiling as per the Act	₹946.29 Lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

Till 30th June, 2018

* Remuneration is w.e.f. 4th May, 2018.

B. Remuneration to other directors:

(₹ in Lakhs)

Sr. No	Particulars	Name of Directors								Total
		Mr. P.N. Shah	Mr. R. Anand	Mr. Dilip J. Thakkar	Mr. Prem Malik	Mr. Sushil Kumar Jiwarajka	Dr. (Mrs.) Vaijayanti Pandit	Dr. Sanjay Kumar Panda	Mr. Siddharth Mehta	
1.	Independent Directors									
	• Fee for attending board / committee meetings	2.50	2.80	2.70	2.90	1.60	2.90	1.60	1.60	18.60
	• Commission #	1.00	1.00	1.00	1.00	1.00	1.00	0.75	0.75	7.50
	• Others, please Specify	-	-	-	-	-	-	-	-	-
	Total(1)	**3.50**	**3.80**	**3.70**	**3.90**	**2.60**	**3.90**	**2.35**	**2.35**	**26.10**
2.	Other Non-Executive Directors	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	• Fee for attending board / committee meetings	-	-	-	-	-	-	-		-
	• Commission	-	-	-	-	-	-	-		-
	• Others, please Specify	-	-	-	-	-	-	-		-
	Total (2)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	Total (B)=(1+2)	**3.50**	**3.80**	**3.70**	**3.90**	**2.60**	**3.90**	**2.35**	**2.35**	**26.10**
	Overall Ceiling as per the Act	₹94.62 Lakhs (being 1% of the net profit of the Company, calculated as per Section 198 of the Companies Act, 2013)								

Commission for FY 2018-19

C. Remuneration to key managerial personnel other than MD/Manager/WTD:

(₹ in Lakhs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Dilip Kumar Ghorawat (Chief Financial Officer)*	Mr. K. Muralidharan (Chief Financial Officer)#	Ms. Amruta Avasare (Company Secretary)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	70.28	22.76	30.80	123.84
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	70.28	22.76	30.80	123.84

* Upto 20th September, 2018
# w.e.f. 2nd November, 2018

Note : Mr. Kailash R. Lalpuria (DIN: 00059758), Executive Director has also been appointed as "Chief Executive Officer" (CEO) w.e.f. 8th February, 2019 pursuant to Section 203 of the Companies Act, 2013. His remuneration as an Executive Director & CEO is provided in this section under Part A.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year 2018-19, there were no penalties/punishment/compounding of offences under the Companies Act, 2013.

On behalf of the Board of Directors

ANIL KUMAR JAIN
Executive Chairman
DIN: 00086106

Date: 22nd May, 2019
Place: Mumbai

ANNEXURE 5

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL

2. Details of material contracts or arrangements or transactions at Arm's length basis:

Sl. No.	Particulars	Details
a)	Name (s) of the related party	Indo Count Global Inc, USA
b)	Nature of Relationship	Wholly owned Subsidiary
c)	Nature of contracts / arrangements / transaction	Sale of goods / products
d)	Duration of the contracts / arrangements / transactions	Ongoing
e)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Value of Goods sold during FY 2018-19 is ₹11,380.94 Lakhs. The Price for the sale of the products of the Company is mutually agreed by both parties based on estimated total costs and risk and returns considering prevalent market conditions.
f)	Date(s) of approval by the Board, if any:	Refer Note below
g)	Amount paid as advances, if any:	NIL

Note: Pursuant to the provisions of the Companies Act, 2013, no material contracts/arrangements/ transactions which were above threshold limit prescribed under Rule 15 of the Companies (Meetings of the Board & its powers) Rules, 2014 were entered with related parties except the above. The above transaction is with wholly owned subsidiary and on Arm's Length basis and in ordinary course of business, hence no approvals of Audit Committee/Board/Shareholders is required under the Companies Act, 2013.

On behalf of the Board of Directors

ANIL KUMAR JAIN
Executive Chairman
DIN: 00086106

Date: 22nd May, 2019
Place: Mumbai

ANNEXURE 6

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information on Conservation of Energy, Technology absorption, Foreign Exchange Earnings and Outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 for the year ended 31st March, 2019 is provided hereunder:

(A)CONSERVATION OF ENERGY:

(i) Steps taken or impact on conservation of energy

Our Company makes continuous efforts for conservation of energy through various practices. Some of the measures for conservation of energy implemented in the areas of spinning and Home Textiles are captured below:

1. Power:
   a) Additional Solar power system installation having capacity of 1MW power generation per hour. Projected savings of 14 Lacs KW / year.
   b) LED lights replacement against old conventional lights for power saving and lux improvement.
   c) Transparent roofing sheet to increase natural luminance in plant to reduce power consumption in day time.
2. Fuel
   a) Installation of Thermic fluid booster pump for better heating efficiency and reduction in coal.
   b) Deareater of 30 TPH Boiler taken in to operation and reduced consumption of 1 MT of coal per day.
3. Water:
   a) Made up Dryer Scrubber water taken in hot water recovery. i. e. Average saving of water is 150 m3 / day.
   b) Closed unit Squeeze Washer at Printing department for reduction in water consumption and better washing efficiency of Squeeze.
   c) Replaced Cationic Resin in RO for minimizing consumption of HCL, Caustic and Water.
4. Steam:
   a) Addition of 50 KL SS Tank in Caustic Recovery Plant resulting reduction in steam consumption.
   b) Steam condensate piping and insulation for condensate recovery at Printing House.

(ii) Steps taken by the Company for utilizing alternate sources of energy

a) Installation of Solar Panels having capacity of 1 MW.

b) Non color waste water is treated with anaerobic biological treatment (UASBR) Bio gas i.e. Methane generated during the said treatment is collected and used for Power Generation from anaerobic digesters upto 1200 KWH per day.

(iii) Capital investment on conservation of Energy

a) Bomb Calorimeter, Moisture Meter, and Muffle Furnace in Lab for accuracy in coal testing.

b) Installation of Chiller TR 20 for Printing color preparation.

(B) TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption & benefits derived:

We have always focused on Sustainability which is our bond with our community. Innovating in this space enables us to deliver category leading products which are naturally softer and more beautiful, while using less resources and environmental impact.

1. Pure-Earth color

   These products use only dyes made from fully traceable agricultural resources.

2. Pure –Unbleached Undyed Sheets

   The environmental friendly process ensures the fabric is not treated with any harsh chemicals. The sheets are made from certified organic cotton.

ii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

a) The details of technology imported-The Company has not imported technology.

b) The year of import- Not applicable

c) Whether the technology been fully absorbed- Not applicable

d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof- Not applicable

iv) The expenditure incurred on Research and Development

The expenditure on Research and Development during the financial year 2018-19 is ₹336.95 Lakhs including ₹27.18 lakhs which has been capitalised in the year 2018-19.

(C)FOREIGN EXCHANGE EARNINGS AND OUTGO:

₹ In Lakhs

Particulars	2018-19	2017-18
Foreign Exchange earned	1,60,010.96	150,079.06
Foreign Exchange outgo	9,113.62	9,066.98

More details are provided in Notes to financial statements.

On behalf of the Board of Directors

ANIL KUMAR JAIN
Executive Chairman
DIN: 00086106

Date: 22nd May, 2019
Place: Mumbai

ANNEXURE 7

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel), Rules, 2014

(i)

Name of the Director	Designation	Remuneration of Directors / KMP for the year ended 31st March, 2019 (₹ In Lakhs)	Ratio to Median Remuneration	% increase in remuneration for the year ended 31st March, 2019
Mr. Anil Kumar Jain	Executive Chairman	525.12	174.05	NIL
Mr. Mohit Jain	Vice Chairman	85.68	28.40	NA (Refer Note 1)
Mr. Kailash R. Lalpuria	Executive Director & CEO	185.35	61.43	NA (Refer Note 2)
Mr. Kamal Mitra	Director (Works)	57.88	19.18	27.72%
Mr. P. N. Shah	Non-Executive Independent Director	3.50	1.16	NA (Refer Note 3)
Mr. Dilip J. Thakkar	Non-Executive Independent Director	3.70	1.23	
Mr. R. Anand	Non-Executive Independent Director	3.80	1.26	
Mr. Sushil Kumar Jiwarajka	Non-Executive Independent Director	2.60	0.86	
Mr. Prem Malik	Non-Executive Independent Director	3.90	1.29	
Dr. (Mrs.) Vaijayanti Pandit	Non-Executive Independent Director	3.90	1.29	
Dr. Sanjay Kumar Panda	Non-Executive Independent Director	2.35	0.78	NA (Refer Note 4)
Mr. Siddharth Mehta	Non-Executive Independent Director	2.35	0.78	
Mr. Dilip Kumar Ghorawat	Chief Financial Officer	63.28	NA	(Refer Note 5)
Mr. K. Muralidharan	Chief Financial Officer	22.76	7.54	NA (Refer Note 6)
Mrs. Amruta Avasare	Company Secretary	30.80	10.21	8.45%

Note :

1. The designation of Mr. Mohit Jain was changed from Managing Director to Vice Chairman in Non-Executive category w.e.f. 1st July, 2018 and the remuneration given above is till 30th June, 2018 as Managing Director of the Company.
2. Mr. Kailash R. Lalpuria was appointed as Executive Director w.e.f. 4th May, 2018 and his remuneration is provided from that date. Further, he was Executive Director for part of the year 2017-18. Hence, his remuneration is not comparable with previous year.
3. There is no change in the remuneration of Independent Directors as amount of commission for 2018-19 and 2017-18 is same. The remuneration has varied only due to change in sitting fees on account of number of meetings attended by them.
4. Dr. Sanjay Kumar Panda and Mr. Siddharth Mehta were appointed as Independent Directors w.e.f 3rd August, 2018.
5. Mr. Dilip Kumar Ghorawat resigned as Chief Financial Officer of the Company w.e.f. 20th September, 2018 and hence his remuneration for FY-2017-18 and 2018-19 is not comparable.
6. Mr. K. Muralidharan was appointed as Chief Financial Officer of the Company w.e.f. 2nd November, 2018. Hence, percentage increase in remuneration is not applicable.

(ii) the percentage increase in the median remuneration of employees in the financial year 2018-2019– 9.17%

(iii) the number of permanent employees on the rolls of company- 2222 as on 31st March, 2019

(iv) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof – Average percentage increase in salaries of employees other than managerial personnel is 11.45% and for managerial personnel is 2.54%.

(iv) We affirm that the remuneration paid during the year 2018-19 is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

ANIL KUMAR JAIN
Executive Chairman
DIN: 00086106

Date: 22nd May, 2019
Place: Mumbai

Dividend Distribution Policy

1. Introduction & Preamble

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top five hundred listed entities based on market capitalization (calculated as on March 31 every financial year) are required to formulate a Dividend Distribution Policy. Accordingly, this Dividend Distribution Policy of Indo Count Industries Limited ("the Company") is framed to outline guiding factors, parameters and procedures for recommendation and distribution of dividend.

This policy is effective from 11th February, 2017.

2. Definitions & Interpretations

In this Policy, except where the context otherwise requires, the following words and expressions shall have the following meaning.

"Act" means Companies Act, 2013 and the Rules framed there under, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

"Listing Regulations" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Company" means Indo Count Industries Limited.

"Board or Board of Directors" means Board of Directors of the Company as defined under the Companies Act, 2013.

"Dividend" includes Final and / or any Interim Dividend and / or special dividend.

"Free reserves" means such reserves which, as per the latest audited balance sheet of a company, are available for distribution as dividend:

Provided that—

(i) any amount representing unrealised gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or

(ii) any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves;

"Shares" or "Equity Shares" means the exiting equity shares and equity shares as may be allotted by the Company from time to time.

The words importing the singular include the plural and vice versa and pronouns importing a gender include each of the masculine, feminine and neuter genders and shall be interpreted in the wide sense in spirit of this Code.

3. Circumstances under which shareholders may or may not expect dividend & Dividend Policy

The decision regarding Dividend Pay-out determines the distribution of profits among shareholders of the Company and the amount of profit to be retained in business. The Board has the discretion to recommend dividend keeping in mind business considerations, internal and external factors, distributable surplus as per Companies Act, 2013, expansion and growth plans. The decision of the Board shall seek to balance the dual objective of appropriately rewarding shareholders through dividend and retaining profits to support future growth.

The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board:

- Proposed expansion plans
- Decisions to undertake acquisition, amalgamation, merger, joint ventures, new product launches which requires significant capital outflow
- Requirement of higher working capital for business purpose
- Proposal for buy back of securities
- In the event of loss or inadequacy of profits

4. Financial parameters, Internal & external factors to be considered for declaring dividend

While recommending dividend, the Board shall consider following financial parameters, internal & external factors:

a) Distributable profits available as per Companies Act, 2013

b) Cash flow generation

c) Revenue, Cash Profit and Net Worth

d) Company's liquidity position and future cash flow needs

e) Cost of borrowings / financing

f) Future business growth and expansion plans, capacity expansion

g) Capital Expenditure

h) Likelihood of crystalization of contingent liabilities, if any

i) Creation of Contingency Fund

j) Past Dividend Pay-out ratios of the Company Dividend & Dividend Pay-out ratios of peers

k) Acquisition of brands / Business

l) Additional Investment in subsidiaries and associate companies

m) Upgradation of technology & physical infrastructure

n) Economic Environment, Capital Markets and Business Conditions in general

o) Change in statutory provisions and guidelines with respect to dividend distribution, prevailing taxation policy or any amendments thereof pertaining to dividend.

p) Stipulations/covenants of loan agreements

q) Cost and availability of alternative sources of financing

r) Bankruptcy of major customers, stricture of public liability and similar aspects affecting to the business or profit of the Company

s) Any other relevant factors as the Board may deem fit

5. Utilization of retained earnings

The retained earnings can be utilized for following purposes:

a) Funding organic and inorganic growth needs including working capital, repayment of debt

b) Capacity expansion/ expansion plans

c) Modernization of existing capacity

d) Purchase of new equipments or replacement of capital assets

e) Payment of dividend in future years

f) Issue of bonus shares

g) Buyback of shares

h) Any other purpose as the Board may deem fit

6. Procedure

After considering aforesaid financial parameters and internal & external factors, the Board may at its discretion, declare interim dividend / final dividend. The Company shall follow procedure prescribed under Companies Act, 2013 for payment of dividend.

7. Provisions for dividend with regard to various class of shares

This policy is applicable only for equity shares. The preference shareholders shall receive dividend at the fixed rate as per the terms of issue.

8. Clarifications, Amendments

This Policy has been framed in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In case of any amendment in the Regulations, direction or clarification by SEBI, provision of this Policy shall be read and implemented in context of such amended or clarified positions.

The Board may from time to time review and amend any provisions of this policy.

9. Disclaimer

This policy neither solicit investment in Company's securities nor is an assurance of guaranteed return for investment in equity shares of the Company.

Corporate Governance Report

In compliance with Regulation 34(3) read with Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), a report on Corporate Governance for the year ended 31st March, 2019 is given below:

1. Company's Philosophy on Code of Governance

Your Company is committed to the adoption of best governance practices and their adherence in true spirit at all times. Your Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and ethical behavior in all spheres of its operations and in all its communications with its stakeholders.

2. Board of Directors

(a) Composition

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors.

As on 31st March, 2019, the Board comprises of 12 Directors out of which 3 Directors are Executive, 8 Directors are Non-Executive Independent including one Woman Director and 1 Director is Non-Executive Non-Independent Director. The composition of the Board is in conformity with the requirements of Regulation 17 of the Listing Regulations. All Directors are competent and experienced personalities in their respective fields.

The Board is headed by Mr. Anil Kumar Jain, Executive Chairman of the Company. During the year under review, there were changes at the Board level as under:

- Mr. Kailash R Lalpuria (DIN : 00059758) was appointed as a Whole Time Director designated as an Executive Director of the Company for a period of 3 years w.e.f. 4th May, 2018. His appointment was duly approved by the members of the Company at the Annual General Meeting held on 11th September, 2018. Mr. Kailash R. Lalpuria was also appointed as a Chief Executive Officer (CEO) of the Company w.e.f. 8th February, 2019 and with the said appointment his designation is "Executive Director & CEO".
- The designation of Mr. Mohit Jain (DIN : 01473966) was changed to Vice Chairman in Non-Executive Category w.e.f. 1st July, 2018 and the same was duly approved by the members of the Company at the Annual General Meeting held on 11th September, 2018.
- Mr. Sushil Kumar Jiwarajka (DIN : 00016680) was appointed as a Non-Executive Independent Director of the Company for a second term of five consecutive years w.e.f. 4th May, 2018.
- Dr. Sanjay Kumar Panda (DIN : 02586135) and Mr. Siddharth Mehta (DIN : 03072352) were appointed as Non-Executive Independent Directors of the Company for first term of five consecutive years w.e.f. 3rd August, 2018.

All the aforesaid appointments of Directors were duly approved by the members of the Company at the Annual General Meeting held on 11th September, 2018.

The composition of the Board, details of other Directorships and Committee positions as on 31st March, 2019 are given below:

Name of the Director	DIN	Category	Number of Directorships held in other public companies#	Directorships held in other listed companies along with nature of Directorship	Number of Membership/ Chairmanship of Board Committees@	
					Member	Chairman
Mr. Anil Kumar Jain Executive Chairman	00086106	Executive (Promoter)	2	Pranavaditya Spinning Mills Ltd- NENID Margo Finance Limited – C& NENID	3	NIL
Mr. Mohit Anilkumar Jain Vice Chairman	01473966	NENID (Promoter)	NIL	NIL	NIL	NIL
Mr. Kailash R. Lalpuria Executive Director*	00059758	Executive	NIL	NIL	2	NIL
Mr. Kamal Mitra Director (Works)	01839261	Executive	1	Pranavaditya Spinning Mills Ltd- NENID	2	NIL
Mr. P. N. Shah	00096793	NEID	5	Pranavaditya Spinning Mills Ltd- NEID	1	5

Name of the Director	DIN	Category	Number of Directorships held in other public companies#	Directorships held in other listed companies along with nature of Directorship	Number of Membership/ Chairmanship of Board Committees@	
					Member	Chairman
Mr. R. Anand	00040325	NEID	3	Pranavaditya Spinning Mills Ltd- NEID NCL Industries Ltd- C & NEID	3	NIL
Mr. Dilip J. Thakkar	00007339	NEID	5	Poddar Housing and Development Limited-NENID Walchandnagar Industries Ltd-NEID Premier Limited-NEID AGC Networks Limited-NEID	5	2
Mr. Prem Malik	00023051	NEID	5	Lahoti Overseas Ltd-NEID GTN Textiles Ltd-NEID Patspin India Ltd-NEID	5	2
Mr. Sushil Kumar Jiwarajka**	00016680	NEID	NIL	NIL	NIL	NIL
Dr. (Mrs.) Vaijayanti Pandit	06742237	NEID	8	Banswara Syntex Ltd-NEID Automobile Corporation of Goa Ltd-NEID I G Petrochemicals Ltd-NEID	8	1
Dr. Sanjay Kumar Panda***	02586135	NEID	NIL	NIL	NIL	NIL
Mr. Siddharth Mehta***	03072352	NEID	2	Bajaj Electricals Ltd-NEID TCI Industries Ltd-NEID	2	1

Notes:
* Appointed as Executive Director w.e.f. 4th May, 2018 and as CEO w.e.f. 8th February, 2019.
** Appointed w.e.f. 4th May, 2018
***Appointed w.e.f. 3rd August, 2018

Abbreviations:
C = Chairman
NENID = Non-Executive Non-Independent Director
NEID = Non-Executive Independent Director

#Number of Directorships held in other public companies excludes Directorship of Indo Count Industries Limited, Directorships in private companies, deemed public companies, foreign companies and companies under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and alternate Directorships.
@Only Membership / Chairmanship of Audit Committee and Stakeholders' Relationship Committee of listed and unlisted public limited companies including Indo Count Industries Limited are considered.

Memberships or Chairmanships of the stipulated Board Committees held by all Directors are within the limit specified under Regulation 26 (1) of the Listing Regulations. Further, None of the Directors hold Directorships in more than 20 Companies including 10 Public Companies pursuant to the provisions of Section 165 of the Companies Act, 2013. Further, the other directorships held by all Directors including Independent Directors are within the limit prescribed under Listing Regulations.

During the year under review, All Independent Directors of the Company fulfill the criteria of Independence as given under Section 149 (6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations and have furnished declaration of independence pursuant to Section 149 (7) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations. The said declaration of independence were reviewed and taken on record by the Board and in the opinion of the Board, all Independent Directors of the Company fulfill the criteria of independence and all conditions specified in the Listing Regulations and are independent of the management.

Inter-se relationship among Directors

There is no inter-se relationship amongst any of the Directors of the Company except Mr. Mohit Jain, Vice- Chairman, son of Mr. Anil Kumar Jain, Executive Chairman of the Company.

b) Independent Directors Meeting

During the year under review, a Meeting of Independent Directors of the Company was held on 2nd November, 2018 wherein all Independent Directors were present. At the said meeting, Independent Directors discussed and evaluated performance of Executive Chairman and other Non-Independent Directors, the Board and its various committees as a whole and also assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform its duties effectively.

c) Familiarisation Programme

Your Company has in place Familiarisation Programme for the Independent Directors to familiarize them about the Company and their role, rights and responsibilities in the Company. At the time of appointment of a Director (including Independent Director), a formal letter of appointment is given to them, which *inter-alia* explains the role, function, duties and responsibilities expected from them as Directors of the Company. The draft letter of appointment containing terms and conditions of their appointment is available on the website of the Company at www.indocount.com. The Director is also explained the compliances required from him/her under the Companies Act, 2013, Listing Regulations and other applicable laws. The Chairman also does one to one discussion with the newly appointed Directors to familiarize them with the Company's operations. On the request of the individual director, site visits to plant locations are also organized by the Company for the directors to enable them to understand the operations of the Company. Further, on an ongoing basis as a part of Agenda of Board meetings, discussions are made on various matters *inter-alia* covering the Company's business and operations, Industry and regulatory updates etc.

The Familiarisation Programme and details of Familiarization Programme imparted during 2018-19 are uploaded on the website of the Company www.indocount.com and can be accessed through web-link https://www.indocount.com/images/investor/ICIL-Familiarisation_Program_imparted-2018-2019.pdf

d) Matrix of skills/competence/expertise of Directors

The following matrix summarizes list of core skills/ expertise/ competencies identified by the Board as required in the context of its business and the sector in which the Company operates.

Board Competency Matrix

Industry Knowledge/ Experience	Technical Skills/Expertise/ Competencies	
Industry Experience	Finance & Accounting	Leadership
Knowledge of Sector (Textiles)	Legal & Governance	Business Administration
Knowledge of broad public policy direction	Sales and Marketing	Corporate Restructuring
Understanding of government legislation/ legislative process	Information Technology	Human Resource Management
Global Business	Public Relation	Strategy and Business Development
Supply Chain Management	Risk Management	Corporate Social Responsibility

The Board comprises of qualified members, who possesses aforesaid knowledge, experience, technical skills, expertise and competencies for effective contribution to the Board and its Committees.

e) Board Meetings

During the financial year 2018-19, Four (4) Board Meetings were held on 4th May, 2018, 3rd August, 2018, 2nd November, 2018 and 8th February, 2019. The maximum gap between any two consecutive meetings did not exceed 120 days.

Physical Attendance of Directors at the Board Meetings and the Annual General Meeting (AGM) held during the year under review is as under:

Name of the Director	No. of Board Meetings Attended	Attendance at last AGM 11th September, 2018
Mr. Anil Kumar Jain	4/4	Yes
Mr. Mohit Jain	4/4	No
Mr. Kailash R. Lalpuria*	4/4	Yes
Mr. Kamal Mitra	4/4	Yes
Mr. P. N. Shah	4/4	No
Mr. R. Anand	4/4	No
Mr. Dilip J. Thakkar	4/4	No
Mr. Prem Malik	4/4	No
Mr. Sushil Kumar Jiwarajka*	3/4	No
Dr. (Mrs.) Vaijayanti Pandit	4/4	Yes
Dr. Sanjay Kumar Panda**	3/3	No
Mr. Siddharth Mehta**	3/3	No

* Appointed w.e.f. 4th May, 2018
** Appointed w.e.f. 3rd August, 2018

The Leave of absence were granted to those Directors who were not able to attend particular board meetings and had requested for leave of absence.

Further, pursuant to Section 175 of the Companies Act, 2013, the Board passed one resolution by circulation on 23rd June, 2018.

f) Board Meetings Procedure

In order to ensure maximum presence of all Directors in the Board Meeting, dates of the Board Meetings are fixed in advance after consultation with individual directors and consideration of their convenience. The agenda papers along with relevant explanatory notes and supporting documents are circulated within prescribed time to all Directors.

Apart from any specific matter, the Board periodically reviews routine business items which includes approval of financial results along with Auditors review report, Action Taken Report on the decisions taken in previous meetings, operational performance of the Company, minutes of committee meetings, quarterly corporate governance report, statement of investor complaints, shareholding pattern, compliance report on all laws applicable to the Company, annual financial statements, annual budget, capital expenditure and other matters placed before the Board pursuant to Part A of Schedule II of the Listing Regulations.

3. Audit Committee

(a) Terms of reference

The terms of reference of the Audit Committee covers matters specified under Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013. Further, the Board at its meeting held on 8th February, 2019 enhanced the role of Audit Committee to include new terms of reference w.e.f. 1st April, 2019 as specified by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The terms of reference of Audit Committee *inter-alia* includes following matters:

Financial Reporting and Related Processes

- Oversight of the Company's financial reporting process and disclosure of its financial information
- Reviewing with the Management the quarterly unaudited financial results and Auditors Review Report thereon and make necessary recommendation to the Board
- Reviewing with the Management audited annual financial statements and Auditors' Report thereon and make necessary recommendation to the Board This would, *inter-alia*, include reviewing changes in the accounting policies, if any, major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements arising out of audit findings, disclosure of related party transactions, compliance with legal and other regulatory requirements with respect to the financial statements.
- Reviewing the Management Discussion & Analysis of financial and operational performance and Board's Report
- Scrutiny of inter-corporate loans and investments.
- Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on 1st April, 2019. (w.e.f 1st April, 2019)

Internal Controls and Governance Processes

- Review the adequacy and effectiveness of the Company's internal control system. Evaluation of Internal Financial Controls and risk Management Systems, Review and discuss with management, the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- Review adequacy of internal audit function, internal audit reports and discussion with Internal Auditors on significant findings and follow-up thereon.
- To oversee and review the functioning of a Vigil Mechanism / Whistle Blower Policy
- Approval of Related Party Transactions (RPT) or any subsequent modifications of RPT and review of RPT on quarterly basis.
- Approval of appointment of Chief Financial Officer

Audit & Auditors

- Review and monitor Auditor's Independence and performance and effectiveness of Audit process.
- Reviewing with the management, performance of internal and statutory auditors, adequacy of internal control systems.
- Review the scope of the Statutory Auditor, the Internal Audit Plan with a view to ensure adequate coverage.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board, appointment, remuneration and terms of appointment of the Auditors including Internal Auditors.
- Approval of such other services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.

(b) Composition and Meetings

As on 31st March, 2019, the Audit Committee comprises of 6 Directors / Members out of which 5 are Independent Directors and 1 is Executive Director. Mr. P. N. Shah, Chairman of the Audit Committee is a Chartered Accountant and all Members of the Audit Committee are professionals, experienced and possess sound knowledge of finance, accounting practices and internal controls.

During the year under review, Four (4) Audit Committee Meetings were held on 4th May, 2018, 3rd August, 2018, 2nd November, 2018 and 8th February, 2019. The time gap between any two consecutive Audit Committee Meetings was not more than 120 days.

Composition of the Audit Committee as on 31st March, 2019 and changes in composition along with Physical Attendance of members at the Audit Committee Meetings held during the year under review is as under:

Name of the Director	Category	No. of Audit Committee Meetings Attended
Mr. P. N. Shah, Chairman	Non-Executive, Independent	4/4
Mr. R. Anand	Non-Executive, Independent	4/4
Mr. Prem Malik	Non-Executive, Independent	4/4
Mr. Kailash R. Lalpuria*	Executive	3/3
Mr. Kamal Mitra**	Executive	1/1

Name of the Director	Category	No. of Audit Committee Meetings Attended
Mr. Dilip J. Thakkar ***	Non-Executive, Independent	Not Applicable
Mr. Siddharth Mehta***	Non-Executive, Independent	Not Applicable

* Appointed as member w.e.f. 4th May, 2018 at the Board Meeting.
** Ceased to be member w.e.f. 4th May, 2018 due to re-constitution of the Committee at the Board Meeting.
*** Appointed w.e.f. 8th February, 2019 at the Board meeting.

The representatives of the Statutory Auditors, Internal Auditors and Chief Financial Officer are invitees to the Audit Committee Meetings and they attend and participate in the Meetings. Mrs. Amruta Avasare, Company Secretary is Secretary to the Audit Committee and she attends the meetings.

Due to certain urgent professional work, Mr. P.N. Shah, Chairman of Audit Committee was travelling. Hence, he could not attend the Annual General Meeting held on 11th September, 2018. He authorised Mr. Kailash R. Lalpuria to represent him and answer to queries of shareholders. Mr. Kailash R. Lalpuria represented on behalf of Chairman of Audit Committee at the said AGM.

4. Stakeholders' Relationship Committee

a) Composition and Meetings

As on 31st March, 2019, the Stakeholders' Relationship Committee ("SRC") consists of 3 Directors/Members viz. Dr. (Mrs.) Vaijayanti Pandit, Non-Executive, Independent Director as Chairperson, Mr. Anil Kumar Jain, Executive Chairman as a Member and Mr. Kailash R. Lalpuria, Executive Director & CEO as a Member. During the year under review, Mr. Kailash R. Lalpuria, Executive Director was appointed as a member of the SRC and Mr. Mohit Jain ceased to be member of the SRC w.e.f. 4th May, 2018.

1 (One) meeting of Stakeholders' Relationship Committee was held on 14th March, 2019 during FY 2018-19 and the said meeting was attended by all members of the Committee.

b) Terms of Reference

The role of the Stakeholders Relationship Committee *inter-alia* includes reviewing and resolving the queries/ complaints / grievances received from the shareholders if any and approval of transfers/transmissions or any other request pertaining to shares of the Company. The Board at its meeting held on 8th February, 2019 enhanced the role of SRC w.e.f. 1st April, 2019 to include new terms of reference as specified in Point B of Part D of Schedule II of Listing Regulations and revised scope of SRC is as under:

- Resolving the grievances of the security holders of the Company.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.

c) Investor Complaints

Your Company takes all effective steps to resolve complaints from shareholders of the Company. The Complaints are duly attended by the Company/ Registrar & Transfer Agent and the same are resolved within prescribed time.

During the year under review, 10 complaints were received from the shareholders which were duly resolved. As on 31st March, 2019, no complaint was pending.

d) Compliance Officer

Mrs. Amruta Avasare, Company Secretary is Compliance Officer of the Company.

5. Nomination and Remuneration Committee

(a) Brief description of terms of reference

The Board at its meeting held on 8th February, 2019 enhanced the role of NRC to include new terms of reference w.e.f 1st April, 2019 as specified by SEBI (Listing Obligations and Disclosure Requirements) Amendment, Regulations, 2018. The terms of reference of the Nomination and Remuneration Committee ("NRC") includes the matters stipulated in Point A of Part D of Schedule II of the Listing Regulations and Section 178 of the Companies Act, 2013 as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees.
- Lay down criteria for identifying and selection of candidates for appointment as Directors/ Independent Directors/KMP and other Senior Management positions;
- Recommendation to the Board about appointment, re-appointment, removal of Directors, Senior Management Personnel and KMP in accordance with the criteria laid down.
- Recommendation to the Board on remuneration payable to the Directors of the Company.
- Formulation of criteria for evaluation of performance of Independent Director and the Board of Director.
- Recommendation to the Board to extend or continue the term of appointment of the Independent Director on the basis of the report of their performance evaluation.
- Devising a policy on Board Diversity.
- Recommendation to the board, all remuneration, in whatever form, payable to senior management

(b) Composition, Meetings and Attendance

As on 31st March, 2019, NRC comprises of 4 Directors/Members. During the year under review, Four (4) Meetings of NRC were held on 4th May, 2018, 3rd August, 2018, 2nd November, 2018 and 8th February, 2019.

Composition as on 31st March, 2019 and Physical Attendance of members at the NRC Meetings held during the year under review is as under:

Name of the Director	Category	Attendance at the Nomination and Remuneration Committee Meeting
Mr. Prem Malik, Chairman	Non-Executive, Independent	4/4
Dr. (Mrs) Vaijayanti Pandit	Non-Executive, Independent	4/4
Mr. Anil Kumar Jain#	Executive	3/4
Mr. R. Anand*	Non-Executive, Independent	3/3

Chairman of the Company

* Appointed as member w.e.f. 4th May, 2018 at the Board Meeting

(c) Nomination and Remuneration Policy

Pursuant to Section 178 of the Companies Act, 2013, NRC has formulated "Nomination and Remuneration Policy" which deals *inter-alia* with nomination and remuneration of Directors, Key Managerial Personnel, Senior Management & other employer. The said policy is uploaded on the website of the Company and web-link thereto is https://www.indocount.com/images/investor/Nomination-And-Remuneration-Policy1.pdf

(d) Criteria for evaluation of Independent Directors

NRC has formulated following criteria for Performance Evaluation of Independent Directors:

1. Participation at Board /Committee Meetings
2. Contributions at Meetings
3. Knowledge and skills
4. Discharging Role, Functions and Duties
5. Personal Attributes

More information on performance evaluation is given in the Board's Report.

6. Remuneration of Directors

At present, all Independent Directors of the Company are entitled for sitting fees of ₹50,000/- each for attending Board Meetings and ₹10,000/- each for attending all Committee meetings and Independent Directors Meeting.

They are also entitled to receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the NRC within the limit of 1% of net profits u/s 198 of the Companies Act, 2013 as approved by the shareholders of the Company.

Details of remuneration paid/payable to all Directors of the Company for the financial year ended 31st March, 2019 are as under:

Name of the Director	Tenure	Remuneration for the financial year ended 31st March, 2019 (Amount in Lakhs)					
		Basic Salary	Perquisites & Allowances	Provident Fund	Sitting Fees	Commission*	Total
Mr. Anil Kumar Jain#	3 years (upto 30th September, 2019)	216.00	283.20	25.92	NA	NIL	525.12
Mr. Mohit Jain**	-	39.00	42.00	4.68	NA	NIL	85.68
Mr. Kailash R. Lalpuria	3 years (upto 3rd May, 2021)	74.14	111.21	NIL	NA	NIL	185.35
Mr. Kamal Mitra#	3 years (upto 30th September, 2019)	31.97	22.07	3.84	NA	NIL	57.88
Mr. P. N. Shah@	Upto 15th August, 2019	NA	NA	NA	2.50	1.00	3.50
Mr. R. Anand@		NA	NA	NA	2.80	1.00	3.80
Mr. Dilip J. Thakkar##		NA	NA	NA	2.70	1.00	3.70
Mr. Prem Malik##		NA	NA	NA	2.90	1.00	3.90
Dr. (Mrs.) Vaijayanti Pandit##		NA	NA	NA	2.90	1.00	3.90
Mr. Sushil Kumar Jiwarajka	5 years (upto 3rd May, 2023)	NA	NA	NA	1.60	1.00	2.60

Name of the Director	Tenure	Remuneration for the financial year ended 31st March, 2019 (Amount in Lakhs)					
		Basic Salary	Perquisites & Allowances	Provident Fund	Sitting Fees	Commission*	Total
Dr. Sanjay Kumar Panda	5 years (upto 2nd August, 2023)	NA	NA	NA	1.60	0.75	2.35
Mr. Siddharth Mehta	5 years (upto 2nd August, 2023)	NA	NA	NA	1.60	0.75	2.35

** Commission is for FY 2018-19 which will be paid during the year 2019-20*

*** The designation of Mr. Mohit Jain was changed to Vice Chairman in Non-Executive category w.e.f. 1st July, 2018 and the remuneration given above is till 30th June, 2018 as Managing Director of the Company. Further, his remuneration does not include amount paid towards Leave and Provident Fund encashment.*

#The resolutions for re-appointment of Mr.Anil Kumar Jain and Mr. Kamal Mitra for further period of three years w.e.f. 1st October, 2019 are placed for approval of members of the Company at the ensuing AGM.

##The resolutions for re-appointment of Mr. Dilip J. Thakkar, Mr. Prem Malik and Dr. (Mrs) Vaijayanti Pandit for a second term of five consecutive years w.e.f 16th August, 2019 are placed for approval of members of the Company at the ensuing AGM.

@Due to advanced age, Mr. P. N. Shah and Mr. R. Anand are not seeking re-appointment for a second term.

1. None of the Non-Executive Independent Directors are holding equity shares or convertible instruments of the Company as on 31st March, 2019 except Mr. Prem Malik who is holding 2,500 Equity Shares of ₹2/- each of the Company. Further, Mr. Mohit Jain, Non-Executive Non-Independent Director is holding 6,92,850 Equity Shares of ₹2/- each of the Company as on 31st March, 2019 under Promoter & Promoter Group.
2. There is no separate provision for payment of severance fees. The notice period for the Executive Directors is governed by the service rules of the Company.
3. The Non-Executive Independent Directors are paid sitting fees of ₹50,000/- each for attending Board Meetings and ₹10,000/- for all Committee Meetings and Independent Directors Meetings.
4. Apart from commission, there are no variable components and performance linked incentives.
5. None of the Non-Executive Independent Directors have any pecuniary relationship or transaction with the Company during the year under review.
6. The remuneration of Mr. Kailash R. Lalpuria is w.e.f. 4th May, 2018.

Criteria of making payment to Non-Executive Directors

The criteria for making payment to Non-Executive Directors of the Company is disclosed under web-link

https://www.indocount.com/images/investor/ICIL_Criteria-for-making-payments-to-Non-Executive-Directors.pdf

Stock options

The Company does not have any Employee Stock Option Scheme.

7. Corporate Social Responsibility (CSR) Committee

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Company has constituted Corporate Social Responsibility ("CSR") Committee. As on 31st March, 2019, CSR Committee comprises of Dr. (Mrs.) Vaijayanti Pandit, Non-Executive Independent Director as Chairperson, Mr. Anil Kumar Jain, Executive Chairman, Mr. Kailash R. Lalpuria, Executive Director & CEO, Mr. Kamal Mitra, Director (Works) and Dr. Sanjay Kumar Panda, Non-Executive Independent Director as its members.

The terms of reference of CSR Committee, *inter-alia*, includes:

- formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- recommend the amount of expenditure to be incurred on the CSR activities, provide guidance on various CSR activities to be undertaken by the Company.
- monitor the CSR Policy of the Company and review of CSR expenditure from time to time.

During the year under review, 3 (Three) meetings of CSR Committee were held on 2nd May, 2018, 2nd August, 2018 and 31st October, 2018.

Composition and Physical Attendance of members at the CSR Committee Meetings held during the year under review is as under:

Name of the Director	Category	Attendance at the CSR Committee Meeting
Dr. (Mrs) Vaijayanti Pandit, Chairperson	Non-Executive, Independent	3/3
Mr. Anil Kumar Jain	Executive	3/3
Mr. Mohit Jain*	Non-Executive, Independent	1/1
Mr. Kamal Mitra	Non-Executive, Independent	1/3
Mr. Kailash R. Lalpuria**	Executive	1/2
Mr. Sanjay Kumar Panda***	Non-Executive, Independent	N.A.

* Ceased to be member w.e.f. 4th May, 2018

** Appointed as member w.e.f. 4th May, 2018

*** Appointed as member w.e.f. 2nd November, 2018

Mr. Kamal Mitra however participated in CSR meetings through teleconference/skype calls.

A Report on CSR Activities carried out by the Company during FY 2018-19 is provided as Annexure 2 to the Board's Report.

8. Risk Management Committee

As a matter of good Corporate Governance, though not mandatory, as per Regulation 21 of Listing Regulations, the Board of Directors of your Company at its meeting held on 8th February, 2019 constituted Risk Management comprising of Mr. Kailash R. Lalpuria, Executive Director & CEO as Chairman, Mr. Prem Malik, Mr. Siddharth Mehta, Non-Executive Independent Directors and Mr. K. Muralidharan, Chief Financial Officer as its Members.

9. (a) Share Transfer Committee

During the year under review, Mr. Kailash R. Lalpuria, was appointed as a member of Share Transfer Committee and Mr. Mohit Jain ceased to be member of the Committee w.e.f. 4th May, 2018. Further, Mr. Kamal Mitra ceased to be member of the Committee w.e.f. 1st September, 2018. As on 31st March, 2019, the Share Transfer Committee (STC) comprises of Mr. Anil Kumar Jain, Executive Chairman as Chairman of STC and Mr. Kailash R. Lalpuria, Executive Director & CEO as member of the Committee.

The Committee deals with various matters relating to share transfers, transmission, issue of duplicate share certificates, change / transposition/ deletion of name, split and consolidation of shares, re-materialisation of shares. The Share Transfer Committee meetings are held generally on a weekly basis to approve the said matters. Further, considering the increase in volume of shareholders requests and timelines involved for approval, the Board at its meeting held on 3rd August, 2018 delegated the powers related to share transfers/ transmissions, name deletion and any other matter for which Share Transfer Committee was empowered, severally to Mr. Anil Kumar Jain, Executive Chairman, Mr. Kailash Lalpuria, Executive Director and Mrs. Amruta Avasare, Company Secretary when it is not possible to hold Share Transfer Committee Meeting.

(b) Finance and Corporate Affairs Committee

The Company has constituted Finance and Corporate Affairs Committee (FCA) to deal with routine financial and administrative matters viz., opening & closing bank accounts of the Company, change in signatories of bank accounts of the Company, to consider and approve borrowings from banks upto certain limits, creation of charge on assets of the Company, authorize employees of the Company to represent before government authorities.

During the year under review, 7 (Seven) meetings of Finance and Corporate Affairs Committee were held on 6th June, 2018, 16th August, 2018, 3rd September, 2018, 20th September, 2018, 2nd November, 2018, 28th November, 2018 and 6th March, 2019.

The Composition of FCA as on 31st March, 2019 and physical Attendance of members at the Finance and Corporate Affairs Committee Meetings held during the year under review is as under:

Name of the Director	Category	Position
Mr. Anil Kumar Jain	Executive	Chairman
Mr. Mohit Jain*	Executive	Member
Mr. Kailash Lalpuria**	Executive	Member
Mr. Dilip J Thakkar	Non-Executive Independent	Member

* Ceased to be member w.e.f. 3rd August, 2018

** Appointed as member w.e.f. 4th May, 2018

10. General Body Meetings

(a) Annual General Meetings:

The details of last three Annual General Meetings of the Company are given below:

Financial Year	Day, Date & Time	Venue
2015-16	Tuesday, 26th July, 2016 at 12.30 p.m.	Hotel Pavillion, Conference Room, 1st Floor, 392, E Ward, Assembly Road, Near Basant Bahar Theater, Shahpuri, Kolhapur – 416 001, Maharashtra
2016-17	Monday, 21st August, 2017 at 12.30 p.m.	Hotel Vrishali Executive, Conference Hall, 1st Floor, 39 A/2 Tarabai Park, District – Kolhapur-416 003, Maharashtra
2017-18	Tuesday, 11th September, 2018 at 12.30 p.m.	Hotel Vrishali Executive, Conference Hall, 39 A/2, Tarabai Park, District Kolhapur – 416 003, Maharashtra

(b) Special resolutions passed at the last three Annual General Meetings (AGM) of the Company:

1. At the AGM held on 26th July, 2016- Six special resolutions were passed as under:
   - (i) Appointment of Mr. Mohit Jain as Managing Director of the Company for a period of 5 years w.e.f. 9th May, 2016.
   - (ii) Re-appointment of Mr. Anil Kumar Jain as Whole Time Director designated as "Executive Chairman" of the Company for a period of 3 years w.e.f. 1st October, 2016.
   - (iii) Re-appointment of Mr. Kailash R. Lalpuria, as Whole Time Director designated as "Executive Director" of the Company for a period of 3 years w.e.f. 1st October, 2016.
   - (iv) Re-appointment of Mr. Kamal Mitra, as Whole Time Director designated as Director (Works) of the Company for a period of 3 years w.e.f. 1st October, 2016.
   - (v) Increase in borrowing powers of the Board upto ₹1,600 crore pursuant to Section 180(1) (c) of the Companies Act, 2013.
   - (vi) Increase in power of the Board to create charge upto ₹1,600 crore pursuant to Section 180(1) (a) of the Companies Act, 2013.
2. At the AGM held on 21st August, 2017- One special resolution was passed as under :
   - (i) To determine charges for service of documents in a particular mode to the members on their request.
3. At the AGM held on 11th September, 2018 - Seven special resolutions were passed as under :
   - (i) Appointment of Mr. Kailash R. Lalpuria as as Whole Time Director designated as "Executive Director" of the Company for a period of 3 years w.e.f. 4th May, 2018.
   - (ii) Appointment of Mr. Sushil Kumar Jiwarajka as an Independent Director of the Company for a second term of 5 consecutive years w.e.f. 4th May, 2018.
   - (iii) Continuation of existing term of Mr. P. N. Shah, Independent Director of the Company upto 15th August, 2019
   - (iv) Continuation of existing term of Mr. R. Anand, Independent Director of the Company upto 15th August, 2019
   - (v) Continuation of existing term of Mr. Dilip J. Thakkar, Independent Director of the Company upto 15th August, 2019
   - (vi) Continuation of existing term of Mr. Prem Malik, Independent Director of the Company upto 15th August, 2019
   - (vii) Payment of Commission to Non-Executive Independent Directors of the Company sum not exceeding one percent, per annum of the net profits of the Company.

(c) Extra-Ordinary General Meeting: No Extra-Ordinary General Meeting was held during the year under review.

(d) Postal Ballot: No Postal Ballot was held during the year under review. At present, no special resolution is proposed to be passed through Postal Ballot.

11. Means of Communication

- **Website:** The Company's website www.indocount.com contains *inter-alia* updated information pertaining to quarterly, half-yearly and annual financial results, annual reports, press releases, investor presentations, details of investor calls and meets, shareholding pattern, important announcements. The said information is available in a user friendly and downloadable form in "Investor Section" of website.
- **Financial Results:** Pursuant to Regulation 33 of the Listing Regulations, the quarterly, half yearly and annual financial results of the Company are submitted to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") after approval of the Board of Directors of the Company. The results of the Company are published in one English daily newspaper (Business Standard) and one Marathi newspaper (Tarun Bharat) within 48 hours of approval thereof and is also available on the website of the Company at www.indocount.com
- **Annual Report:** Annual Report containing *inter-alia* Standalone Financial Statements, Auditors' Report, Board's Report, Management Discussion and Analysis Report, Corporate Governance Report is sent to all Members of the Company within the required time frame, physically through post and via e- mail, wherever the e-mail ID is available in accordance with the "Green Initiative Circular" issued by MCA and is also available on the website of the Company at www.indocount.com. The shareholders have been provided e-voting option for the resolutions passed at the general meeting to vote as per their convenience.
- **Designated Exclusive Email ID:** The Company has designated Email Id: icilinvestors@indocount.com exclusively for shareholder / investor grievances redressal.
- **SCORES (SEBI Complaints Redressal System):** SEBI has commenced processing of investor complaints in a centralized web based complaints redress system i.e. SCORES. The Company supported SCORES by using it as a platform for communication between SEBI and the Company.
- **Uploading on NEAPS & BSE Listing Centre:** The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchanges are filed electronically on NEAPS for NSE and on BSE Listing Centre for BSE.
- **Investor Presentations:** The quarterly and annual Investor Presentations are uploaded on the website of the stock exchanges and the Company.

12. Disclosures

a) Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013, and the Listing Regulations during the financial year 2018-19 were in the ordinary course of business and arms length basis and omnibus approval of the Audit Committee was also obtained. During the financial year under review, there were no materially significant transactions with related parties having potential conflict with the interest of the Company at large. Material related party transactions were entered into by the Company only with its wholly owned subsidiary. Necessary disclosures regarding Related Party Transactions are given in the notes to the Financial Statements.

The Board has approved a policy for Related Party Transactions and the same has been uploaded on the website of the Company. The said policy was amended to *inter-alia* include threshold limits.

The web-link thereto is as under https://www.indocount.com/images/investor/Policy_on_Related_Party_Transactions.pdf

b) Statutory Compliance, Penalties and Strictures

Your Company has complied with all the requirements of the Stock Exchanges / SEBI and other statutory authorities on all matters related to the capital markets during the last three years. There were no penalties or strictures imposed on the Company by the Stock Exchange, the SEBI or any statutory authority on matters relating to capital markets during last three years. The Company has also obtained Annual Compliance Certificate for the year ended 31st March, 2019 as per SEBI Circular from M/s Kothari H.& Associates, Practicing Company Secretaries confirming compliance with SEBI regulations.

c) Vigil Mechanism / Whistle Blower Policy

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, your Company has formulated Vigil Mechanism / Whistle Blower Policy to enable Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct, that could adversely impact the Company's operations, business performance and / or reputation, in a secure and confidential manner. The said policy provides adequate safeguards against victimization of Directors/employees and direct access to Chairman of Audit Committee, in exceptional cases. The Vigil Mechanism / Whistle Blower Policy is available on the website of the Company under the web-link https://www.indocount.com/images/investor/Whistle-Blower-Policy-Vigil-Mechanism.pdf

Your Company affirms that no personnel of the Company has been denied access to the Chairman of the Audit Committee and no complaint has been received during the year under review.

d) Subsidiaries

During the year under review, the Company does not have material subsidiary as per the criteria specified in the Listing Regulations. However, the Company has adopted a policy on material subsidiaries and the same is uploaded on the website of the Company which can be accessed through the web-link https://www.indocount.com/images/investor/Policy-for-Determining-Material-Subsidiary-01.04.2019.pdf

e) Code of Conduct

Integrity, transparency and trust form part of the core beliefs of all activities at Indo Count, which has been the basis of its growth and development. The Company has adopted a Code of Conduct applicable to all its Directors and members of the Senior Management which is in consonance with the requirements of the Listing Regulations. The said code is available on the website of the Company at www.indocount.com

All the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct of the Company for the year ended 31st March, 2019. A declaration to this effect signed by Mr. Kailash R. Lalpuria, Executive Director & CEO forms part of this Report as Annexure I.

f) Compliance with Indian Accounting Standards (Ind-AS)

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (IndAS) notified by Ministry of Corporate Affairs from time to time. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

There is no deviation in following the treatments prescribed in IndAS in preparation of financial statements for the year 2018-19.

g) Risk Management

The risk assessment and minimization procedures are in place and the Board is regularly informed about the business risks and the steps taken to mitigate the same. Further, the Board has constituted Risk Management Committee as per the details given in point 8 of this report. More details of Risk Management are included in Management Discussion and Analysis forming part of the Annual Report.

h) CEO & CFO Certification

Pursuant to Regulation 17(8) of the Listing Regulations, Mr. Kailash R. Lalpuria, Executive Director & CEO and Mr. K. Muralidharan, Chief Financial Officer have furnished certificate to the Board on financial statements for the year ended 31st March, 2019 in the prescribed format. The certificate has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on 22nd May, 2019.

i) Reconciliation of Share Capital Audit Report

In terms of the provisions of Clause 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary. The said report is also submitted to BSE Limited and National Stock Exchange of India Limited.

j) Code for Prevention of Insider Trading

Your Company has adopted a code of conduct to regulate, monitor and report trading by insiders for prevention of Insider Trading in the shares of the Company. This code is applicable inter-alia to all Directors and Designated persons / employees of the Company who are expected to have access to unpublished price sensitive information. This code, inter-alia, prohibits purchase / sale / dealing in the equity shares of the Company by Designated persons and their immediate relatives while in possession of unpublished price sensitive information about the Company and during the time when trading window is closed. The Code also contains procedure for pre-clearance of trade, disclosure requirements etc.

Further, pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 ('Amendment Regulations'), your Company has revised the existing Code of Conduct and the revised code is applicable to designated persons and their immediate relatives. The Code is available on the website of the Company at www.indocount.com

k) Certificate on Non-disqualification of Directors

M/s Kothari H. & Associates, Practising Company Secretaries have certified that for the financial year ended 31st March, 2019, none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India (SEBI) or Ministry of Corporate Affairs (MCA) or any such authority. A certificate issued by M/s Kothari H. & Associates to that effect is attached as Annexure II forming part of this report.

l) Recommendations of the committees

During FY 2018-19, the Board has accepted all recommendations made by the Audit Committee and Nomination and Remuneration Committee.

m) Total fees paid to Statutory Auditors and all entities in network group

During FY 2018-19, ₹33.19 lakhs was paid for all services by the Company and its subsidiaries on a consolidated basis to M/s. Suresh Kumar Mittal & Co., Statutory Auditors as per details given below:

Particulars of Fees			₹ in Lakhs
	Indo Count Industries Ltd	Pranavaditya Spinning Mills Ltd (Subsidiary)	Indo Count Retail Ventures Pvt. Ltd (Subsidiary)
For Statutory Audit	13.00	2.00	0.10
For quarterly review Reports	9.00	1.50	Not Applicable
For Tax Audit services	3.00	0.50	0.05
For any other services including reimbursement of expenses	3.94	0.10	NIL
Total	**28.94**	**4.10**	**0.15**

n) Disclosure regarding Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company always endevors and provide conducive work environment that is free from discrimination and harassment including sexual harassment. Your Company has zero tolerance towards sexual harassment at workplace and has adopted a policy for prevention of Sexual Harassment of Women at workplace. The Company has set up an Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into complaints relating to sexual harassment at workplace of any woman employee. During the year under review, no complaints pertaining to sexual harassment were received and no complaint was pending as on 31st March, 2019.

o) Compliance with Mandatory and Non-Mandatory Requirements

The Company has complied with all mandatory requirements of Corporate Governance specified in the Listing Regulations. The Company has adopted discretionary requirements specified in Part E of Schedule II of the Listing Regulations as given below:

The Board: Since the Company has an Executive Chairman, requirements regarding Non-Executive Chairman are not applicable.

Shareholder's Rights: Quarterly, half- yearly, annual financial results of the Company are published in English and Marathi newspapers and are also forwarded to BSE and NSE. The said results are also uploaded on the website of the Company www.indocount.com. Hence, the same are not sent to the shareholders of the Company.

Modified Opinion in Audit Report: There was no qualification or modified opinion in Independent Auditors Report on Financial Statements for the year ended 31st March, 2019 nor in past 2 years.

Separate posts of Chairperson and Chief Executive Officer: As on 31st March, 2019, Mr. Anil Kumar Jain is the Executive Chairman of the Company and Mr. Kailash R. Lalpuria is the Executive Director & CEO of the Company. Thus, there are separate posts for Chairman and Chief Executive Officer.

Reporting of Internal Auditors: The Internal Auditor of the Company is permanent invitee to the Audit Committee Meeting. He also attends each Audit Committee Meeting and presents his Internal audit observations to the Audit Committee. He directly interacts with Audit Committee Members during the meeting.

p) Compliance with the requirements of Corporate Governance

All the requirements of Corporate Governance specified in Regulation 17 to 27 of the Listing Regulations and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations have been complied with.

q) The Management Discussion and Analysis Report is given separately and forms part of this Annual Report.

13. Certificate on compliance with conditions of Corporate Governance

The certificate regarding compliance of the conditions of corporate governance for the year ended 31st March, 2019 given by M/s Suresh Kumar Mittal & Co, Statutory Auditors is given as Annexure III to this Report.

14. General Shareholders' information

Annual General Meeting

Day & Date : Tuesday, 13th August, 2019

Time : 12.30 p.m.

Venue : Hotel Vrishali Executive, Conference Hall, 39 A/2 Tarabai Park, District – Kolhapur- 416003, Maharashtra

Financial Year : 1st April to 31st March

Tentative Financial Calendar (for Financial Year 2019-20) for approval of:

Financial Results for Quarter ending 30th June, 2019 (Unaudited)	On or before 14-08-2019
Financial Results for Quarter and half year ending 30th September, 2019 (Unaudited)	On or before 14-11-2019
Financial Results for Quarter and nine months ending 31st December, 2019 (Unaudited)	On or before 14-02-2020
Financial Results for Quarter and year ending 31st March, 2020 (Audited)	On or before 30-05-2020

Record Date

The Record date for the purpose of payment of Final Dividend for the financial year 2018-19 is 2nd August, 2019.

Dividend Payment Date

During the year under review, final dividend for FY 2017-18 was paid on 19th September, 2018.

The Final Dividend for FY 2018-19, if declared at the ensuing Annual General Meeting, will be paid within thirty days from the date of Annual General Meeting.

Listing on Stock Exchanges

BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 Scrip Code: 521016	The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 NSE Symbol: ICIL

Listing Fees

The Company has paid Listing Fees for FY 2018-19 to BSE and NSE.

Annual Custody Fees

The Company has paid the annual Custody Fees to Central Depository Services (India) Limited and National Securities Depository Limited for FY 2018-19.

International Securities Identification Number (ISIN) for equity shares of the Company: INE483B01026 (of face value of ₹2/- each)

Corporate Identity Number (CIN): L72200PN1988PLC068972

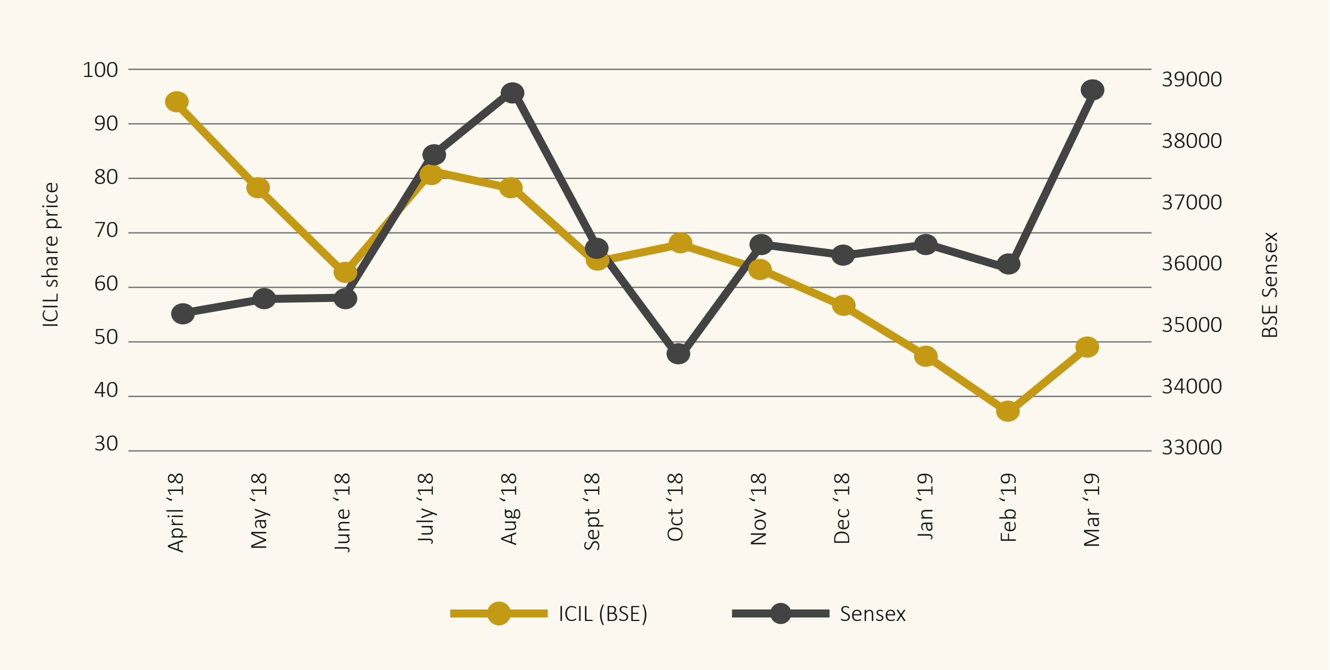
Market Price Data

The monthly high and low quotations of the closing price and volume of shares traded at BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE) from April, 2018 to March, 2019 are as under:

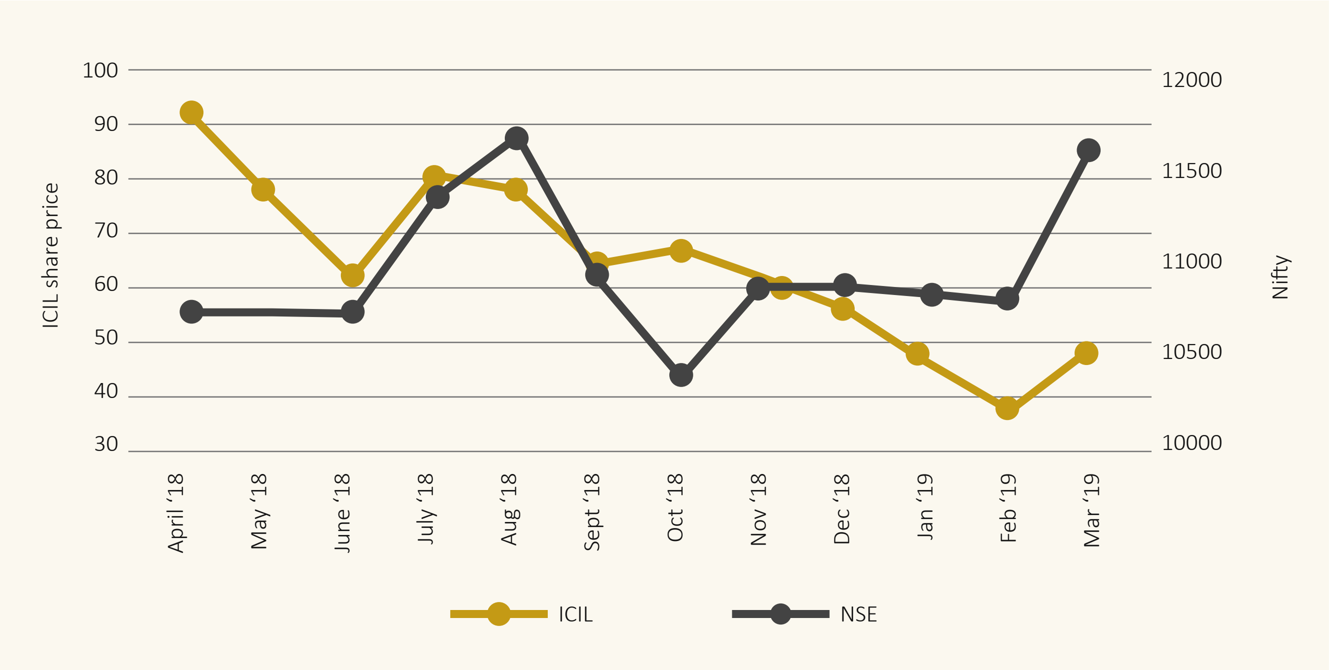
Month	BSE			NSE		
	High (in ₹)	Low (in ₹)	Volume (Nos.)	High (in ₹)	Low (in ₹)	Volume (Nos.)
April-18	103.00	85.50	887566	103.45	85.60	8774560
May-18	94.40	74.10	721582	94.40	74.00	6188624
June-18	79.50	60.70	1269741	79.50	59.30	10766034
July-18	85.90	59.00	3052581	86.10	58.75	16365946
August-18	89.85	73.00	933839	89.60	73.15	6806430
September-18	82.00	57.00	467472	81.80	63.00	4304376
October-18	75.70	53.00	1075669	76.30	53.90	5042463
November-18	70.45	57.40	432373	71.00	57.85	2851272
December-18	64.90	55.15	258604	65.50	55.55	2654613
January-19	57.60	45.05	255116	57.30	45.00	2152835
February-19	47.60	30.30	1002321	48.00	30.35	6792594
March-19	69.30	35.60	1564342	69.30	35.70	18443152

Source: BSE & NSE website

Performance of Share price of the Company in comparison to the BSE Sensex



Performance of Share price of the Company in comparison to the Nifty



Registrar & Transfer Agents

Link Intime India Private Limited
C-101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai – 400 083
Tel No: 022- 49186270
Fax No: 022- 49186060
Email: rnt.helpdesk@linkintime.co.in

Share Transfer System

Transfer of equity shares in dematerialized form is done through the depositories without any involvement of the Company. Share transfers in physical form are processed by Link Intime India Private Limited, Registrar & Transfer Agents and the share certificates are generally returned to the transferee(s) within prescribed time provided that the transfer documents are complete in all respects. The Board has constituted Share Transfer Committee which approves share transfers, transmission, issue of duplicate share certificates etc. on a weekly basis. Pursuant to Regulation 40(9) of the Listing Regulations, every six months, a Company Secretary in practice undertakes audit of the share transfer related activities and the compliance certificate issued upon audit is submitted to BSE and NSE. W.e.f 1st April, 2019, transfer of shares is carried out only in dematerialised form.

Distribution of Shareholding as on 31st March, 2019

No. of equity shares of face value of ₹2/- each	No. of Shareholders*	% of Shareholders	No. of shares held	% of shareholding
Upto 500	42374	74.78	7257566	3.68
501 – 1000	8619	15.21	6437168	3.26
1001 – 2000	2778	4.90	4173076	2.11
2001 – 3000	1025	1.81	2623944	1.33
3001 – 4000	397	0.70	1431958	0.73
4001 – 5000	388	0.68	1844434	0.93
5001 – 10000	500	0.88	3734225	1.89
Above 10000	587	1.04	169897299	86.07
Total	**56668**	**100.00**	**197399670**	**100.00**

*No. of shareholders are not consolidated as per PAN No. The Number of shareholders consolidated as per PAN are 55585 as on 31st March, 2019.

Shareholding Pattern as on 31st March, 2019

Category of Shareholder	As on 31st March, 2019	
	No. of Equity shares (Face value of ₹2/- each)	As a percentage of total paid-up Share Capital
A. Promoter and Promoter Group	116346750	58.94
B. Public Shareholding		
Institutions		
Mutual Funds / UTI	611000	0.31
Alternative Investment Fund	367630	0.19
Foreign Portfolio Investor (Corporate)	18153081	9.20
Financial Institutions / Banks	142443	0.07
Non-Institutions		
Individuals	42691688	21.63
Foreign Nationals	400	0.00
Trusts	3000	0.00
Hindu Undivided Family	1389330	0.70
Non Resident Indians (NRI)	3398745	1.72
Clearing Member	600029	0.30
Bodies Corporate	13188654	6.68
NBFC Registered with RBI	506920	0.26
Sub-Total (B)	**81052920**	**41.06**
Total (A+B)	**197399670**	**100.00**

Dematerialisation of shares and liquidity

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

As on 31st March, 2019, 191794750 Equity Shares of the Company constituting 97.39 % of the paid-up share capital of the Company are held in dematerialized form and 2.61 % is held in Physical form. The Company's shares were regularly traded on the National Stock Exchange of India Limited and BSE Limited.

Shares held in demat and physical mode as on 31st March, 2019 is as under:

Category	Number of		% to total equity
	Shareholders	Shares	
Demat Mode			
NSDL	27548	130267255	65.99
CDSL	19865	61984233	31.40
Total Demat		**192251478**	**97.39**
Physical Mode	9255	5148192	2.61
Grand Total	**56668**	**197399670**	**100.00**

Outstanding GDR/ADR/warrants or any convertible instruments, conversion date and likely impact on equity

As on 31st March, 2019, there are no outstanding GDR / ADR / warrants or any convertible instruments.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activity

Commodity viz. cotton is key raw material for business of the Company and hence Commodity price risk is one of the most important risks for the Company. Your Company has a framework in place to protect its interests from risks arising out of market volatility & cotton price fluctuations. The Risk Management Policy of the Company with respect to commodities including hedging has been framed. The Company does not have any exposure hedged through Commodity derivatives.

The Risk Management Team, based on market intelligence and continuous monitoring, advises the sales and procurement teams on appropriate strategy to deal with such market volatility.

During the year, the Company has managed foreign exchange risk and hedged it to the extent considered necessary. Open exposures, if any, are reviewed regularly and covered through forward contracts and options. The details of foreign currency exposure are disclosed in Notes to the Financial Statements.

Service of documents through electronic mode

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

Plant Locations

(1) D-1, MIDC, Gokul Shirgaon, Kolhapur – 416234, Maharashtra

(2) T-3, MIDC, Kagal, Hatkanangale, Kolhapur-416216, Maharashtra

Address for correspondence

The Shareholders may contact Company or Registrar & Transfer Agent on below address:

The Company Secretary Indo Count Industries Limited 301, 3rd Floor, "Arcadia", Nariman Point, Mumbai – 400 021 Phone : 022 - 4341 9500 / 501 Fax : 022 - 2282 3098 Email:amruta.avasare@indocount.com / icilinvestors@indocount.com Website: www.indocount.com	Registrar & Transfer Agents Link Intime India Private Limited C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400 083 Tel No: 022 - 49186000 Fax No: 022 - 49186060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

On behalf of the Board of Directors

ANIL KUMAR JAIN
Executive Chairman
DIN: 00086106

Date: 22nd May, 2019
Place: Mumbai

ANNEXURE I

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

Pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Board Members and Senior Management Personnel of Indo Count Industries Limited have affirmed compliance with the Code of Conduct for the year ended 31st March, 2019.

On behalf of the Board of Directors

KAILASH R. LALPURIA
Executive Director & CEO
DIN : 00059758

Date: 22nd May, 2019
Place: Mumbai

ANNEXURE II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Indo Count Industries Limited
Office No. 1, Plot No. 266,
Village Alte, Kumbhoj Road,
Taluka Hatkanangale ,
Kolhapur – 416 109. Maharashtra.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Indo Count Industries Limited having L72200PN1988PLC068972 and having registered office at Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur – 416 109, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Anil Kumar Jain	00086106	22/08/1990
2.	Mr. Mohit Anilkumar Jain	01473966	09/05/2016
3.	Mr. Kailash Ramniwas Lalpuria	00059758	04/05/2018
4.	Mr. Kamal Sukhamoy Mitra	01839261	01/10/2008
5.	Mr. Pradyumna Natvarlal Shah	00096793	30/09/1992
6.	Mr. Anand Ramanna	00040325	27/11/1995
7.	Mr. Prem Sardarilal Malik	00023051	30/10/2009
8.	Mr. Dilip Jayantilal Thakkar	00007339	28/01/2003
9.	Mr. Sushilkumar Jiwarajka	00016680	04/05/2018
10.	Dr. Sanjay Kumar Panda	02586135	03/08/2018
11.	Mr. Siddharth Saumil Mehta	03072352	03/08/2018
12.	Dr. (Mrs.) Vaijayanti Ajit Pandit	06742237	25/11/2013

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kothari H. & Associates
Company Secretaries

Hitesh Kothari
(Partner)
Membership No.: 6038
CP No.: 5502

Place: Mumbai
Date: 22nd May, 2019

ANNEXURE III

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To
The Members,
Indo Count Industries Limited

We have examined the compliance of conditions of Corporate Governance by Indo Count Industries Limited("the Company"), for the financial year ended on 31st March, 2019, as stipulated in regulations 17 to 27 and clause (b) to (i) of regulations 46(2) and para C and D of schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Managements Responsibility

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

Auditor's Responsibility

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountant of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)1, Quality Control for Firms that performs Audits & Reviews of Historical Financial information and other Assurance & related service engagements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance for the year ended 31st March, 2019 as stipulated in the above mentioned Listing Regulations, as applicable.

For Suresh Kumar Mittal & Co.
Chartered Accountants
Reg. No. : 500063N

Ankur Bagla
Partner
Membership Number: 521915

Date: 22nd May, 2019
Place: Mumbai

FINANCIALS STATEMENTS

Independent Auditors' Report

To
The Members of
Indo Count Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Indo Count Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019 and profit, changes in equity and its cash flows for the year ended on that date.

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. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements 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 statements 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 No. 48 to the statement, the Company's adoption of Cash Flow Hedging on derivative contracts including existing contracts with effect from 1st April, 2018. The effective portion of changes in the fair value of the derivatives that are designated and qualify as Cash Flow Hedges amounting to loss of ₹ 2,859.73 lakhs (net of deferred tax of ₹ 1,536.07 lakhs) is recognised in the Other Comprehensive Income. Our conclusion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk. Foreign currency exchange rate exposure through its sales is partly balanced by purchasing of goods, commodities and services in the respective currencies. The balance foreign currency exchange rate exposure is hedged through derivative like foreign exchange forward contracts. (Refer Note No. 48 to the Standalone Financial Statements). We assessed the foreign exchange risk management policies adopted by the Company. The Company manages risk through a treasury department which formulates risk management objectives and policies which are reviewed by the Senior Management, Audit Committee and Board of Directors. Our audit approach was a combination of test of internal controls and substantive procedures to evaluate chances of minimizing the risks involved.

2. The Company has material matters under dispute which involves significant judgement to determine the possible outcome of these disputes (Refer Note No. 39 to the Standalone Financial Statements). We obtained the details of the disputes with their present status and documents. We made an in-depth analysis of the dispute. We also considered legal procedures and other rulings in evaluating management's position on these disputes to evaluate whether any change was required to management's position on these disputes.

3. As on 31st March, 2019, Current Tax Assets and Other Current Assets includes amounts recoverable from government department for which efforts for recovery are being made (Refer Note No. 18 and 19 to the Standalone Financial Statements). Our audit procedures consisted of evaluating whether any change was required to management's position on these uncertainties and the likelihood of recoverability.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our Auditor's Report thereon.

Our opinion on the Standalone Financial Statements does not cover other information and we do not express any form of assured conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls system 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 management.

- Conclude on the appropriateness of management's 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 statements 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 financial statements, including the disclosures, and whether the financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements - Refer Note No. 39 to the financial statements.

   ii. The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, in respect of long term contracts including derivative contracts - Refer Note No. 48 to the financial statements.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Ankur Bagla
Partner
Membership No.: 521915

Mumbai, May 22, 2019

Annexure "A" to the Independent Auditors' Report

Annexure A referred to in Paragraph (I) under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date to the members of Indo Count Industries Limited on the Standalone Financial Statements for the year ended 31st March, 2019.

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

(b) The fixed assets have been physically verified by the management during the year as per the phased program designed to cover all the fixed assets over a period, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Discrepancies noticed on such verification, which are not material, have been properly dealt with in the books of accounts.

(c) The title deeds of immovable properties are held in the name of the Company.

(ii) As explained to us, the inventories have been physically verified by the management during the year except stocks lying with third parties in respect of whom confirmations have been obtained and the discrepancies noticed on physical verification as compared to book record, which are not material, have been properly dealt with in the books of account. In our opinion, the frequency of such verification is reasonable.

(iii) As explained to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and as such clauses (iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect to grant of loans, making investments and providing guarantees and securities.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73, 74, 75 and 76 of the Act and the rules framed thereunder and hence reporting under clause (v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Order made by the Central Government for the maintenance of cost records under section 148(1) of the Act, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are neither required to carry out nor have carried out detailed examination of such cost accounting records with a view to determine whether they are accurate or complete.

(vii) According to the records of the Company, examined by us and information and explanations given to us:

(a) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods & service tax, cess and others as applicable. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.

(b) There are no disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or goods and service tax outstanding as at 31st March, 2019 except:

Sl. No.	Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
1.	Central Excise Act	Cenvat Credit availed on excise duty paid	40.30	2012-2013	Commission of Central Excise (A), Pune
2.	Central Excise Act	Cenvat Credit availed on excise duty paid	34.24	2011-2012	CESTAT (Tribunal)
3.	Central Excise Act	Excise Duty	1.40	2007-2008	Commissioner of Central Excise (A)
4.	Central Excise Act	Rebate Claim	13.98	2012-2013	Commissioner of Central Excise (A)
5.	Bombay Electricity Duty Act, 1958	Electricity Duty	292.07	2000-2006	Supreme Court
6.	Central Excise Act	Service tax on commission on Sales	23.54	2010-2013	Commissioner Appeal, Pune

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government and dues to debenture holders

(ix) In our opinion and according to the information and explanations given to us, during the year the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Further, the term loans have been applied by the Company for the purposes for which they were raised.

(x) Based on the audit procedures performed and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a nidhi company and hence provisions of clause (xii) of the Order are not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company's transactions with its related parties are in compliance with sections 177 and 188 of the Act where applicable and details of related party transactions have been disclosed in the Standalone Financial Statements etc. as required by the accounting standards in notes to the financial statements.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Ankur Bagla
Partner
Membership No.: 521915

Mumbai, May 22, 2019

Annexure "B" to the Independent Auditors' Report

Annexure B referred to in Paragraph (II)(f) under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date to the members of Indo Count Industries Limited on the Standalone Financial Statements for the year ended 31st March, 2019.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Indo Count Industries Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI".

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

Ankur Bagla
Partner
Membership No.: 521915

Mumbai, May 22, 2019

Standalone Balance Sheet as at 31st March, 2019

(₹ in lakhs)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
ASSETS			
(1) Non-Current Assets			
a) Property, Plant and Equipment	5	54,151.05	50,865.34
b) Capital Work-In-Progress	5	1,640.30	2,354.78
c) Other Intangible Assets	6	260.36	275.75
d) Financial Assets			
i) Investments	7	2,491.91	1,970.10
ii) Loans	8	172.57	115.49
iii) Others	9	0.01	0.01
e) Other Non-Current Assets	10	765.31	314.49
(2) Current Assets			
a) Inventories	11	46,670.55	52,441.78
b) Financial Assets			
i) Investments	12	4,634.55	10.17
ii) Trade Receivables	13	27,503.65	32,498.29
iii) Cash and Cash Equivalents	14	1,774.02	1,114.04
iv) Bank Balances other than (iii) above	15	253.71	248.55
v) Loans	16	19.70	16.26
vi) Others	17	1,881.14	5,948.98
c) Current Tax Assets (Net)	18	1,270.23	501.76
d) Other Current Assets	19	11,712.37	15,762.49
TOTAL ASSETS		1,55,201.43	1,64,438.28
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	20	3,947.99	3,947.99
b) Other Equity		92,051.20	89,939.32
LIABILITIES			
(1) Non-Current Liabilities			
a) Financial Liabilities			
- Borrowings	21	5,743.53	4,884.05
b) Provisions	22	501.32	327.24
c) Deferred Tax Liabilities (Net)	23	10,882.75	11,964.06
d) Other Non-Current Liabilities	24	876.66	-
(2) Current Liabilities			
a) Financial Liabilities			
i) Borrowings	25	22,850.03	30,889.69
ii) Trade Payables			
- Micro & Small Enterprises	26	491.31	-
- Other than Micro & Small Enterprises	27	12,141.83	18,131.07
iii) Other Financial Liabilities	28	3,321.57	2,293.32
b) Other Current Liabilities	29	2,393.24	2,061.54
TOTAL EQUITY AND LIABILITIES		1,55,201.43	1,64,438.28
CONTINGENT LIABILITIES AND COMMITMENTS	30, 39		
SIGNIFICANT ACCOUNTING POLICIES	3		

The accompanying notes form an integral part of Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors

For Suresh Kumar Mittal & Co.,
Chartered Accountants
Firm Regd. No.: 500063N

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 22, 2019

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Standalone Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in lakhs)

	Particulars	Note No.	For the year ended 31.03.2019	For the year ended 31.03.2018
CONTINUING OPERATIONS				
I	INCOME			
	Revenue from Operations	31	1,81,254.24	1,70,918.64
	Other Income	32	1,038.74	9,911.67
	TOTAL INCOME		1,82,292.98	1,80,830.31
II	EXPENSES			
	Cost of Materials Consumed	33	97,454.78	1,05,086.46
	Purchase of Stock-In-Trade		284.51	1,192.27
	Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	34	(496.28)	(11,094.58)
	Employee Benefits Expense	35	12,075.78	10,995.60
	Finance Cost	36	3,371.16	3,273.58
	Depreciation and Amortisation Expense	37	3,258.37	3,046.42
	Other Expenses	38	56,879.26	48,117.09
	TOTAL EXPENSES		1,72,827.58	1,60,616.84
III	Profit before Exceptional Items and Tax (I-II)		9,465.40	20,213.47
IV	Exceptional Items		-	-
V	Profit before Tax (III-IV)		9,465.40	20,213.47
VI	Tax Expense			
	a) Current Tax		3,008.56	6,636.28
	b) Previous Year Tax		81.20	13.95
	c) Deferred Tax		453.84	455.67
VII	Profit for the Year (V-VI)		5,921.80	13,107.57
VIII	Other Comprehensive Income			
	A Items that will not be reclassified to Profit and Loss:			
	(i) Remeasurement of the Net Defined Benefit Liability / Asset		2.63	39.42
	(ii) Income Tax relating to items that will not be reclassified to Profit and Loss		(0.92)	(13.65)
	B Items that will be reclassified to Profit and Loss:			
	(i) Remeasurement of the Net Change in Forex Liability / Asset		(4,395.80)	-
	(ii) Income Tax relating to items that will be reclassified to Profit and Loss		1,536.07	-
IX	Total Comprehensive Income for the Year (VII+VIII)		3,063.78	13,133.34
X	Earnings Per Equity Share	43		
	a) Basic (₹)		3.00	6.64
	b) Diluted (₹)		3.00	6.64
SIGNIFICANT ACCOUNTING POLICIES		3		

The accompanying notes form an integral part of Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors

For Suresh Kumar Mittal & Co.,
Chartered Accountants
Firm Regd. No.: 500063N

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 22, 2019

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Standalone Statement of Changes in Equity for the year ended 31st March, 2019

A. EQUITY SHARE CAPITAL

Particulars	Note No.	(₹ in lakhs)
As at 31st March, 2017		3,947.99
Changes in Equity Share Capital	20(a)	–
As at 31st March, 2018		3,947.99
Changes in Equity Share Capital	20(a)	–
As at 31st March, 2019		3,947.99

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves & Surplus				Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Retained Earnings	
Balance as at 31.03.2017	198.81	250.00	1,653.72	76,604.13	78,706.66
Profit for the Year	-	-	-	13,107.57	13,107.57
Other Comprehensive Income for the Year	-	-	-	25.77	25.77
Total Comprehensive Income for the Year	-	-	-	13,133.34	13,133.34
Final Dividend on Equity Shares	-	-	-	(789.60)	(789.60)
Dividend Distribution Tax on Final Dividend	-	-	-	(160.74)	(160.74)
Dividend Distribution Tax on Interim Dividend	-	-	-	(160.74)	(160.74)
Interim Dividend on Equity Shares	-	-	-	(789.60)	(789.60)
Balance as at 31.03.2018	198.81	250.00	1,653.72	87,836.79	89,939.32
Profit for the Year	-	-	-	5,921.80	5,921.80
Other Comprehensive Income for the Year	-	-	-	(2,858.02)	(2,858.02)
Total Comprehensive Income for the Year	-	-	-	3,063.78	3,063.78
Dividend Distribution Tax on Final Dividend	-	-	-	(162.30)	(162.30)
Final Dividend on Equity Shares	-	-	-	(789.60)	(789.60)
Transferred to Retained Earnings	-	(250.00)	-	250.00	-
Balance as at 31.03.2019	198.81	-	1,653.72	90,198.67	92,051.20

Nature and purpose of Reserves:

i) Capital Reserve:

Capital Reserve standing in books against capital subsidy received against establishing manufacturing unit.

ii) Capital Redemption Reserve:

Capital Redemption Reserve was created for redemption of Preference Shares as per requirement of provisions of Companies Act, 2013. Since the Preference Shares stand fully redeemed, the balance under Capital Redemption Reserve has been transferred to Retained Earnings.

iii) Securities Premium Reserve:

Securities Premium Reserve is created when shares issued at premium.

The accompanying notes form an integral part of Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors

For Suresh Kumar Mittal & Co.,
Chartered Accountants
Firm Regd. No.: 500063N

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 22, 2019

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Standalone Cash Flow Statement for the year ended 31st March, 2019

(₹ in lakhs)

Particulars	For the year ended 31.03.2019		For the year ended 31.03.2018	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Exceptional Items and Tax		9,465.40		20,213.47
Adjustments for:				
Depreciation and Amortisation		3,258.37		3,046.42
Profit on Sale of Assets		(4.92)		-
Finance Cost		3,371.16		3,273.58
Interest Income		(333.50)		(337.77)
Other Comprehensive Income		(4,393.16)		39.44
Loss on Sale of Assets		2.48		34.99
Operating Profit before Working Capital changes		11,365.83		26,270.13
Changes in Working Capital:				
Adjustment for (Increase) / Decrease in Operating Assets:				
Non-Current Financial Assets	(57.08)		75.38	
Other Non-Current Assets	(450.82)		(193.22)	
Inventories	5,771.23		(16,663.05)	
Trade Receivables	4,994.64		4,156.75	
Current Financial Assets	4,059.24		269.78	
Other Current Assets	4,050.12	18,367.33	(6,594.17)	(18,948.53)
Adjustment for Increase / (Decrease) in Operating Liabilities:				
Non-Current Provisions	174.07		145.83	
Other Non-Current Liabilities	876.66		-	
Trade Payables	(5,497.92)		5,393.22	
Other Current Financial Liabilities	1,028.25		(5,441.67)	
Other Current Liabilities	331.71		(1,009.60)	
Current Provisions	-	(3,087.23)	(151.43)	(1,063.65)
Net Taxes (paid) / refund received		(3,858.22)		(5,403.91)
Net Cash Flow from Operating Activities (A)		22,787.71		854.04
B) CASH FLOW FROM INVESTING ACTIVITIES				
Capital Expenditure		(5,890.85)		(5,511.55)
Proceeds from Sale of Assets		79.07		59.35
Purchase of Non-Current Investments		(521.81)		(9.34)
Purchase of Current Investments		(4,624.38)		(9.97)
Interest Income		333.50		337.77
Net Cash Flow from Investing Activities (B)		(10,624.47)		(5,133.74)

Standalone Cash Flow Statement for the year ended 31st March, 2019

(₹ in lakhs)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
C) CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase / (Decrease) in Non-Current Borrowings	859.47	2,745.42
Net Increase / (Decrease) in Current Borrowings	(8,039.67)	7,066.87
Finance Cost	(3,371.16)	(3,273.58)
Final Dividend on Equity Shares (including DDT)	(951.90)	(950.35)
Interim Dividend on Equity Shares (including DDT)	-	(950.35)
Net Cash Flow from Financing Activities (C)	(11,503.26)	4,638.01
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	659.98	358.31
Cash and Cash Equivalents at the beginning of the year	1,114.04	755.73
Cash and Cash Equivalents at the end of the year	1,774.02	1,114.04
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
Cash and Cash Equivalents as per Balance Sheet	1,774.02	1,114.04
Cash and Cash Equivalents at the end of the year comprises of:		
(a) Cash in Hand	20.01	12.37
(b) Balance with Banks		
- In Current Accounts	1,754.01	1,101.67

As per our report of even date attached

For and on behalf of Board of Directors

For Suresh Kumar Mittal & Co.,
Chartered Accountants
Firm Regd. No.: 500063N

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 22, 2019

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Notes to the Standalone Financial Statements

1. CORPORATE INFORMATION

Indo Count Industries Limited (the 'Company') is a limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at Office No.1, Plot No.266, Village Alte, Kumbhoj Road, Taluka Hatkanagale, Dist. Kolhapur-416109, Maharashtra, India.

The Company is one of India's leading Home Textiles manufacturer. The Company has focused in some of the world's finest fashion, institutional and utility bedding and has built significant presence across the globe. It exports to more than 54 countries.

The Financial statements of the Company for the year ended 31 March, 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 22 May, 2019.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in Indian Rupees ('₹') and all values are rounded to the nearest lakhs, except otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment:

The Company has opted to follow cost model for accounting of its entire property, plant and equipment. Property, plant and equipment are stated at original cost inclusive of incidental expenses related to acquisition net of tax / duty credit availed, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major repair is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work-in-progress includes cost of property, plant and equipment under installation /under development as at the balance sheet date.

Depreciation on the property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013. Property, plant and equipment which are added /disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition/deletion.

The Company, based on technical assessment made by technical expert and management estimate, depreciates the certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

In case of some items of plant, depreciation has been provided in range of 26 years (minimum) to 35 years (maximum) based on the technical evaluation of the remaining useful life which is different from the one specified in schedule II to the Companies Act, 2013.

Leased assets

Leasehold lands are amortised over the period of lease. Building constructed on leasehold land are depreciated based on the useful life specified in schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building. In other case, building constructed on leasehold lands are amortised over the primary lease period of the land.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.2 Investment properties

Investment properties comprise portions of freehold land and office building that are held for long-term rental yields and/or for capital appreciation. Investment properties are initially recognised at cost. Subsequently, investment property comprising of building is carried at cost less accumulated depreciation and impairment losses.

The cost includes the cost of replacing parts and borrowing cost for long term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit and loss as incurred.

Depreciation on building is provided over the estimated useful lives as specified in schedule II to the Companies Act,2013. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each financial year end. The effects of any revision are included in the statement of profit and loss when the change arise.

Though the company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

3.3 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Notes to the Standalone Financial Statements

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Research and development cost:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss.

During the period of development, the asset is tested for impairment annually.

Patents and trade marks:

The Company made upfront payments to purchase patents and trade-marks. The patents have been granted for a period of 20 years by the relevant agency with the option of renewal at the end of this period. Trade-marks for the use of intellectual property are granted for a period of 10 years with the option of renewal at the end of this period.

A summary trade-marks of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Trade-Marks	Finite (10 years)	Amortised on a straight-line basis over the period of the trade-mark	Acquired
Patents	Finite (20 years)	Amortised on a straight-line basis over the period of the patent	Acquired

3.4 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

3.5 Impairment of non-financial assets:

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's fair value less cost to sell and the value in use.

Notes to the Standalone Financial Statements

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit and loss section of the statement of profit and loss, except for properties previously revalued, with the revaluation taken to Other Comprehensive Income (the OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

3.6 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

a) Raw material, packing material, construction material, stores & spares:
Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

b) Finished goods and work in progress:
Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

c) Traded goods:
Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

d) Wastage and rejections are valued at estimated realizable value.

Slow and non-moving material, obsolescence, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.8 Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they are arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. Non-monetary items measured at fair value in a foreign currency are

Notes to the Standalone Financial Statements

translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on transaction of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (i.e. translation differences on items whose gain or loss is recognised in other comprehensive income or the statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively).

3.9 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.10 Fair value measurement

The Company measures financial instruments, such as derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.11 Revenue Recognition

The Companies (Indian Accounting Standards) Amendment Rules, 2018 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 115 “Revenue from Contracts with Customers” related to revenue recognition which replaced Ind AS 11 “Construction Contracts” and Ind AS 18 “Revenue” and provide a single, comprehensive model for all contracts with customers. The revised standard contains principles to determine the measurement of revenue and timing of when it is recognised. The amendment also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments as well as assets recognised from costs incurred to fulfill these contracts.

The Company has adopted Ind AS 115 w.e.f. 1 April, 2018 using the modified retrospective approach. However, the adoption of the standard did not have any impact on the financial statements.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of Services:

Revenue from sale of service is recongised as per terms of the contract with customers when the outcome of the transactions involving rendering of services can be estimated reliably.

Interest Income:

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

Dividends:

Revenue is recognised when the Company’s right to receive the payment is established, which is generally when shareholders approve the dividend.

Lease Income:

Lease agreements where the risks and rewards incident to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised on straight-line basis as per the terms of the agreements in the statement of profit and loss.

Notes to the Standalone Financial Statements

3.12 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

3.13 Earnings per share

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

3.14 Taxes

Current Income Tax:

- Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.
- Current income tax relating to items recognised directly in equity and not in the statement of profit and loss. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax:

Deferred Tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

3.15 Segment accounting

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Notes to the Standalone Financial Statements

The operating segments have been identified on the basis of the nature of products / services.

a) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

b) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

c) Income which relates to the Company as a whole and allocable to segments is included in unallocable income.

d) Segment result includes margins on inter-segment sales which are reduced in arriving at the profit before tax to the Company.

e) Segment assets and liabilities include those directly identifiable with respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

Inter-Segment transfer pricing

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

3.16 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainly that the Company will obtain ownership by the end of the lease term, the asset is depreciated over shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charges to the statement of profit and loss on straight line basis.

3.17 Employee benefits

i) Short-term employee benefits

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

ii) Post-employment benefits

a) Defined contribution plans

State Government Provident Scheme is a defined contribution plan. The contribution paid /payable under the scheme is recognised in the statement of profit and loss during the period in which the employee renders the related services.

b) Defined Benefit Plans

The employee Gratuity Fund scheme and Leave Encashment scheme managed by different trusts are defined benefit plans.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method

Notes to the Standalone Financial Statements

with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gain and loss, the effect of asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognised in the statement of profit and loss in the period of plan amendment.

Net Interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income.

Long-term employee benefit

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits

Termination benefits are recognised as an expenses in the period in which they are incurred.

3.18 Provisions, Contingent liabilities, Contingent assets and Commitments

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provision, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Warranty Provisions

Provision for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Liquidated damages

Provision for liquidated damages are recognised on contracts for which delivery dates are exceeded and computed in reasonable manner.

Other Litigation claims

Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in appeal.

Onerous contracts

A provision for onerous contracts is measured at the present value lower of the expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets under the contract.

3.19 Exceptional Items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying the financial statements.

3.20 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Assets and liabilities classified as held for distribution are presented separately from other assets and liabilities in the balance sheet.

A disposal group qualifies as discontinued operation if it is a component of the Company that either has been disposed of, or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations,
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations,

or

- is a subsidiary acquired exclusively with a view to resale.

An entity shall not depreciate (or amortise) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale.

3.21 Financial Instruments

i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two broad categories:

- Financial asset at fair value
- Financial assets at amortised cost

Notes to the Standalone Financial Statements

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The Financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different basis.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;

a) The Company has transferred substantially all the risks and rewards of the asset, or

b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Notes to the Standalone Financial Statements

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Investment in associates, joint venture and subsidiaries

The Company has accounted for its investment in associates, joint venture and subsidiaries at cost.

Impairment of financial assets

The Company assesses impairment based on Expected Credit Losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 - months' expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months' after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 - months' ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognize impairment loss allowance based on 12 - months' ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increase in credit risk to be identified on a timely basis.

ii) Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Notes to the Standalone Financial Statements

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms of an existing liability substantially modified, such as exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iv) Derivative financial instruments and hedge accounting

The company enters into derivative contracts to hedge foreign currency /price risk on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are initially recognised at fair value on the date on which a derivate contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and presented as a separate component of equity which is later reclassified to statement of profit and loss when the hedge item affects profit or loss.

Notes to the Standalone Financial Statements

3.22 Business combination under common control

Common control business combinations include transactions, such as transfer of subsidiaries or businesses, between entities within a group.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

3.23 Preference Shares

i) Non-convertible Preference Shares

On issuance of non-convertible preference shares, the fair value is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

ii) Convertible Preference Shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

3.24 The MCA has notified Companies (Indian Accounting Standards) (Amendment) Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new amendments to Ind-AS's which the Company has not applied as they are effective from 1 April, 2019:

i) Ind AS 116 "Leases"

Ind AS 116 eliminates the current classification model for lessee's lease contracts as either operating or finance leases and, instead, introduces a single lessee accounting model requiring lessees to recognize right-of-use assets and lease liabilities for leases with a term of more than twelve months. This brings the previous off-balance leases on the balance sheet in a manner largely comparable to current finance lease accounting. Ind AS 116 is effective for financial year beginning on or after 1 April, 2019. The Company will adopt the standard for the financial year beginning 1 April, 2019. By applying Ind AS 116, straight-line operating lease expense will be replaced by depreciation expense on right-of-use assets and interest expense on lease liabilities.

The Company is currently assessing the impact of adopting Ind AS 116 on the Financial Statements. It is intended to use most of the simplifications available under Ind AS 116.

ii) Ind AS 12 Income Taxes (Amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that a Company shall recognize the income

Notes to the Standalone Financial Statements

tax consequences of dividends in the statement of profit and loss, other comprehensive income or equity according to where the Company originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the Company pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the Company has to use judgment, to determine whether each tax treatment should be considered separately or whether same can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the Company is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) Company has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

iii) Ind AS 109 Financial Instruments (Prepayment Features with Negative Compensation)

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

iv) Ind AS 19 Employee Benefits (Plan Amendment, Curtailment or Settlement)

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurements.

In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

v) Ind AS 23 Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that a Company borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

The Company intends to adopt these amendments as and when they become effective. The Company is in the process of assessing the possible impact of the above and will adopt the amendments on the required effective date.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made judgements, which have the most significant effect on the amounts recognised in the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have

Notes to the Standalone Financial Statements

a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Companies or other available fair value indicators.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Notes to the Standalone Financial Statements

5. PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Land - Leasehold	Land - Freehold	Buildings *	Plant & Machinery **	Furniture & Fixtures	Factory & Office Equipments	Vehicles	Total	Capital Work in Progress ***
Gross Carrying Amount									
As at 01.04.2018	833.70	220.45	12,945.50	69,927.83	657.67	1,226.21	441.07	86,252.43	2,354.78
Additions	-	-	1,848.32	4,474.02	81.57	84.22	54.13	6,542.26	-
Disposals / Transfers	-	-	-	486.11	-	0.86	-	486.97	714.48
As at 31.03.2019	833.70	220.45	14,793.82	73,915.74	739.24	1,309.57	495.20	92,307.72	1,640.30
Accumulated Depreciation									
As at 01.04.2018	45.24	-	3,588.39	30,563.24	325.67	689.95	174.60	35,387.09	-
Depreciation charged for the year	3.71	-	407.73	2,521.86	47.09	145.12	54.41	3,179.92	-
Disposals / Transfers	-	-	-	409.84	-	0.50	-	410.34	-
As at 31.03.2019	48.95	-	3,996.12	32,675.26	372.76	834.57	229.01	38,156.67	-
Net Carrying Amount									
As at 31.03.2018	788.46	220.45	9,357.11	39,364.59	332.00	536.26	266.47	50,865.34	2,354.78
As at 31.03.2019	784.75	220.45	10,797.70	41,240.48	366.48	475.00	266.19	54,151.05	1,640.30

* a) Includes 10 shares of ₹ 50 each of Arcadia Premises Co-operative Society Limited.

b) Includes 10 shares of ₹ 50 each of Vardhman Industrial Complex Premises Co-operative Housing Society Limited.

** Includes addition on account of foreign exchange fluctuations of ₹ 37.27 lakhs (previous year ₹ 106.78 lakhs).

*** Does not include Capital Advances of ₹ 58.06 lakhs (previous year ₹ 203.14 lakhs).

Notes to the Standalone Financial Statements

6. OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Patents	Total
Gross Carrying Amount			
As at 01.04.2018	463.73	132.09	595.82
Additions	42.74	20.32	63.06
Disposals / Transfers	-	-	-
As at 31.03.2019	506.47	152.41	658.88
Accumulated Depreciation			
As at 01.04.2018	291.49	28.58	320.07
Depreciation charged for the year	60.59	17.86	78.45
Disposals / Transfers	-	-	-
As at 31.03.2019	352.08	46.44	398.52
Net Carrying Amount			
As at 31.03.2018	172.24	103.51	275.75
As at 31.03.2019	154.39	105.97	260.36

7. NON-CURRENT INVESTMENTS

Particulars		No. of Shares		₹ in lakhs	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
QUOTED					
Subsidiary Company					
In fully paid up Equity Shares of ₹ 10 each					
Pranavaditya Spinning Mills Limited		1,43,41,280	1,43,41,280	1,434.13	1,434.13
SUB-TOTAL	(A)			1,434.13	1,434.13
UNQUOTED					
Subsidiary Company					
In fully paid up Equity Shares					
Indo Count Global Inc., USA		800	800	446.18	446.18
Indo Count UK Limited		86,000	86,000	79.62	79.62
Indo Count Retail Ventures Pvt. Ltd.		8,250	8,250	0.82	0.82
Indo Count Australia Pty Ltd.		1,000	1,000	0.52	0.52
Indo Count Global DMCC, UAE		2,750	50	530.64	8.83
SUB-TOTAL	(B)			1,057.78	535.97
TOTAL	(A+B)			2,491.91	1,970.10
Aggregate Value of:					
Quoted Investments				1,434.13	1,434.13
Unquoted Investments				1,057.78	535.97
Market Value of Quoted Investments				1,683.67	2,294.60

Notes to the Standalone Financial Statements

8. NON-CURRENT FINANCIAL LOANS

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Security Deposits	140.79	96.74
Deferred Expenditure	31.78	18.75
TOTAL	172.57	115.49
Break-up:		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	172.57	115.49
Loans which have significant increase in Credit Risk	-	-
Loans - Credit Impaired	-	-
TOTAL	172.57	115.49
Less: Allowance for Doubtful Loans	-	-
TOTAL	172.57	115.49

Refer Note No. 48 for information about Credit Risk and Market Risk of Loans.

9. OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Balances with Banks		
- Held as Margin / Fixed Deposits	0.01	0.01
TOTAL	0.01	0.01

Includes receipts for ₹ 0.01 lakhs (previous year ₹ 0.01 lakhs) lodged with Sales Tax Department.

10. OTHER NON-CURRENT ASSETS (Unsecured-considered good)

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Capital Advances	58.06	203.14
Security Deposits	107.01	111.35
Others	600.24	-
TOTAL	765.31	314.49

11. INVENTORIES

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Raw Materials *	11,594.03	17,737.54
Work-in-Progress	19,144.50	18,246.84
Finished Goods	12,483.32	12,902.97
Waste	40.73	22.45
Stores & Spares **	2,966.64	3,014.50
Dyes and Chemicals ***	441.33	517.48
TOTAL	46,670.55	52,441.78

* Includes goods in transit ₹ 745.25 lakhs (previous year ₹ 3,380.66 lakhs).

** Includes goods in transit ₹ 38.79 lakhs (previous year ₹ 75.12 lakhs).

*** Includes goods in transit ₹ 12.99 lakhs (previous year ₹ 85.80 lakhs).

Notes to the Standalone Financial Statements

12. CURRENT INVESTMENTS

Particulars	No. of Shares		₹ in lakhs	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Investments carried at Fair Value through Profit and Loss				
QUOTED				
In Mutual Funds:				
HDFC Liquid Fund Growth	-	9	-	0.32
Union Prudence Fund	99,990	99,990	10.57	9.85
Franklin India - Low Duration	1,41,44,436	-	1,508.04	-
Franklin Ultra Short Bond Fund-SI-G	95,656	-	25.13	-
Aditya Birla Low	6,52,167	-	657.01	-
Reliance Ultra Short Duration	55,280	-	603.77	-
Franklin India Ultra	1,80,82,080	-	1,830.03	-
TOTAL			4,634.55	10.17
Aggregate Value of:				
Quoted Investments			4,634.55	10.17
Unquoted Investments			-	-
Market Value of Quoted Investments			4,634.55	10.17

13. CURRENT TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Receivables exceeding Six Months	94.24	356.89
Receivables - Others	22,139.15	25,566.30
Receivables from Related Parties (Refer Note No. 40)	5,280.29	6,575.10
Receivables which have significant increase in Credit Risk	-	-
Receivables - Credit Impaired	-	-
Allowance for Doubtful Receivables	(10.03)	-
TOTAL	27,503.65	32,498.29
Current Portion	27,503.65	32,498.29
Non-Current Portion	-	-
Break-up of Security Details:		
Secured, Considered Good	-	-
Unsecured, Considered Good	27,503.65	32,498.29
Doubtful	10.03	-
TOTAL	27,513.68	32,498.29
Allowance for Doubtful Receivables	(10.03)	-
TOTAL	27,503.65	32,498.29

Refer Note No. 48 for information about Credit Risk and Market Risk of Trade Receivables.

Notes to the Standalone Financial Statements

14. CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Cash in Hand	20.01	12.37
Balances with Banks		
- In Current Acounts *	1,754.01	1,101.67
TOTAL	1,774.02	1,114.04

*Includes balance in current account with The Kolhapur Urban Co-operative Bank Ltd. ₹ 0.03 lakhs (previous year ₹ 2.13 lakhs), maximum amount outstanding anytime during the year ₹ 1.19 lakhs (previous year ₹ 7.77 lakhs).

15. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Balances with Banks		
- Held as Margin / Fixed Deposits	253.71	248.55
TOTAL	253.71	248.55

a) Includes receipts for ₹ 228.90 lakhs (previous year ₹ 163.49 lakhs) held with bank as margin money against bank guarantees for Letter of Credit facilities.

b) Includes receipts for ₹ 0.05 lakhs (previous year ₹ 0.05 lakhs) lodged with Excise Department.

c) Includes receipts for ₹ 11.25 lakhs (previous year Nil) held with bank as margin money against guarantee given to MSEB.

16. CURRENT FINANCIAL LOANS

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Security Deposits	19.70	16.26
TOTAL	19.70	16.26
Break-up:		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	19.70	16.26
Loans which have significant increase in Credit Risk	-	-
Loans - Credit Impaired	-	-
TOTAL	19.70	16.26
Less: Allowance for Doubtful Loans	-	-
TOTAL	19.70	16.26

Refer Note No. 48 for information about Credit Risk and Market Risk of Loans.

17. OTHER CURRENT FINANCIAL ASSETS (Unsecured-considered good)

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Advance to Subsidiary	-	20.77
Derivative Asset	1,449.66	5,660.98
Others	431.48	267.23
TOTAL	1,881.14	5,948.98

Notes to the Standalone Financial Statements

18. CURRENT TAX ASSETS

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Advance Income Tax (including Tax Deducted at Source)	855.40	444.72
Refund Due	414.83	57.04
TOTAL	1,270.23	501.76

19. OTHER CURRENT ASSETS (Unsecured-considered good)

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Export Incentives / Claims Recoverable	6,024.53	6,319.24
Balances with Excise / Service Tax Authorities	97.05	102.48
Balances with VAT / GST Authorities	4,128.87	7,578.34
Interest Accrued on Loans & Deposits	11.33	4.55
Advance to Suppliers *	747.22	698.96
Others	699.36	1,054.91
Security Deposits	4.01	4.01
TOTAL	11,712.37	15,762.49

* Includes advance to an Indian Subsidiary ₹ 283.74 lakhs (previous year ₹ 282.48 lakhs).

20. SHARE CAPITAL

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Authorised:		
Equity Shares		
27,50,00,000 Shares of ₹ 2 each	5,500.00	5,500.00
Preference Shares		
50,00,000 Shares of ₹ 10 each	500.00	500.00
TOTAL	6,000.00	6,000.00
Issued, Subscribed and Paid-Up:		
Equity Shares		
19,73,99,670 Shares of ₹ 2 each	3,947.99	3,947.99
TOTAL	3,947.99	3,947.99

Notes to the Standalone Financial Statements

Notes:

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Authorised:				
Equity Shares of ₹ 2 each				
Balance at the beginning of the year	27,50,00,000	5,500.00	27,50,00,000	5,500.00
Balance at the end of the year	**27,50,00,000**	**5,500.00**	**27,50,00,000**	**5,500.00**
Preference Shares of ₹ 10 each				
Balance at the beginning of the year	50,00,000	500.00	50,00,000	500.00
Balance at the end of the year	**50,00,000**	**500.00**	**50,00,000**	**500.00**
TOTAL	**28,00,00,000**	**6,000.00**	**28,00,00,000**	**6,000.00**
Issued, Subscribed and Paid-Up:				
Equity Shares of ₹ 2 each				
Balance at the beginning of the year	19,73,99,670	3,947.99	19,73,99,670	3,947.99
Balance at the end of the year	**19,73,99,670**	**3,947.99**	**19,73,99,670**	**3,947.99**

(b) Terms / Rights attached to Equity Shares:

(i) The Company has only one class of Equity Shares having a par value of ₹ 2 each. Each holder of Equity Shares is entitled to one vote per share and pro-rata dividend on the Shares held.

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

(c) Details of Equity Shares in the Company held by each shareholder holding more than 5% of shares is as under:

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	Percentage	No. of Shares	Percentage
Indo Count Securities Limited	3,10,41,385	15.73%	3,10,41,385	15.73%
Sandridge Investments Limited	6,20,02,455	31.41%	6,20,02,455	31.41%

d) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

(e) Dividend paid and proposed:

(₹ in lakhs)

Particulars	2018-19	2017-18
Final Dividend for F.Y. 2016-17: ₹ 0.40 per share (Face Value of ₹ 2 each)	–	789.60
Interim Dividend for F.Y. 2017-18: ₹ 0.40 per share (Face Value of ₹ 2 each)	–	789.60
Final Dividend for F.Y. 2017-18: ₹ 0.40 per share (Face Value of ₹ 2 each)	789.60	–

Notes to the Standalone Financial Statements

21. NON-CURRENT BORROWINGS (Secured)

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
1) Term Loan		
i) Rupee loans		
- From Banks (a)	875.00	1,395.81
- From Financial Institutions (a)	4,477.99	2,445.02
2) Foreign Currency Loan		
i) Buyer's Credit (b)	390.54	1,043.22
TOTAL	5,743.53	4,884.05

a) Secured by first pari-passu charge by way of mortgage of immovable properties of the Company situated at Kolhapur, and by second pari-passu charge on hypothecation of all movable properties and current assets of the Company both present and future. Loans include amounts appearing in current maturities of long term debts of ₹ 1,625.21 lakhs (previous year ₹ 630.16 lakhs).

b) Secured against machinery acquired, includes amount appearing in current maturity of long term debts ₹ 666.88 lakhs (previous year ₹ 657.92 lakhs).

c) Maturity Profile of Non-Current Borrowings:

Particulars	(₹ in lakhs)			
	1-2 Years	2-3 Years	3-4 Years	4-5 Years
1) Term Loan				
i) Rupee Loans				
- From Banks	500.00	375.00	-	-
- From Financial Institutions	1,125.21	1,125.21	1,125.21	1,102.36
2) Foreign Currency Loan				
i) Buyer's Credit	295.47	95.07	-	-
TOTAL	1,920.68	1,595.28	1,125.21	1,102.36

22. NON-CURRENT PROVISIONS

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for Employee Benefits	501.32	327.24
TOTAL	501.32	327.24

23. INCOME TAX

The major components of Income Tax expense for the years ended 31 March, 2019 and 31 March, 2018 are:

STATEMENT OF PROFIT AND LOSS

Profit and Loss section

(₹ in lakhs)

Particulars	31.03.2019	31.03.2018
Current Income Tax:		
Current Income Tax charge	3,008.56	6,636.28
Adjustments in respect of Current Income Tax of previous years	81.20	13.95
Deferred Tax:		
Relating to origination and reversal of temporary differences	453.84	455.67
Income Tax expense reported in the Statement of Profit and Loss	3,543.60	7,105.90

Notes to the Standalone Financial Statements

Other Comprehensive Income (OCI) section

Deferred Tax related to items recognised in OCI during the year: (₹ in lakhs)

Particulars	31.03.2019	31.03.2018
Net loss / (gain) on remeasurements of Defined Benefit Plan and change in Forex	(1,535.15)	13.65
Income Tax charged to OCI	**(1,535.15)**	**13.65**

DEFERRED TAX (₹ in lakhs)

Particulars	Balance Sheet		Profit & Loss	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Deferred Tax relates to the following:				
Expenses allowable on payment basis	290.95	185.43	(105.52)	34.16
Incomes allowable on receipt basis	(506.56)	(1,959.15)	(1,452.59)	(28.72)
Accelerated Depreciation for Tax purpose	(10,667.14)	(10,190.34)	476.80	463.88
	(10,882.75)	**(11,964.06)**	**(1,081.31)**	**469.32**
Deferred Tax Expenses / (Income):				
- Recognised in Profit and Loss	-	-	453.84	455.67
- Recognised in OCI	-	-	(1,535.15)	13.65
Deferred Tax Assets / (Liabilities)	(10,882.75)	(11,964.06)	-	-
	(10,882.75)	**(11,964.06)**	**(1,081.31)**	**469.32**

Deferred Tax asset in respect of long term capital losses of ₹ 67.50 lakhs (previous year ₹ 67.50 lakhs) has not been recognised in view of uncertainty of its realisation.

Reflected in the Balance Sheet: (₹ in lakhs)

Particulars	31.03.2019	31.03.2018
Deferred Tax Assets	290.95	185.43
Deferred Tax Liabilities	(11,173.70)	(12,149.49)
Deferred Tax Liabilities (Net)	**(10,882.75)**	**(11,964.06)**

Reconciliation of Deferred Tax Liabilities (Net) (₹ in lakhs)

Particulars	31.03.2019	31.03.2018
Opening Balance as of 1 April	(11,964.06)	(11,494.74)
Tax Income / (Expense) during the period recognised in Profit and Loss	(453.84)	(455.67)
Income / (Expense) during the year recognised in OCI	1,535.15	(13.65)
Closing Balance as at 31 March	**(10,882.75)**	**(11,964.06)**

24 OTHER NON-CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred Government Grants related to Property, Plant & Equipment	876.66	-
TOTAL	876.66	-

Notes to the Standalone Financial Statements

25. CURRENT BORROWINGS (Secured)

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Loans repayable on Demand		
i) From Banks		
- In Rupees	22,850.03	30,889.69
TOTAL	**22,850.03**	**30,889.69**

Secured by first pari-passu charge by way of hypothecation on all current assets and movable assets and further secured by second pari-passu charge on immovable properties of the Company situated at Kolhapur, both present and future.

26. TRADE PAYABLES DUE TO MICRO & SMALL ENTERPRISES

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Payables	491.31	-
TOTAL	**491.31**	-

Note:

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
a) The principal amount remaining unpaid to any supplier at the end of the year	491.31	-
b) Interest accrued and due to suppliers under the Act, on the above amount	2.28	-
c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
d) Interest paid to suppliers under the Act	-	-
e) Interest due and payable to suppliers under the Act, for payments already made	-	-
f) Interest accrued and remaining unpaid at the end of the year under the Act	2.28	-
g) The amount of further interest remaining due and payable even in the succeeding years for the purpose of disallowances under Section 23 of the Act	-	-

Disclosure of payable to vendors as defined under the MSMED Act is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. As per the agreed terms of Purchase Order, there are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding in this regard in respect of payments made during the year or on balance brought forward from previous year.

27. TRADE PAYABLES OTHER THAN MICRO & SMALL ENTERPRISES

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Payables	12,141.83	18,131.07
TOTAL	**12,141.83**	**18,131.07**

28. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Current Maturities of Long Term Debts	2,292.09	1,288.08
Interest Accrued but not due on Borrowings	53.58	9.30
Unpaid Dividend *	83.87	70.77
Other Payables	892.03	925.17
TOTAL	**3,321.57**	**2,293.32**

* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.

Notes to the Standalone Financial Statements

29. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Advance from Customers	103.69	123.25
Other Payables	2,289.55	1,938.29
TOTAL	2,393.24	2,061.54

30. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 37 "PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS"

(i) Movement in Provisions:

(₹ in lakhs)

Particulars	Bank Guarantees		Excise Duty / Customs Duty / Service Tax	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Carrying amount at the beginning of the year *	530.40	446.57	182.84	202.38
Add: Provision made during the year **	512.34	83.83	-	-
Less: Amounts used during the year	86.55	-	-	19.54
Carrying amount at the end of the year *	956.19	530.40	182.84	182.84

(₹ in lakhs)

Particulars	Other Litigation Claims		Corporate Guarantee		Total	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Carrying amount at the beginning of the year *	18.48	17.70	6,192.10	6,160.75	6,923.82	6,827.40
Add: Provision made during the year **	41.19	0.78	377.63	31.35	931.16	115.96
Less: Amounts used during the year	6.96	-	-	-	93.51	19.54
Carrying amount at the end of the year *	52.71	18.48	6,569.73	6,192.10	7,761.47	6,923.82

* Carrying amounts comprise of non-current and current provisions.

** Additional provision made during the year and reversal of unused amounts are included in the respective head of accounts.

(ii) Nature of Provisions:

(a) Bank guarantee amount represents Companies performance obligation to the holder of guarantee.

(b) Provision for excise duty / customs duty / service tax represents the differential duty liability that may be expected to materialise in respect of matters in appeal.

(c) Provision for litigation represents liabilities that may be expected to materialise in respect of matters in appeal.

(d) Corporate guarantee amount represents guarantee given to a foreign bank on behalf of a foreign subsidiary.

INDO COUNT
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Notes to the Standalone Financial Statements

31. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
1) Sale of Products *		
- Manufactured	1,67,737.03	1,53,574.44
- Stock-In-Trade	289.12	1,202.05
2) Sale of Services	0.22	8.26
3) Other Operating Revenue		
- Export Incentives / Benefits	13,227.87	16,133.89
REVENUE FROM OPERATIONS	1,81,254.24	1,70,918.64

* a) Includes sale to an Indian Subsidiary ₹ 753.76 lakhs (previous year ₹ 954.53 lakhs).

b) Includes sale to Foreign Subsidiaries ₹ 11,449.34 lakhs (previous year ₹ 10,836.66 lakhs).

Disaggregation of Revenue

Revenue based on Geography

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Domestic	5,406.35	11,249.41
Export	1,75,847.89	1,59,669.23
REVENUE FROM OPERATIONS	1,81,254.24	1,70,918.64

Reconciliation of Revenue from Operations with Contract Price

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Contract Price	1,85,104.35	1,73,257.88
Less:		
Sales Returns	32.24	0.07
Rebates & Discounts	945.98	617.71
Embedded Interest	279.91	260.27
Others	2,591.98	1,461.19
REVENUE FROM OPERATIONS	1,81,254.24	1,70,918.64

Notes to the Standalone Financial Statements

32. OTHER INCOME

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Interest - Banks	17.47	15.17
Interest - Others	316.03	322.61
Government Grants related to Property, Plant & Equipment	107.49	-
Miscellaneous Receipts and Incomes	71.88	385.95
Cash Discount Received	2.93	-
Insurance Claim Received	2.80	14.17
Profit on changes in NAV of Mutual Funds	7.49	-
Profit on Redemption of Mutual Funds	3.99	-
Dividend Received on Mutual Funds	41.87	-
Profit on Sale of Assets	4.92	-
Exchange Rate Difference (Net)	-	9,079.21
Rent Received	1.20	1.20
Mark to Market on Forward Contracts	184.47	-
Previous Year Income	-	2.29
Sundry balances / Excess provision written back (Net)	1.05	5.73
Liability no longer payable written back	275.15	85.34
TOTAL	1,038.74	9,911.67

33. COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Raw Material & Components Consumed		
Opening Stock	17,737.54	13,499.21
Add: Purchases*	91,311.27	1,09,324.79
SUB-TOTAL	**1,09,048.81**	**1,22,824.00**
Less: Closing Stock	11,594.03	17,737.54
COST OF MATERIALS CONSUMED	97,454.78	1,05,086.46

* Includes purchases from an Indian Subsidiary ₹ 338.74 lakhs (previous year ₹ 808.58 lakhs).

Notes to the Standalone Financial Statements

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

(₹ in lakhs)

Particulars		For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Opening Stock			
Finished Goods		12,902.97	5,695.89
Stock in Process		18,246.84	14,365.02
Waste		22.46	16.78
SUB-TOTAL	(A)	31,172.27	20,077.69
Less: Closing Stock			
Finished Goods		12,483.32	12,902.97
Stock in Process		19,144.50	18,246.84
Waste		40.73	22.46
SUB-TOTAL	(B)	31,668.55	31,172.27
(INCREASE) / DECREASE IN STOCK	(A-B)	(496.28)	(11,094.58)

35. EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Salaries & Wages	10,170.56	9,088.54
Directors' Remuneration	819.60	902.28
Contribution to Provident & Other Funds	595.08	585.83
Gratuity	184.26	116.10
Staff Welfare Expense	259.31	252.86
Recruitment & Training Expense	46.97	49.99
TOTAL	12,075.78	10,995.60

36. FINANCE COST

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Interest Expense:		
- On Term Loans	561.95	129.14
- Banks	2,073.92	1,860.24
- Others	48.00	125.31
Bank Charges	640.34	1,077.28
Finance Procurement Charges	46.95	81.61
TOTAL	3,371.16	3,273.58

37. DEPRECIATION & AMORTISATION EXPENSE

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Depreciation	3,258.37	3,046.42
TOTAL	3,258.37	3,046.42

Notes to the Standalone Financial Statements

38. OTHER EXPENSES

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Consumption of Stores / Dyes and Packing Materials	15,230.27	14,857.30
Jobwork Charges	18,582.86	16,079.73
Power & Fuel	8,414.21	7,578.02
Rent (a)	355.27	329.76
Rates, Taxes & Fees	67.87	358.74
Insurance	192.31	222.30
Repairs to Machinery	424.77	445.45
Repairs to Buildings	99.28	182.32
Commission & Brokerage	1,645.66	1,383.10
Freight Outward	3,300.74	2,392.44
Other Selling Expenses	2,219.68	1,029.51
Loss on Sale of Assets	2.48	34.99
Loss in value of NAV of Mutual Funds	-	0.13
Bad Debts / Advances written off	20.34	2.52
Provision for Doubtful Debts	10.03	-
Exchange Rate Difference (Net)	3,081.02	-
Mark to Market on Forward Contracts	-	65.54
Miscellaneous Expenses (b)	3,232.47	3,155.24
TOTAL	56,879.26	48,117.09

(a) Including Operating Lease

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
A) The total of future minimum lease payments under non-cancellable operating leases for each of the following years:		
i) Not later than one year	182.36	298.99
ii) Later than one year and not later than five years	456.35	297.71
iii) Later than five years	-	-
B) Lease payments recognised in the Statement of Profit and Loss	143.37	146.18

(b) Includes Payment to Auditors

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
As Statutory Audit Fees	13.00	13.00
As Quarterly Audit / Limited Review Fees	9.00	9.00
As Tax Audit Fees	3.00	3.00
For Tax Representations	-	2.75
For Certification Work	0.33	0.18
In Other Capacity	1.23	1.15
For Reimbursement of Expenses	2.38	1.97
TOTAL	28.94	31.05

Notes to the Standalone Financial Statements

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

A. Contingent Liabilities (₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
i) Bank Guarantees	956.19	530.40
ii) Excise Duty / Custom Duty / Service Tax demands disputed in Appeals	182.84	182.84
iii) Other Litigation Claims (including Pending Labour Cases)	52.71	18.48
iv) Corporate Guarantee given to a Foreign Bank outside India for securing financial assistance to a Foreign Subsidiary	6,569.73	6,192.10

(a) In terms of EPCG Licenses issued, the Company has undertaken an export obligation of ₹ 63,948.41 lakhs, which is to be fulfilled over a period of 6 years. The Company has completed export obligation to the extent of ₹ 58,553.24 lakhs till the year end, of which licenses of ₹ 48,176.76 lakhs have been redeemed by the DGFT and balance licenses having value of ₹ 10,376.48 lakhs are under redemption. The export obligation of ₹ 5,395.17 lakhs is to be fulfilled over a period of 6 years.

(b) In terms of advance license obtained for import of raw materials, the Company has undertaken an export obligation for USD 18.950 Mn. which is to be fulfilled over a period of 2 years. The Company has completed the obligation and DGFT has redeemed these licenses.

(c) Under the package scheme of incentives of Government of Maharashtra for Mega Projects, the Company was eligible for VAT and Electricity duty refund benefits. However, if it contravenes any of the conditions of the scheme or eligibility certificate of entitlement, it shall repay forthwith the entire benefits drawn / availed alongwith interest thereon together with costs, charges and expenses.

(d) No provision has been made in the accounts towards Electricity Duty on electricity generated for captive use during the period 01.04.2000 to 30.04.2005 amounting to ₹ 292.07 lakhs (previous year ₹ 292.07 lakhs) excluding interest, as the company has won the case against MSEDCL vide order number 2204 of 2007 dated 07.11.2009 of the Hon'ble High Court of Mumbai whereby it was decided that no such duty is payable. MSEDCL has appealed before the Hon'ble Supreme Court with condonation of delay and matter is yet to be heard. As the matter is subjudice, the management feels that no provision is necessary.

B. Commitments (₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
a) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	45.25	1,383.16

Notes to the Standalone Financial Statements

40. RELATED PARTY DISCLOSURES

Related party disclosures as required by IND-AS 24 "Related Party Disclosures" are given below:

i) Key Management Personnel

1.	Shri Anil Kumar Jain	Executive Chairman
2.	Shri Mohit Jain	Managing Director (upto 30.06.2018) & Non Executive Vice Chairman (w.e.f. 01.07.2018)
3.	Shri K. R. Lalpuria	Executive Director & CEO (Exec. Dir. w.e.f. 04.05.2018 & CEO w.e.f 08.02.2019)
4.	Shri Kamal Mitra	Director (Works)
5.	Shri P. N. Shah	Independent Director
6.	Shri R. Anand	Independent Director
7.	Shri Dilip Thakkar	Independent Director
8.	Shri Prem Malik	Independent Director
9.	Shri Sushil Kumar Jiwarajka	Independent Director (w.e.f. 04.05.2018)
10.	Dr. (Mrs.) Vaijayanti Pandit	Independent Director
11.	Shri Sanjay Kumar Panda	Independent Director (w.e.f. 03.08.2018)
12.	Shri Siddharth Mehta	Independent Director (w.e.f. 03.08.2018)

ii) Relatives of Key Management Personnel

1. Smt. G. D. Jain
2. Smt. Shikha Jain

iii) Parties where Control Exists

A. Subsidiaries

1. Pranavaditya Spinning Mills Ltd.
2. Indo Count Retail Ventures Pvt. Ltd.
3. Indo Count Global Inc., (USA)
4. Indo Count UK Ltd., (United Kingdom)
5. Indo Count Australia PTY Ltd.
6. Indo Count Global DMCC, UAE (Formerly Hometex Global DMCC)

B. Associates

1. A. K. Jain HUF

C. Others

1. Indo Count Foundation

(₹ in lakhs)

Particulars	Associates / Subsidiaries	Relatives of Key Management Personnel	Key Management Personnel	Others	Total
Remuneration Paid	-	40.42	819.60	-	860.02
	(-)	(38.99)	(902.28)	(-)	(941.27)
Commission Paid	344.83	-	8.32	-	353.15
	(254.05)	(-)	(6.00)	(-)	(260.05)
Sitting Fees	-	-	18.60	-	18.60
	(-)	(-)	(14.00)	(-)	(14.00)
Service Charges Paid	399.26	-	-	-	399.26
	(-)	(-)	(-)	(-)	(-)

Notes to the Standalone Financial Statements

(₹ in lakhs)

Particulars	Associates / Subsidiaries	Relatives of Key Management Personnel	Key Management Personnel	Others	Total
Interest Recovered	7.63	-	-	-	7.63
	(-)	(-)	(-)	(-)	(-)
Share Application	521.82	-	-	-	521.82
	(-)	(-)	(-)	(-)	(-)
Commission Received	16.65	-	-	-	16.65
	(15.37)	(-)	(-)	(-)	(15.37)
Sale of Goods	12,203.10	-	-	-	12,203.10
	(11,791.19)	(-)	(-)	(-)	(11,791.19)
Lease Rent Paid	78.29	-	-	-	78.29
	(78.41)	(-)	(-)	(-)	(78.41)
CSR Expenses	-	-	-	293.97	293.97
	(-)	(-)	(-)	(225.29)	(225.29)
Purchase of Goods	338.74	-	-	-	338.74
	(808.58)	(-)	(-)	(-)	(808.58)
Sale of Machinery	9.47	-	-	-	9.47
	(7.16)	(-)	(-)	(-)	(7.16)
Balance outstanding at the end of the year:					
a) Investments	2,491.91	-	-	-	2,491.91
	(1,970.10)	(-)	(-)	(-)	(1,970.10)
b) Sundry Debtors	5,280.29	-	-	-	5,280.29
	(6,575.10)	(-)	(-)	(-)	(6,575.10)
c) Deposit - Rent	15.60	-	-	-	15.60
	(15.60)	(-)	(-)	(-)	(15.60)
d) Advance to Indian Subsidiary for purchases	283.74	-	-	-	283.74
	(282.48)	(-)	(-)	(-)	(282.48)
e) Other Payables:					
Remuneration Payable	-	-	179.50	-	179.50
	(-)	(-)	(214.21)	(-)	(214.21)
Commission Payable	45.96	-	8.32	-	54.28
	(48.35)	(-)	(6.00)	(-)	(54.35)
Service Charges Payable	124.48	-	-	-	124.48
	(-)	(-)	(-)	(-)	(-)

a) Previous year figures are given in brackets.

b) Related parties enlisted above are those having transactions with the Company.

Notes to the Standalone Financial Statements

41. It is Management's opinion that since the Company is exclusively engaged in the activity of manufacture of textile products which constitutes a single reportable segment in the context of Indian Accounting Standard (Ind AS) 108 on "Operating Segments" issued by the Institute of Chartered Accountants of India.

42. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITIES (CSR)

The particulars of expenditure are as follows:

a) Gross amount required to be spent by the Company during the year was ₹ 623.31 lakhs (previous year ₹ 619.92 lakhs).

b) Amount incurred during the year:

Particulars	₹ in lakhs
i) Construction / Acquisition of Asset	-
ii) On purpose other than (i) above	293.97

Out of the above, the Company has paid ₹ 293.97 lakhs (previous year ₹ 225.29 lakhs) to Indo Count Foundation.

43. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 33 "EARNINGS PER SHARE"

Particulars	UoM	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Face Value of Equity Shares	₹	2.00	2.00
Weighted Average number of Equity Shares outstanding	Nos.	19,73,99,670	19,73,99,670
Profit for the year (Continuing Operations)	₹ In lakhs	5,921.80	13,107.57
Weighted Average Earnings Per Share (Basic and Diluted)	₹	3.00	6.64

44. OTHER INFORMATION

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
CIF Value of Imports:		
- Capital Goods	2,539.86	2,015.72
- Raw Materials	1,043.74	3,520.84
- Stores / Dyes and Packing Materials	565.92	1,021.81
Expenditure in Foreign Currency:		
- Travelling	115.55	169.46
- Selling Commission / Claims	1,875.88	1,669.18
- Others	2,972.67	669.98
Earnings in Foreign Currency:		
- FOB Value of Exports	1,60,010.96	1,50,079.06

Notes to the Standalone Financial Statements

45. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 19 "EMPLOYEE BENEFITS"

Defined Contribution Plans:

Amount of ₹ 595.08 lakhs (previous year ₹ 585.83 lakhs) is recognised as an expense and included in Employee Benefits Expense under the following defined contribution plans (Refer Note 35, supra):

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Benefits:		
Provident Fund	500.84	505.77
Employee State Insurance Scheme	90.50	77.36
Labour Welfare Scheme	3.74	2.70
TOTAL	595.08	585.83

Defined Benefit Plans:

Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

The Company makes annual contributions to the Life Insurance Corporation of India, which is funded defined benefit plan for qualifying employees.

Leave Encashment Benefit

The Company provides for leave encashment, a defined benefit retirement plan covering eligible employees. The leave encashment plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 12 days salary for each completed year of service, till retirement subject to maximum of 90 days.

The Company makes annual contributions to the Life Insurance Corporation of India, which is funded defined benefit plan for qualifying employees.

(₹ in lakhs)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2018-19 (funded)	2017-18 (funded)	2018-19 (funded)	2017-18 (funded)
I	Change in Present Value of Defined Benefit Obligation during the year				
1	Present Value of defined benefit obligation at the beginning of the year	1,539.29	1,376.95	458.92	337.13
2	Interest cost	118.53	106.03	35.34	25.96
3	Current service cost	160.22	156.10	33.61	129.41
4	Past service cost	-	-	-	-
5	Liability transfer from other Company	-	-	-	-
6	Liability transferred out / divestment	-	-	-	-
7	Benefits paid directly by employer	-	-	-	-
8	Benefits paid	(93.12)	(52.05)	(68.48)	(37.15)
9	Actuarial changes arising from changes in demographic assumptions	-	-	-	-
10	Actuarial changes arising from changes in financial assumptions	-	(97.55)	(14.03)	(22.24)
11	Actuarial changes arising from changes in experience adjustments	(3.76)	49.80	-	25.82
12	Present Value of defined benefit obligation at the end of the year	1,721.16	1,539.29	445.35	458.92

Notes to the Standalone Financial Statements

(₹ in lakhs)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2018-19 (funded)	2017-18 (funded)	2018-19 (funded)	2017-18 (funded)
II	Change in fair Value of Plan Assets during the year				
1	Fair value of plan assets at the beginning of the year	1,274.01	1,047.75	396.96	389.50
2	Interest Income	96.73	78.07	29.80	28.94
3	Contributions paid by the employer	57.49	195.50	48.62	15.67
4	Benefits paid from the fund	(93.12)	(47.31)	(68.48)	(37.15)
5	Assets transferred out / divestments	-	-	-	-
6	Return on plan assets excluding interest income	-	-	-	-
7	Actuarial losses / (gains)	(79.02)	-	2.22	-
8	Fair value of plan assets at the end of theyear	1,256.08	1,274.01	409.11	396.96
III	Net Asset / (Liability} recognised in the Balance Sheet				
1	Present Value of defined benefit obligation at the end of the year	1,721.16	1,539.29	445.35	458.92
2	Fair value of plan assets at the end of the year	1,256.09	1,274.01	409.11	396.96
3	Amount recognised in the balance sheet	465.07	265.28	36.24	61.96
4	Net (liability) / asset- current	-	-	-	-
5	Net (liability) / asset- non-current	(465.07)	(265.28)	(36.24)	(61.96)
IV	Expenses recognised in the Statement of Profit and Loss for the year				
1	Current service cost	160.22	154.21	33.61	127.97
2	Interest cost on benefit obligation (Net)	27.37	19.64	5.47	(1.71)
3	Actuarial changes arising from changes in demographic assumptions	-	-	-	-
4	Actuarial changes arising from changes in financial assumptions	-	-	-	(22.24)
5	Actuarial changes arising from changes in experience adjustments	-	-	(14.03)	25.82
6	Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset)' above	-	-	(1.32)	0.22
7	Total expenses included in employee benefits expense	187.59	173.85	23.73	130.06
V	Recognised in Other Comprehensive Income for the year				
1	Actuarial changes arising from changes in demographic assumptions	-	-	-	-
2	Actuarial changes arising from changes in financial assumptions	-	(97.55)	-	-
3	Actuarial changes arising from changes in experience adjustments	(3.76)	49.80	-	-
4	Return on plan assets excluding interest income	1.13	8.31	-	-
5	Recognised in other comprehensive income	(2.63)	(39.44)	-	-
VI	Maturity Profile of Defined Benefit Obligation				
1	Within the next 12 months (next annual reporting period}	237.23	202.43	181.51	173.02
2	Between 2 and 5 years	386.36	273.85	73.70	58.75
3	Between 6 and 10 years	782.63	345.32	63.79	30.40
VII	Quantitative Sensitivity Analysis for significant assumption is as below:				
	Increase / (Decrease) on present value of defined benefits obligation at the end of the year				
	(i) One percentage point increase in discount rate	(141.74)	(130.76)	(26.28)	(29.52)
	(ii) One percentage point decrease in discount rate	163.98	151.74	30.73	34.68
	(i) One percentage point increase in rate of salary Increase	166.81	154.37	31.26	35.28
	(ii) One percentage point decrease in rate of salary Increase	(146.42)	(135.07)	(27.14)	(30.49)
	(i) One percentage point increase in employee turnover rate	13.60	13.03	2.97	3.53
	(ii) One percentage point decrease in employee turnover rate	(14.28)	(13.69)	(3.13)	(3.74)
	(i) One percentage point increase in medical Inflation rate	N.A.	N.A.	N.A.	N.A.
	(ii) One percentage point decrease in medical Inflation rate	N.A.	N.A.	N.A.	N.A.

Notes to the Standalone Financial Statements

VIII Sensitivity Analysis Method

Sensitivity Analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

IX The major categories of plan assets as a percentage of total (₹ in lakhs)

Particulars	Gratuity		Leave Encashment	
	2018-19	2017-18	2018-19	2017-18
Insurer Managed Funds	100%	100%	100%	100%

X Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	2018-19 (funded)	2017-18 (funded)	2018-19 (funded)	2017-18 (funded)
Discount Rate (p.a.)	7.70% p.a.	7.04% p.a.	7.70% p.a.	7.04% p.a.
Salary Escalation (p.a.)	7.00% p.a.	7.00% p.a.	7.00% p.a.	7.00% p.a.
Mortality Rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality post retirement Rate	NA	NA	NA	NA
Employee Turnover Rate (p.a.)	5.00% p.a.	4.00% p.a.	5.00% p.a.	4.00% p.a.
Future benefit Cost Inflation	NA	NA	NA	NA

Expected contribution to the defined benefit plan for the next annual reporting period

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31 March, 2019. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(iii) The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

46. DETAILS OF CAPITAL EXPENDITURE INCURRED DURING THE YEAR FOR RESEARCH AND DEVELOPMENT

(₹ in lakhs)

Particulars	2018-19	2017-18
Plant and Machinery	27.18	47.23
TOTAL	27.18	47.23

47. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

a) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these instruments.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Notes to the Standalone Financial Statements

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(₹ in lakhs)

Particulars	Carrying amount	Fair value		
	As at 31.03.2018	Level 1	Level 2	Level 3
Financial Assets at Amortised Cost:				
Trade Receivables	32,498.29	-	-	-
Loans and Other Receivables (Non-Current)	115.50	-	-	115.50
Loans and Other Receivables (Current)	304.26	-	-	304.26
Cash and Bank Balances	1,114.04	-	-	-
Bank Deposits	248.55	-	-	-
TOTAL	**34,280.64**	**-**	**-**	**419.76**
Financial Assets at Fair Value through Profit and Loss:				
Derivative Instruments	5,660.98	-	5,660.98	-
Investments	10.17	10.17		
TOTAL	**5,671.15**	**10.17**	**5,660.98**	**-**
Financial Liabilities at Amortised Cost:				
Non-Current Borrowings	4,884.05	-	-	-
Current Borrowings	30,889.69	-	-	-
Trade and Other Payables	18,131.07	-	-	-
Other Financial Liabilities (Current)	2,293.32	-	-	995.94
TOTAL	**56,198.13**	**-**	**-**	**995.94**

(₹ in lakhs)

Particulars	Carrying amount	Fair value		
	As at 31-03-2019	Level 1	Level 2	Level 3
Financial Assets at Amortised Cost:				
Trade Receivables	27,503.65	-	-	-
Loans and Other Receivables (Non-Current)	172.58	-	-	172.58
Loans and Other Receivables (Current)	451.18	-	-	451.18
Cash and Bank Balances	1,774.02	-	-	-
Bank Deposits	253.71	-	-	-
TOTAL	**30,155.14**	**-**	**-**	**623.76**
Financial Assets at Fair Value through Profit and Loss:				
Investments	4,634.55	4,634.55	-	-
TOTAL	**4,634.55**	**4,634.55**	**-**	**-**
Financial Assets at Fair Value through Other Comprehensive Income:				
Derivative Instruments	1,449.66	-	1,449.66	-
TOTAL	**1,449.66**	**-**	**1,449.66**	**-**
Financial Liabilities at Amortised Cost:				
Non-Current Borrowings	5,743.53	-	-	-
Current Borrowings	22,850.03	-	-	-
Trade and Other Payables	12,633.14	-	-	-
Other Financial Liabilities (Current)	3,321.57	-	-	975.90
TOTAL	**44,548.27**	**-**	**-**	**975.90**

During the reporting period ending 31 March, 2019 and 31 March, 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

Description of significant unobservable inputs to valuation:

The following table shows the valuation techniques and inputs used for financial instruments:

Particulars	As at 31-03-2019	As at 31-03-2018
Non-Current Security Deposits	Discounted Cash Flow method using current interest rate.	
Derivative Instruments	Based on quotes from banks.	
Other Financial Liabilities (Non-Current)	Discounted Cash Flow method using risk adjusted discount rate.	

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board of Directors.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expense and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, an analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. Above 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to Interest Rate Risk (₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Total Borrowings	30,885.65	37,061.83
% of Borrowings out of above bearing Variable Rate of Interest	100%	100%

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit before Tax: (₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
50 bps increase would decrease the Profit before Tax by	154.43	185.31
50 bps decrease would increase the Profit before Tax by	(154.43)	(185.31)

Notes to the Standalone Financial Statements

Foreign Currency Risk

The Company operates internationally and portion of the business is transacted in serveral currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies.

Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign Currency in lakhs

Particulars	USD	EUR	GBP	CHF	JPY	Total
Foreign Currency Exposure as at 31 March, 2018						
Trade and Other Receivables	473.35	-	2.32	-	-	475.67
Non-Current Borrowings	-	-	-	24.83	-	24.83
Bank Balances	7.43	-	-	-	-	7.43
Trade and Other Payables	9.44	-	-	-	-	9.44
Foreign Currency Exposure as at 31 March, 2019						
Trade and Other Receivables	391.59	1.42	0.13	0.25	18.20	411.59
Non-Current Borrowings	-	-	-	15.23	-	15.23
Bank Balances	17.80	-	-	-	-	17.80
Trade and Other Payables	9.99	-	0.51	-	-	10.50

Forward Contracts

Foreign currency hedges taken by the Company against export trade receivables are as under:

Particulars	Number of Contracts	Foreign Currency in lakhs (USD)	₹ in lakhs	Buy / Sell
As at 31.03.2019	253	1,511.09	1,07,520.29	Sell
As at 31.03.2018	647	2,856.28	1,93,669.92	Sell

Foreign Currency Sensitivity

5% increase or decrease in foreign exchange rates will have the following impact on profit before tax: (₹ in lakhs)

Particulars	2018-19		2017-18	
	5% Increase	5% decrease	5% Increase	5% decrease
USD	1,450.11	(1,450.11)	1,597.51	(1,597.51)
EUR	5.52	(5.52)	0.42	(0.42)
GBP	2.90	(2.90)	13.12	(13.12)
CHF	53.74	(53.74)	85.06	(85.06)
JPY	11.39	(11.39)	-	-
INCREASE / (DECREASE) IN PROFIT AND LOSS	1,523.66	(1,523.66)	1,696.11	(1,696.11)

Market Risk - Price Risk

Exposure

The Company's exposure to equity securities' price risk arises from investments held by the Company and classified in the Balance Sheet at fair value through Profit and Loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Notes to the Standalone Financial Statements

Sensitivity

The table below summarises the impact of increase / decrease of the BSE index on the Company's equity and gain / loss for the period. The analysis is based on the assumption that the index has increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Impact on Profit before Tax (₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
BSE Sensex 30 - Increase 5%	231.73	0.51
BSE Sensex 30 - Decrease 5%	(231.73)	(0.51)

Above referred sensitivity pertains to quoted equity investment (Refer Note No. 12). Profit for the year would increase / decrease as a result of gains / losses on equity securities at fair value through profit and loss.

Credit Risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, they are recognised in profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industrial practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on historical data, loss on collection of receivable is not material, hence, no additional provision considered.

Exposure to Credit Risk (₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Financial assets for which loss allowance is measured using 12-months' Expected Credit Losses (ECL)		
Investments in Debentures or Bonds	4,634.55	10.17
Non-Current Loans and Advances	172.58	115.50
Cash and Bank Balances	1,774.02	1,114.04
Bank Deposits	253.71	248.55
Current Loans and Advances	451.18	304.27

Notes to the Standalone Financial Statements

Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) (₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Trade Receivables	27,503.65	32,498.29

Balance with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due:

Particulars	₹ in lakhs
As at 31.03.2019	
Not Due	24,227.29
Up to 3 months	2,914.90
3 to 6 months	267.22
More than 6 months	94.24
TOTAL	**27,503.65**
As at 31.03.2018	
Not Due	30,573.02
Up to 3 months	1,568.38
3 to 6 months	-
More than 6 months	356.89
TOTAL	**32,498.29**

Financial assets are considered to be of good quality and there is no significant increase in credit risk.

Movement in provisions of doubtful debts

Particulars	₹ in lakhs
As at 31.03.2019	
Opening Provision	-
Add: Additional Provision made	10.03
Less: Provision write off	-
Less: Provision reversed	-
CLOSING PROVISIONS	10.03
As at 31.03.2018	
Opening Provision	-
Add: Additional Provision made	-
Less: Provision write off	-
Less: Provision reversed	-
CLOSING PROVISIONS	-

Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Notes to the Standalone Financial Statements

Maturity Profile of Financial Liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(₹ in lakhs)

Particulars	Less than 1 year	1 to 5 years	Total
As at 31.03.2019			
Non-Current Borrowings		5,743.53	5,743.53
Current Borrowings	22,850.03	-	22,850.03
Trade Payables	12,633.14	-	12,633.14
Other Financial Liabilities	3,321.57	-	3,321.57
As at 31.03.2018			
Non-Current Borrowings	-	4,884.05	4,884.05
Current Borrowings	30,889.69	-	30,889.69
Trade Payables	18,131.07	-	18,131.07
Other Financial Liabilities	2,293.32	-	2,293.32

Capital Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using Gearing Ratio, which is total debt divided by total capital plus debt. (₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Exposure to Credit Risk		
Total Debt	30,885.65	37,061.83
Equity	95,999.19	93,887.31
Capital and Debt	**1,26,884.84**	**1,30,949.14**
GEARING RATIO	**24.34%**	**28.30%**

49. NET DEBT RECONCILIATION

(₹ in lakhs)

Particulars	2018-19	2017-18
Cash and Cash Equivalents	1,774.02	1,114.04
Non-Current Borrowings (including Current Maturities)	(8,035.62)	(6,172.13)
Current Borrowings	(22,850.03)	(30,889.69)
Interest Accrued but not Due	(53.58)	(9.30)
NET DEBT	**(29,165.21)**	**(35,957.08)**

Notes to the Standalone Financial Statements

(₹ in lakhs)

Particulars	Cash and Cash Equivalents	Non Current Borrowings (including Current Maturities)	Current Borrowings	Interest Accrued but not Due	Total
As at 31.03.2019					
Opening Net Debt	1,114.04	(6,172.13)	(30,889.69)	(9.30)	(35,957.08)
Cash Flows	659.98	(1,863.49)	8,039.66	-	6,836.15
Finance Cost	-	-	-	(3,371.16)	(3,371.16)
Interest Paid	-	-	-	3,326.88	3,326.88
CLOSING NET DEBT	**1,774.02**	**(8,035.62)**	**(22,850.03)**	**(53.58)**	**(29,165.21)**
As at 31.03.2018					
Opening Net Debt	755.73	(2,872.51)	(23,822.83)	(12.78)	(25,952.39)
Cash Flows	358.31	(3,299.62)	(7,066.86)	-	(10,008.17)
Finance Cost	-	-	-	(3,273.58)	(3,273.58)
Interest Paid	-	-	-	3,277.06	3,277.06
CLOSING NET DEBT	**1,114.04**	**(6,172.13)**	**(30,889.69)**	**(9.30)**	**(35,957.08)**

50. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

There are no loans given, which are covered under section 186(4) of the Companies Act, 2013. Investments made are given under the respective heads.

Corporate guarantee given by the Company in respect of loans as at 31 March, 2019: (₹ in lakhs)

Name of the Company	As at 31.03.2019	As at 31.03.2018
Indo Count Global Inc., USA	6,569.73	6,192.10
TOTAL	6,569.73	6,192.10

The accompanying notes form an integral part of Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors

For Suresh Kumar Mittal & Co.,
Chartered Accountants
Firm Regd. No.: 500063N

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 22, 2019

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Independent Auditors' Report

To
The Members of
Indo Count Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Indo Count Industries Limited (hereinafter referred to as the 'Holding Company") and its Subsidiaries (Holding Company and its Subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2019, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of Significant Accounting Policies (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs as at 31st March, 2019, consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

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. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. 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 No. 49 to the statement, the Holding Company's adoption at Cash Flow Hedging on derivative contracts including existing contracts with effect from 1st April, 2018. The effective portion of changes in the fair value of the derivatives that are designated and qualify as Cash Flow Hedges amounting to loss of ₹ 2,859.73 lakhs (net of deferred tax of ₹ 1,536.07 lakhs) is recognised in the Other Comprehensive Income. Our conclusion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. The Group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk. Foreign currency exchange rate exposure through its sales is partly balanced by purchasing of goods, commodities and services in the respective currencies. The balance foreign currency exchange rate exposure is hedged through derivative like foreign exchange forward contracts (Refer Note No. 49 to the Consolidated Financial Statements). We assessed the foreign exchange risk management policies adopted by the Group. The Group manages risk through a treasury department which formulates risk management objectives and policies which are reviewed by the Senior Management, Audit Committee and Board of Directors of the Holding Company. Our audit approach was a combination of test of internal controls and substantive procedures to evaluate chances of minimizing the risks involved.

2. The Group has material matters under dispute which involves significant judgement to determine the possible outcome of these disputes (Refer Note No. 41 to the Consolidated Financial Statements). We obtained the details of the disputes with their present status and documents. We made an in-depth analysis of the dispute. We also considered legal procedures and other rulings in evaluating managements position on these disputes to evaluate whether any change was required to management's position on these disputes.

3. As on 31st March 2019, Current Tax Assets and Other Current Assets includes amounts recoverable from government department for which efforts for recovery are being made (Refer Note No. 19 and 20 to the Consolidated Financial Statements). Our audit procedures consisted of evaluating whether any change was required to management's position on these uncertainties and the likelihood of recoverability.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our Auditor's Report thereon.

Our opinion on the Consolidated Financial Statements does not cover other information and we do not express any form of assured conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, 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 management 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 responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements 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 Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, 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 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate Internal Financial

Controls System 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 management.

- Conclude on the appropriateness of management's 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 Consolidated Financial Statements 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 Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, 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 Consolidated Financial Statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements / financial information of three Subsidiaries whose financial statements / financial information reflect Total Assets of ₹ 10,745.31 lakhs as at 31st March, 2019, Total Revenues of ₹ 15,734.91 lakhs and Net Cash Flows amounting to ₹ 154.02 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries is based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of one Subsidiary whose financial statements / financial information reflect Total Assets of ₹ 0.49 lakh as at 31st March, 2019, Total Revenues of ₹ Nil and Net Cash Flows amounting to ₹ Nil for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this Subsidiary and our report in terms of sub-sections (3) and (11) of section 143 of the Act in so far as it relates to the aforesaid Subsidiary is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its Subsidiary Companies incorporated in India, none of the directors of the Group Companies is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note No. 41 to the Consolidated Financial Statements.

ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note No. 49 to the Consolidated Financial Statements in respect of such items as it relates to the Group.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiaries incorporated in India.

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

Ankur Bagla
Partner
Membership No.: 521915

Place: Mumbai
Date: 22nd May, 2019

Annexure "A" to the Independent Auditors' Report

Annexure A referred to in Paragraph 6(I)(f) under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date on the Consolidated Financial Statements of Indo Count Industries Limited and its Subsidiary Companies incorporated in India for the year ended 31st March, 2019.

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March, 2019, We have audited the internal financial controls over financial reporting of Indo Count Industries Limited (hereinafter referred to as "the Holding Company") and received audit report of the statutory auditor of its subsidiary company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary Company incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls over financial reporting includes those policies and procedures that:

(a) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and

(c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its Subsidiary Companies incorporated in India, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Ankur Bagla
Partner
Membership No.: 521915

Place: Mumbai
Date: 22nd May, 2019

Consolidated Balance Sheet as at 31st March, 2019

(₹ in lakhs)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
ASSETS			
(1) Non-Current Assets			
a) Property, Plant and Equipment	6	57,181.02	54,065.73
b) Capital Work-In-Progress	6	1,640.80	2,371.98
c) Other Intangible Assets	7	260.36	275.75
d) Financial Assets			
i) Investments	8	-	0.16
ii) Loans	9	172.57	115.49
iii) Others	10	0.01	0.01
e) Other Non-Current Assets	11	766.00	316.58
(2) Current Assets			
a) Inventories	12	53,070.68	59,053.65
b) Financial Assets			
i) Investments	13	4,634.55	10.17
ii) Trade Receivables	14	25,530.12	28,720.99
iii) Cash and Cash Equivalents	15	2,312.15	1,556.83
iv) Bank Balances other than (iii) above	16	1,037.99	990.87
v) Loans	17	19.71	74.22
vi) Others	18	1,881.14	5,932.28
c) Current Tax Assets (Net)	19	1,584.86	915.44
d) Other Current Assets	20	12,376.49	15,518.65
TOTAL ASSETS		1,62,468.45	1,69,918.80
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	21	3,947.99	3,947.99
b) Other Equity		93,526.71	91,688.78
NON CONTROLLING INTEREST		701.46	740.36
LIABILITIES			
(1) Non-Current Liabilities			
a) Financial Liabilities			
- Borrowings	22	5,743.53	4,884.06
b) Provisions	23	563.43	391.94
c) Deferred Tax Liabilities (Net)	24	10,863.17	11,998.16
d) Other Non-Current Liabilities	25	876.66	-
(2) Current Liabilities			
a) Financial Liabilities			
i) Borrowings	26	25,693.22	32,226.10
ii) Trade Payables			
- Micro & Small Enterprises	27	491.31	-
- Other than Micro & Small Enterprises	28	13,903.17	19,156.33
iii) Other Financial Liabilities	29	3,621.61	2,269.13
b) Other Current Liabilities	30	2,531.80	2,615.95
c) Current Tax Liabilities (Net)	31	4.39	-
TOTAL EQUITY AND LIABILITIES		1,62,468.45	1,69,918.80
CONTINGENT LIABILITIES AND COMMITMENTS	32, 41		
SIGNIFICANT ACCOUNTING POLICIES	4		

The accompanying notes form an integral part of Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors

For Suresh Kumar Mittal & Co.,
Chartered Accountants
Firm Regd. No.: 500063N

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 22, 2019

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in lakhs)

Particulars	Note No.	For the year ended 31.03.2019	For the year ended 31.03.2018
CONTINUING OPERATIONS			
I INCOME			
Revenue from Operations	33	1,93,420.62	1,85,851.60
Other Income	34	1,049.35	9,965.12
TOTAL INCOME		1,94,469.97	1,95,816.72
II EXPENSES			
Cost of Materials Consumed	35	1,03,592.24	1,10,308.52
Purchase of Stock-In-Trade		9.89	756.97
Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	36	(497.90)	(6,685.11)
Employee Benefits Expense	37	14,428.68	12,671.83
Finance Cost	38	3,559.82	3,474.46
Depreciation and Amortisation Expense	39	3,527.20	3,305.62
Other Expenses	40	60,314.37	52,548.83
TOTAL EXPENSES		1,84,934.30	1,76,381.12
III Profit before Exceptional Items and Tax (I-II)		9,535.67	19,435.60
IV Exceptional Items		-	-
V Profit before Tax (III-IV)		9,535.67	19,435.60
VI Tax Expense			
a) Current Tax		3,073.05	6,669.62
b) Previous Year Tax		81.22	14.00
c) Deferred Tax		397.51	224.38
VII Profit for the Year (V-VI)		5,983.89	12,527.60
VIII Other Comprehensive Income			
A Items that will not be reclassified to Profit and Loss			
(i) Remeasurement of the Net Defined Benefit Liability / Asset		11.12	49.50
(ii) Income Tax relating to items that will not be reclassified to Profit and Loss		(3.57)	(16.97)
B Items that will be reclassified to Profit and Loss			
(i) Remeasurement of the net change in Forex Liability / Asset		(4,395.79)	-
(ii) Income Tax relating to items that will be reclassified to Profit and Loss		1,536.07	-
(iii) Exchange Difference on translation of Foreign Operations		(407.41)	(39.02)
IX Total Comprehensive Income for the Year (VII+VIII)		2,724.31	12,521.11
X Profit attributable to:			
Owners of the Company		6,024.09	12,603.89
Non-Controlling Interests		(40.20)	(76.29)
XI Total Comprehensive Income attributable to:			
Owners of the company		2,763.21	12,595.68
Non-Controlling Interests		(38.90)	(74.57)
X Earnings Per Equity Share	45		
a) Basic (₹)		3.05	6.38
b) Diluted (₹)		3.05	6.38
SIGNIFICANT ACCOUNTING POLICIES	4		

The accompanying notes form an integral part of Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors

For Suresh Kumar Mittal & Co.,
Chartered Accountants
Firm Regd. No.: 500063N

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 22, 2019

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Consolidated Statement of Changes in Equity for the year ended 31st March, 2019

A. EQUITY SHARE CAPITAL

Particulars	Note No.	(₹ in lakhs)
As at 31st March, 2017		3,947.99
Changes in Equity Share Capital	21(a)	-
As at 31st March, 2018		3,947.99
Changes in Equity Share Capital	21(a)	-
As at 31st March, 2019		3,947.99

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves & Surplus				Preliminary Expenses	Exchange Differences on translating the Financial Statements of Foreign Operations	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Retained Earnings			
Balance as at 31.03.2017	198.81	250.00	1,653.72	78,823.38	(2.10)	(253.33)	80,670.48
Profit for the Year	-	-	-	12,603.89	-	-	12,603.89
Other Comprehensive Income for the Year	-	-	-	(8.21)	-	-	(8.21)
Total Comprehensive Income for the year	-	-	-	12,595.68	-	-	12,595.68
- Creation during the period for Balance Sheet items	-	-	-	-	-	284.30	284.30
- Creation during the period for Profit and Loss items	-	-	-	-	-	39.02	39.02
Final Dividend on Equity Shares	-	-	-	(789.60)	-	-	(789.60)
Dividend Distribution Tax on Final Dividend	-	-	-	(160.75)	-	-	(160.75)
Interim Dividend on Equity Shares	-	-	-	(789.60)	-	-	(789.60)
Dividend Distribution Tax on Interim Dividend	-	-	-	(160.75)	-	-	(160.75)
Amortised during the Year	-	-	-	(0.26)	0.26	-	-
Balance as at 31.03.2018	198.81	250.00	1,653.72	89,518.10	(1.84)	69.99	91,688.78
Profit for the Year	-	-	-	6,024.09	-	-	6,024.09
Other Comprehensive Income for the Year	-	-	-	(3,260.88)	-	-	(3,260.88)
Total Comprehensive Income for the Year	-	-	-	2,763.21	-	-	2,763.21
- Creation during the period for Balance Sheet items	-	-	-	-	-	(380.78)	(380.78)
- Creation during the period for Profit and Loss items	-	-	-	-	-	407.41	407.41
Final Dividend on Equity Shares	-	-	-	(789.60)	-	-	(789.60)
Dividend Distribution Tax on Final Dividend	-	-	-	(162.31)	-	-	(162.31)
Transferred to Retained Earnings	-	(250.00)	-	250.00	-	-	-
Amortised during the Year	-	-	-	(0.79)	0.79	-	-
Balance as at 31.03.2019	198.81	-	1,653.72	91,578.61	(1.05)	96.62	93,526.71

Nature and purpose of Reserves:

i) Capital Reserve:
Capital Reserve standing in books against capital subsidy received against establishing manufacturing unit.

ii) Capital Redemption Reserve:
Capital Redemption Reserve was created for redemption of Preference Shares as per requirement of provisions of Companies Act, 2013. Since the Preference Shares stand fully redeemed, the balance under Capital Redemption Reserve has been transferred to Retained Earnings.

iii) Securities Premium Reserve:
Securities Premium Reserve is created when shares issued at premium.

The accompanying notes form an integral part of Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors

For Suresh Kumar Mittal & Co.,
Chartered Accountants
Firm Regd. No.: 500063N

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 22, 2019

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2019

(₹ in lakhs)

Particulars		For the year ended 31.03.2019		For the year ended 31.03.2018
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Exceptional Items and Tax		9,535.67		19,435.60
Adjustments for:				
Depreciation and Amortisation		3,527.20		3,305.62
Profit on Sale of Assets		(4.92)		(0.19)
Finance Cost		3,559.82		3,474.46
Interest Income		(334.99)		(332.78)
Other Comprehensive Income		(4,384.66)		49.50
Loss on Sale of Assets		2.48		34.99
Operating Profit before Working Capital changes		**11,900.60**		**25,967.20**
Changes in Working Capital:				
Adjustment for (Increase) / Decrease in Operating Assets				
Non-Current Financial Assets	(57.08)		75.38	
Other Non-Current Assets	(449.43)		(153.06)	
Inventories	5,982.98		(11,862.45)	
Trade Receivables	3,190.86		2,401.88	
Current Financial Assets	4,058.54		224.76	
Other-Current Assets	3,142.15	15,868.02	(6,604.64)	(15,918.13)
Adjustment for Increase / (Decrease) in Operating Liabilities				
Non-Current Provisions	171.49		151.99	
Other Non-Current Liabilities	876.66		-	
Trade Payables	(4,761.84)		5,728.86	
Other Current Financial Liabilities	1,352.48		(5,425.12)	
Other Current Liabilities	(84.16)		(707.58)	
Current Provisions	-	(2,445.37)	(159.78)	(411.63)
Net taxes (paid) / refund received		(3,819.30)		(5,405.71)
Net Cash flow from / (used in) Operating Activities (A)		**21,503.95**		**4,231.73**
B) CASH FLOW FROM INVESTING ACTIVITIES				
Capital Expenditure		(5,972.56)		(5,616.29)
Proceeds from Sale of Assets		79.07		60.15
Proceeds from Sale of Non-Current Investments		0.16		-
Purchase of Current Investments		(4,624.38)		(9.97)
Interest Income		334.99		332.78
Net Cash Flow from / (used in) Investing Activities (B)		**(10,182.72)**		**(5,233.33)**

Consolidated Cash Flow Statement for the year ended 31st March, 2019

(₹ in lakhs)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
C) CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase / (Decrease) in Non-Current Borrowings	859.47	2,745.41
Net Increase / (Decrease) in Current Borrowings	(6,532.87)	4,012.52
Finance Cost	(3,559.82)	(3,474.46)
Final Dividend on Equity Shares (including DDT)	(951.91)	(950.35)
Interim Dividend on Equity Shares (including DDT)	-	(950.35)
Transitional Reserve of Balance Sheet items	(380.78)	284.31
Net Cash flow from / (used in) Financing Activities (C)	**(10,565.91)**	**1,667.08**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	755.32	665.48
Cash and Cash Equivalents at the beginning of the year	1,556.83	891.35
Cash and Cash Equivalents at the end of the year	2,312.15	1,556.83
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet	2,312.15	1,556.83
Cash and Cash Equivalents at the end of the year comprises of:		
(a) Cash in Hand	20.80	13.64
(b) Balance with Banks		
in Current Accounts	2,291.35	1,543.19

As per our report of even date attached

For and on behalf of Board of Directors

For Suresh Kumar Mittal & Co.,
Chartered Accountants
Firm Regd. No.: 500063N

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 22, 2019

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Notes to the Consolidated Financial Statements

1. CORPORATE INFORMATION

Indo Count Industries Limited is a limited Group incorporated and domiciled in India whose shares are publicly traded. The registered office is located at Office No.1, Plot No.266, Village Alte, Kumbhoj Road, Taluka Hatkanagale, Dist. Kolhapur-416109, Maharashtra, India.

The Group mainly deals in Textiles. The Group has its wide network of operations in local as well as in foreign market. The group is also the preferred partner for some of the best known retail, hospitality and fashion brands in the world. It is fast, agile and responds to the needs of clients with solutions that make a difference in consumers' lives.

The Financial statements of the Group for the year ended 31 March, 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 22 May, 2019.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in Indian Rupees ('₹') and all values are rounded to the nearest lakhs, except otherwise indicated.

3. PRINCIPLES OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns, from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity income and expenses. Inter Company transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated unless the transaction provided evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment:

The Group has opted to follow cost model for accounting of its entire property, plant and equipment. Property, plant and equipment are stated at original cost inclusive of incidental expenses related to acquisition net of tax / duty credit availed, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major repair is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation on the property, plant and equipment is provided over the useful life of assets as specified in schedule II to the Companies Act, 2013. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition / deletion.

The Group, based on technical assessment made by technical expert and management estimate, depreciates the certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

In case of some items of plant, depreciation has been provided in range of 3 years (minimum) to 35 years (maximum) based on the technical evaluation of the remaining useful life which is different from the one specified in schedule II to the Companies Act, 2013.

Leased assets

Leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building. In other case, buildings constructed on leasehold lands are amortised over the primary lease period of the land.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

4.2 Investment properties

Investment properties comprise portions of freehold land and office building that are held for long-term rental yields and/or for capital appreciation. Investment properties are initially recognised at cost. Subsequently, investment property comprising of building is carried at cost less accumulated depreciation and impairment losses.

The cost includes the cost of replacing parts and borrowing cost for long term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit and loss as incurred.

Depreciation on building is provided over the estimated useful lives as specified in schedule II to the Companies Act, 2013. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each financial year end. The effects of any revision are included in the statement of profit and loss when the change arise.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

4.3 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible

Notes to the Consolidated Financial Statements

assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Research and development cost:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss.

During the period of development, the asset is tested for impairment annually.

Patents and trade marks:

The Group made upfront payments to purchase patents and trade-marks. The patents have been granted for a period of 20 years by the relevant agency with the option of renewal at the end of this period. Trade-marks for the use of intellectual property are granted for a period of 10 years with the option of renewal at the end of this period.

A summary trade-marks of the policies applied to the Group's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Trade-Marks	Finite (10 years)	Amortised on a straight-line basis over the period of the trade-mark	Acquired
Patents	Finite (20 years)	Amortised on a straight-line basis over the period of the patent	Acquired

4.4 Borrowing costs

Borrowing costs consist of interest and other costs that an Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Notes to the Consolidated Financial Statements

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

4.5 Impairment of non-financial assets:

As at each balance sheet date, the Group assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists or when annual impairment testing for an asset is required, if any, the Group determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit and loss section of the statement of profit and loss, except for properties previously revalued, with the revaluation taken to Other Comprehensive Income (the OCI). For Such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

4.6 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

a) Raw material, packing material, construction material, stores & spares:
Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

b) Finished goods and work in progress:
Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

c) Traded goods:
Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

d) Wastage and rejections are valued at estimated realizable value.

Slow and non-moving material, obsolescence, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Consolidated Financial Statements

4.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4.8 Foreign currency transactions

The Group's financial statements are presented in INR, which is also the Group's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognised as income or expenses in the period in which they are arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on transaction of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (i.e. translation differences on items whose gain or loss is recognised in other comprehensive income or the statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively).

4.9 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4.10 Fair value measurement

The Group measures financial instruments, such as derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes to the Consolidated Financial Statements

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4.11 Revenue Recognition

The Companies (Indian Accounting Standards) Amendment Rules, 2018 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 115 "Revenue from Contracts with Customers" related to revenue recognition which replaced Ind AS 11 "Construction Contracts" and Ind AS 18 " Revenue" and provide a single, comprehensive model for all contracts with customers. The revised standard contains principles to determine the measurement of revenue and timing of when it is recognised. The amendment also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments as well as assets recognised from costs incurred to fulfill these contracts.

The Group has adopted Ind AS 115 w.e.f. 1 April, 2018 using the modified retrospective approach. However, the adoption of the standard did not have any impact on the financial statements.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of Services:

Revenue from sale of service is recongised as per terms of the contract with customers when the outcome of the transactions involving rendering of services can be estimated reliably.

Notes to the Consolidated Financial Statements

Interest Income:

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

Dividends:

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Lease Income:

Lease agreements where the risks and rewards incident to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised on straight-line basis as per the terms of the agreements in the statement of profit and loss.

4.12 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

4.13 Earnings per share

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

4.14 Taxes

Current Income Tax:

- Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.
- Current income tax relating to items recognised directly in equity and not in the statement of profit and loss. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax:

Deferred Tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws)that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Group have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

4.15 Segment accounting

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit and loss in the financial statements.

The operating segments have been identified on the basis of the nature of products / services.

a) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

b) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.

c) Income which relates to the Group as a whole and allocable to segments is included in unallocable income.

d) Segment result includes margins on inter-segment sales which are reduced in arriving at the profit before tax to the Group.

e) Segment assets and liabilities include those directly identifiable with respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

Inter-Segment transfer pricing

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

4.16 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainly that the Group will obtain ownership by the end of the lease term, the asset is depreciated over shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charges to the statement of profit and loss on straight line basis.

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4.17 Employee benefits

i) Short-term employee benefits

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

ii) Post-employment benefits

a) Defined contribution plans

State Government Provident Scheme is a defined contribution plan. The contribution paid /payable under the scheme is recognised in the statement of profit and loss during the period in which the employee renders the related services.

b) Defined Benefit Plans

The employee Gratuity Fund scheme and Leave Encashment scheme managed by different trusts are defined benefit plans.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gain and loss, the effect of asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognised in the statement of profit and loss in the period of plan amendment.

Net Interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income.

Long-term employee benefit

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits

Termination benefits are recognised as expenses in the period in which they are incurred.

4.18 Provisions, Contingent liabilities, Contingent assets and Commitments

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provision, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Warranty Provisions

Provision for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Liquidated damages

Provision for liquidated damages are recognised on contracts for which delivery dates are exceeded and computed in reasonable manner.

Other Litigation claims

Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in appeal.

Onerous contracts

A provision for onerous contracts is measured at the present value lower of the expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Group recognizes impairment on the assets under the contract.

4.19 Exceptional Items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group. Such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying the financial statements.

4.20 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Assets and liabilities classified as held for distribution are presented separately from other assets and liabilities in the balance sheet.

A disposal group qualifies as discontinued operation if it is a component of the that either has been disposed of, or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations,
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations,

or

- is a subsidiary acquired exclusively with a view to resale.

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A Group shall not depreciate (or amortise) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale.

4.21 Financial Instruments

i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two broad categories:

- Financial asset at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The objective of the Group's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The Financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different basis.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss, except for those equity investments for which the Group has elected to present value changes in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;

a) The Group has transferred substantially all the risks and rewards of the asset, or

b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Investment in associates, joint venture and subsidiaries

The Group has accounted for its investment in associates, joint venture and subsidiaries at cost.

Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 - months' expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months' after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 - months' ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognize impairment loss allowance based on 12 - months' ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of

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shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increase in credit risk to be identified on a timely basis.

ii) Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms of an existing liability substantially modified, such as exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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iv) Derivative financial instruments and hedge accounting

The Group enters into derivative contracts to hedge foreign currency /price risk on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are initially recognised at fair value on the date on which a derivate contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and presented as a separate component of equity which is later reclassified to statement of profit and loss when the hedge item affects profit or loss.

4.22 Business combination under common control

Common control business combinations include transactions, such as transfer of subsidiaries or businesses, between entities within a group.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

4.23 Preference Shares

i) Non-convertible Preference Shares

On issuance of non-convertible preference shares, the fair value is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

ii) Convertible Preference Shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

4.24 The MCA has notified Companies (Indian Accounting Standards) (Amendment) Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new amendments to Ind-AS's which the Group has not applied as they are effective from 1 April, 2019:

i) Ind AS 116 "Leases"

Ind AS 116 eliminates the current classification model for lessee's lease contracts as either operating or finance leases and, instead, introduces a single lessee accounting model requiring lessees to recognize right-of-use assets and lease liabilities for leases with a term of more than twelve months. This brings the previous off-balance leases on the balance sheet in a manner largely comparable to current finance lease accounting. Ind AS 116 is effective for financial year

Notes to the Consolidated Financial Statements

beginning on or after 1 April, 2019. The Group will adopt the standard for the financial year beginning 1 April, 2019. By applying Ind AS 116, straight-line operating lease expense will be replaced by depreciation expense on right-of-use assets and interest expense on lease liabilities.

The Group is currently assessing the impact of adopting Ind AS 116 on the Financial Statements. It is intended to use most of the simplifications available under Ind AS 116.

ii) Ind AS 12 Income Taxes (Amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that a Company shall recognize the income tax consequences of dividends in the statement of profit and loss, other comprehensive income or equity according to where the Company originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the Group pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the Company has to use judgment, to determine whether each tax treatment should be considered separately or whether same can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the Company is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) the Company has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

iii) Ind AS 109 Financial Instruments (Prepayment Features with Negative Compensation)

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

iv) Ind AS 19 Employee Benefits (Plan Amendment, Curtailment or Settlement)

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement.

In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

v) Ind AS 23 Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that a Company borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

The Group intends to adopt these amendments as and when they become effective. The Group is in the process of assessing the possible impact of the above and will adopt the amendments on the required effective date.

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5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made judgements, which have the most significant effect on the amounts recognised in the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Notes to the Consolidated Financial Statements

6. PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Land - Leasehold	Land - Freehold	Buildings *	Plant & Machinery **	Furniture & Fixtures	Factory & Office Equipments	Vehicles	Total	Capital Work in Progress ***
Gross Carrying Amount									
As at 01.04.2018	833.70	1,066.66	13,962.47	74,004.86	1,427.79	1,363.85	467.90	93,127.23	2,371.98
Additions	-	-	1,848.32	4,475.78	116.70	136.25	63.62	6,640.67	-
Disposals / Transfers	-	-	-	486.11	-	0.86	-	486.97	731.18
As at 31.03.2019	833.70	1,066.66	15,810.79	77,994.53	1,544.49	1,499.24	531.52	99,280.93	1,640.80
Accumulated Depreciation									
As at 01.04.2018	45.24	-	3,918.99	33,426.43	666.15	804.61	200.08	39,061.50	-
Depreciation charged for the year	3.71	-	426.99	2,621.87	190.04	151.06	55.08	3,448.75	-
Disposals / Transfers	-	-	-	409.84	-	0.50	-	410.34	-
As at 31.03.2019	48.95	-	4,345.98	35,638.46	856.19	955.17	255.16	42,099.91	-
Net Carrying Amount									
As at 31.03.2018	788.46	1,066.66	10,043.48	40,578.43	761.64	559.24	267.82	54,065.73	2,371.98
As at 31.03.2019	784.75	1,066.66	11,464.81	42,356.07	688.30	544.07	276.36	57,181.02	1,640.80

* a) Includes 10 shares of ₹ 50 each of Arcadia Premises Co-operative Society Limited.

b) Includes 10 shares of ₹ 50 each of Vardhman Industrial Complex Premises Co-operative Housing Society Limited.

** Includes addition on account of foreign exchange fluctuations of ₹ 37.27 lakhs (previous year ₹ 106.78 lakhs).

*** Does not include Capital Advances of ₹ 58.06 lakhs (previous year ₹ 204.64 lakhs).

Notes to the Consolidated Financial Statements

7. OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Patents	Total
Gross Carrying Amount			
As at 01.04.2018	463.74	132.08	595.82
Additions	42.74	20.32	63.06
Disposals / Transfers	-	-	-
As at 31.03.2019	506.48	152.40	658.88
Accumulated Depreciation			
As at 01.04.2018	291.49	28.58	320.07
Depreciation charged for the year	60.59	17.86	78.45
Disposals / Transfers	-	-	-
As at 31.03.2019	352.08	46.44	398.52
Net Carrying Amount			
As at 31.03.2018	172.25	103.50	275.75
As at 31.03.2019	154.40	105.96	260.36

8. NON-CURRENT INVESTMENTS

Particulars	No. of Shares		₹ in lakhs	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
UNQUOTED				
Others				
In fully paid up Equity Shares of ₹ 10 each				
Shri Datta Nagari Sah Pat Sanstha Ltd.	-	1,050	-	0.11
Choudeswari Co- op Bank Ltd.	-	200	-	0.05
TOTAL			-	0.16
Aggregate Value of:				
Quoted Investments			-	-
Unquoted Investments			-	0.16
Market Value of Quoted Investments			-	-

Notes to the Consolidated Financial Statements

9. NON-CURRENT FINANCIAL LOANS

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Security Deposits	140.79	96.74
Deferred Expenditure	31.78	18.75
TOTAL	**172.57**	**115.49**
Break-up:		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	172.57	115.49
Loans which have significant increase in Credit Risk	-	-
Loans - Credit Impaired	-	-
TOTAL	**172.57**	**115.49**
Less: Allowance for Doubtful Loans	-	-
TOTAL	**172.57**	**115.49**

Refer Note No. 49 for information about Credit Risk and Market Risk of Loans.

10. OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Balances with Banks		
- Held as Margin / Fixed Deposits	0.01	0.01
TOTAL	**0.01**	**0.01**

Represents receipt for ₹ 0.01 lakhs (previous year ₹ 0.01 lakhs) lodged with Sales Tax Department.

11. OTHER NON-CURRENT ASSETS **(Unsecured-considered good)**

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Capital Advances	58.06	204.64
Security Deposits	107.70	111.94
Others	600.24	-
TOTAL	**766.00**	**316.58**

12. INVENTORIES

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Raw Materials *	11,890.98	18,245.73
Work-in-Progress	19,336.49	18,452.03
Finished Goods **	18,363.14	18,770.89
Waste	51.73	30.54
Stores & Spares ***	2,987.01	3,036.98
Dyes and Chemicals ****	441.33	517.48
TOTAL	**53,070.68**	**59,053.65**

* Includes goods in transit ₹ 745.25 lakhs (previous year ₹ 3,380.66 lakhs).

** Includes goods in transit ₹ 1,761.95 lakhs (previous year ₹ 3,673.82 lakhs).

*** Includes goods in transit ₹ 38.79 lakhs (previous year ₹ 75.12 lakhs).

**** Includes goods in transit ₹ 12.99 lakhs (previous year ₹ 85.80 lakhs).

Notes to the Consolidated Financial Statements

13. CURRENT INVESTMENTS

Particulars	No. of Shares		₹ in lakhs	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Investments carried at Fair Value through Profit and Loss				
QUOTED				
In Mutual Funds:				
HDFC Liquid Fund Growth	-	9	-	0.32
Union Prudence Fund	99,990	99,990	10.57	9.85
Franklin India - Low Duration	1,41,44,436	-	1,508.04	-
Franklin Ultra Short Bond Fund-SI-G	95,656	-	25.13	-
Aditya Birla Low	6,52,167	-	657.01	-
Reliance Ultra Short Duration	55,280	-	603.77	-
Franklin India Ultra	1,80,82,080	-	1,830.03	-
TOTAL			4,634.55	10.17
Aggregate Value of:				
Quoted Investments			4,634.55	10.17
Unquoted Investments			-	-
Market Value of Quoted Investments			4,634.55	10.17

14. CURRENT TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Receivables exceeding Six Months	94.24	356.89
Receivables - Others	25,445.91	28,364.10
Receivables which have significant increase in Credit Risk	-	-
Receivables - Credit Impaired	-	-
Allowance for Doubtful Receivables	(10.03)	-
TOTAL	25,530.12	28,720.99
Current Portion	25,530.12	28,720.99
Non-Current Portion	-	-
Break-up of Security Details:		
Secured, Considered Good	-	-
Unsecured, Considered Good	25,530.12	28,720.99
Doubtful	10.03	-
TOTAL	25,540.15	28,720.99
Allowance for Doubtful Receivables	(10.03)	-
TOTAL	25,530.12	28,720.99

a) Trade Receivables include ₹ 1,923.01 lakhs (previous year ₹ 1,517.03 lakhs) for which Credit Risk is retained by the Group under a factoring arrangement. The Group retains interest liability upto an agreed date on the entire amount, the costs for which are recognised as part of finance costs.

b) Refer Note No. 49 for information about Credit Risk and Market Risk of Trade Receivables.

Notes to the Consolidated Financial Statements

15. CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Cash in Hand	20.80	13.64
Balances with Banks		
- In Current Acounts *	2,291.35	1,543.19
TOTAL	2,312.15	1,556.83

* Includes balance in current account with The Kolhapur Urban Co-operative Bank Ltd. ₹ 0.03 lakhs (previous year ₹ 2.13 lakhs) maximum amount outstanding anytime during the year ₹ 1.19 lakhs (previous year ₹ 7.77 lakhs).

16. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Balances with Banks		
- Held as Margin / Fixed Deposits	1,037.99	990.87
TOTAL	1,037.99	990.87

a) Includes receipts for ₹ 228.90 lakhs (previous year ₹ 163.49 lakhs) held with bank as margin money against bank guarantees for Letter of Credit facilities.

b) Includes receipts for ₹ 0.05 lakhs (previous year ₹ 0.05 lakhs) lodged with Excise Department.

c) Includes receipts for ₹ 99.59 lakhs (previous year ₹ 88.34 lakhs) held with bank as margin money against guarantee given to MSEB.

d) Includes receipts for ₹ 691.55 lakhs (previous year ₹ 651.75 lakhs) held with bank as margin money against guarantee for cash credit facility by a Foreign Subsidiary.

17. CURRENT FINANCIAL LOANS

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Security Deposits	19.71	74.22
TOTAL	19.71	74.22
Break-up:		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	19.71	74.22
Loans which have significant increase in Credit Risk	-	-
Loans - Credit Impaired	-	-
TOTAL	19.71	74.22
Less: Allowance for Doubtful Loans	-	-
TOTAL	19.71	74.22

Refer Note No. 49 for information about Credit Risk and Market Risk of Loans.

18. OTHER CURRENT FINANCIAL ASSETS (Unsecured-considered good)

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Derivative Asset	1,449.66	5,660.98
Others	431.48	271.30
TOTAL	1,881.14	5,932.28

Notes to the Consolidated Financial Statements

19. CURRENT TAX ASSETS

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Advance Income Tax (including Tax Deducted at Source)	1,004.17	692.54
Refund Due	423.11	65.32
MAT Credit Entitlement	157.58	157.58
TOTAL	1,584.86	915.44

20. OTHER CURRENT ASSETS (Unsecured-considered good)

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Export Incentives / Claims Recoverable	6,029.90	6,323.65
Balances with Excise / Service Tax Authorities	97.05	102.48
Balances with VAT / GST Authorities	4,232.27	7,746.50
Interest Accrued on Loans & Deposits	21.64	10.00
Advance to Suppliers	469.72	419.77
Others	1,446.60	912.24
Security Deposits	79.31	4.01
TOTAL	12,376.49	15,518.65

21. SHARE CAPITAL

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Authorised:		
Equity Shares		
27,50,00,000 Shares of ₹ 2 each	5,500.00	5,500.00
Preference Shares		
50,00,000 Shares of ₹ 10 each	500.00	500.00
TOTAL	6,000.00	6,000.00
Issued, Subscribed and Paid-Up:		
Equity Shares		
19,73,99,670 Shares of ₹ 2 each	3,947.99	3,947.99
TOTAL	3,947.99	3,947.99

Notes to the Consolidated Financial Statements

Notes:

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Authorised:				
Equity Shares of ₹ 2 each				
Balance at the beginning of the year	27,50,00,000	5,500.00	27,50,00,000	5,500.00
Balance at the end of the year	**27,50,00,000**	**5,500.00**	**27,50,00,000**	**5,500.00**
Preference Shares of ₹ 10 each				
Balance at the beginning of the year	50,00,000	500.00	50,00,000	500.00
Balance at the end of the year	**50,00,000**	**500.00**	**50,00,000**	**500.00**
TOTAL	**28,00,00,000**	**6,000.00**	**28,00,00,000**	**6,000.00**
Issued, Subscribed and Paid-Up:				
Equity Shares of ₹ 2 each				
Balance at the beginning of the year	19,73,99,670	3,947.99	19,73,99,670	3,947.99
Balance at the end of the year	**19,73,99,670**	**3,947.99**	**19,73,99,670**	**3,947.99**

(b) Terms / Rights attached to Equity Shares:

(i) The Group has only one class of Equity Shares having a par value of ₹ 2 each. Each holder of Equity Shares is entitled to one vote per share and pro-rata dividend on the shares held.

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

(c) Details of Equity Shares in the Group held by each shareholder holding more than 5% of shares is as under:

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	Percentage	No. of Shares	Percentage
Indo Count Securities Limited	3,10,41,385	15.73%	3,10,41,385	15.73%
Sandridge Investments Limited	6,20,02,455	31.41%	6,20,02,455	31.41%

d) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

(e) Dividend paid and proposed: (₹ in lakhs)

Particulars	2018-19	2017-18
Final Dividend for F.Y. 2016-17: ₹ 0.40 per share (Face Value of ₹ 2 each)	–	789.60
Interim Dividend for F.Y. 2017-18: ₹ 0.40 per share (Face Value of ₹ 2 each)	–	789.60
Final Dividend for F.Y. 2017-18: ₹ 0.40 per share (Face Value of ₹ 2 each)	789.60	–

Notes to the Consolidated Financial Statements

22. NON-CURRENT BORROWINGS (Secured)

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
1) Term Loan		
i) Rupee loans		
- From Banks (a)	875.00	1,395.82
- From Financial Institutions (a)	4,477.99	2,445.02
2) Foreign Currency Loan		
i) Buyer's Credit (b)	390.54	1,043.22
TOTAL	5,743.53	4,884.06

a) Secured by first pari-passu charge by way of mortgage of immovable properties of the Group situated at Kolhapur, and by second pari-passu charge on hypothecation of all movable properties and current assets of the Group, both present and future. Loans include amounts appearing in current maturities of long term debts of ₹ 1,625.21 lakhs (previous year ₹ 630.16 lakhs).

b) Secured against machinery acquired, includes amount appearing in current maturity of long term debts ₹ 666.88 lakhs (previous year ₹ 657.92 lakhs).

c) Maturity Profile of Non-Current Borrowings:

Particulars	(₹ in lakhs)			
	1-2 Years	2-3 Years	3-4 Years	4-5 Years
1) Term Loan				
i) Rupee Loans				
- From Banks	500.00	375.00	-	-
- From Financial Institutions	1,125.21	1,125.21	1,125.21	1,102.36
2) Foreign Currency Loan				
i) Buyer's Credit	295.47	95.07	-	-
TOTAL	1,920.68	1,595.28	1,125.21	1,102.36

23. NON-CURRENT PROVISIONS

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for Employee Benefits	563.43	391.94
TOTAL	563.43	391.94

24. INCOME TAX

The major components of Income Tax expense for the years ended 31 March, 2019 and 31 March, 2018 are:

STATEMENT OF PROFIT AND LOSS

Profit and Loss section

(₹ in lakhs)

Particulars	31.03.2019	31.03.2018
Current Income Tax:		
Current Income Tax charge	3,073.05	6,669.62
Adjustments in respect of Current Income Tax of previous years	81.22	14.00
Deferred Tax:		
Relating to origination and reversal of temporary differences	397.51	224.38
Income Tax expense reported in the Statement of Profit and Loss	3,551.78	6,908.00

Notes to the Consolidated Financial Statements

Other Comprehensive Income (OCI) Section

Deferred Tax related to items recognised in OCI during in the year: (₹ in lakhs)

Particulars	31.03.2019	31.03.2018
Net loss / (gain) on remeasurements of Defined Benefit Plans and change in Forex	(1,532.50)	16.97
Income Tax charged to OCI	**(1,532.50)**	**16.97**

DEFERRED TAX (₹ in lakhs)

Particulars	Balance Sheet		Profit and Loss	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Deferred Tax relates to the following:				
Expenses allowable on payment basis	324.78	216.83	(107.95)	101.17
Incomes allowable on receipt basis	(506.57)	(2,018.86)	(1,512.29)	26.68
Unused Tax Losses / Depreciation	702.96	708.16	5.20	(218.05)
Accelerated Depreciation for Tax purpose	(11,384.34)	(10,904.29)	480.05	331.55
	(10,863.17)	**(11,998.16)**	**(1,134.99)**	**241.35**
Defered Tax Expenses / (Income):				
- Recognised in Profit and Loss	-	-	397.51	224.38
- Recognised in OCI	-	-	(1,532.50)	16.97
Defered Tax Assets / (Liabilities)	(10,863.17)	(11,998.16)	-	-
	(10,863.17)	**(11,998.16)**	**(1,134.99)**	**241.35**

Deferred Tax asset in respect of long term capital losses of ₹ 67.50 lakhs (previous year ₹ 67.50 lakhs) has not been recognised in view of uncertainty of its realisation.

Reflected in the Balance Sheet: (₹ in lakhs)

Particulars	31.03.2019	31.03.2018
Deferred Tax Assets	1,027.74	924.99
Deferred Tax Liabilities	(11,890.91)	(12,923.15)
Deferred Tax Liabilities (Net)	**(10,863.17)**	**(11,998.16)**

Reconciliation of Deferred Tax Liabilities (Net) (₹ in lakhs)

Particulars	31.03.2019	31.03.2018
Opening Balance as of 1 April	(11,998.16)	(11,756.81)
Tax Income / (Expense) during the period recognised in Profit and Loss	(397.51)	(224.38)
Income / (Expense) during the year recognised in OCI	1,532.50	(16.97)
Closing Balance as at 31 March	**(10,863.17)**	**(11,998.16)**

25. OTHER NON-CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred Government Grants related to Property, Plant & Equipment	876.66	-
TOTAL	876.66	-

Notes to the Consolidated Financial Statements

26. CURRENT BORROWINGS (SECURED)

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Loans repayable on Demand		
i) From Banks		
- In Rupees *	22,850.03	30,889.70
- In Foreign Currency	2,843.19	1,336.40
TOTAL	25,693.22	32,226.10

* Secured by first pari-passu charge by way of hypothecation on all current assets and movable assets and further secured by second pari-passu charge on immovable properties of the Group, both present and future.

27. TRADE PAYABLES DUE TO MICRO & SMALL ENTERPRISES

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Payables	491.31	-
TOTAL	491.31	-

Note:

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
a) The principal amount remaining unpaid to any supplier at the end of the year	491.31	-
b) Interest accrued and due to suppliers under the Act, on the above amount	2.28	-
c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
d) Interest paid to suppliers under the Act	-	-
e) Interest due and payable to suppliers under the Act, for payments already made	-	-
f) Interest accrued and remaining unpaid at the end of the year under the Act	2.28	-
g) The amount of further interest remaining due and payable even in the succeeding years for the purpose of disallowances under Section 23 of the Act	-	-

Disclosure of payable to vendors as defined under the MSMED Act is based on the information available with the Group regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Group. As per the agreed terms of Purchase Order, there are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding in this regard in respect of payments made during the year or on balance brought forward from previous year.

28. TRADE PAYABLES OTHER THAN MICRO & SMALL ENTERPRISES

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Payables	13,903.17	19,156.33
TOTAL	13,903.17	19,156.33

Notes to the Consolidated Financial Statements

29. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Current Maturities of Long Term Debts	2,292.09	1,288.08
Interest Accrued but not due on Borrowings	53.58	9.30
Security Deposits	0.35	0.35
Unpaid Dividend *	83.87	70.77
Other Payables	1,191.72	900.63
TOTAL	3,621.61	2,269.13

* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.

30. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Advance from Customers	139.91	123.25
Other Payables	2,391.89	2,492.70
TOTAL	2,531.80	2,615.95

31. CURRENT TAX LIABILITIES (Net)

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for Income Tax (net of MAT Credit Entitlement)	4.39	-
TOTAL	4.39	-

32. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 37 "PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS"

(i) Movement in Provisions:

(₹ in lakhs)

Particulars	Bank Guarantees		Excise Duty / Customs Duty / Service Tax	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Carrying amount at the beginning of the year *	618.74	534.91	182.84	202.38
Additional provision made during the year **	512.35	83.83	-	-
Amounts used during the year	86.55	-	-	19.54
Carrying amount at the end of the year *	1,044.54	618.74	182.84	182.84

(₹ in lakhs)

Particulars	Other Litigation Claims		Corporate Guarantee		Total	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Carrying amount at the beginning of the year *	26.49	24.38	6,192.10	6,160.75	7,020.17	6,922.42
Additional provision made during the year **	43.19	2.11	377.63	31.35	933.17	117.29
Amounts used during the year	6.96	-	-	-	93.51	19.54
Carrying amount at the end of the year *	62.72	26.49	6,569.73	6,192.10	7,859.83	7,020.17

* Carrying amounts comprise of non-current and current provisions.

** Additional provision made during the year and reversal of unused amounts are included in the respective head of accounts.

(ii) Nature of Provisions:

(a) Bank guarantee amount represents Group's performance obligation to the holder of guarantee.

(b) Provision for excise duty / customs duty / service tax represents the differential duty liability that may be expected to materialise in respect of matters in appeal.

(c) Provision for litigation represents liabilities that may be expected to materialise in respect of matters in appeal.

(d) Corporate guarantee amount represents guarantee given to a foreign bank on behalf of a foreign subsidiary.

33. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
1) Sale of Products		
- Manufactured	1,79,859.72	1,68,468.82
- Stock-In-Trade	289.12	1,202.05
2) Sale of Services	0.22	8.26
3) Other Operating Revenue		
- Export Incentives / Benefits	13,271.56	16,172.47
REVENUE FROM OPERATIONS	1,93,420.62	1,85,851.60

Disaggregation of Revenue

Revenue based on Geography

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
India	5,406.36	11,249.42
Rest of World	1,88,014.26	1,74,602.18
REVENUE FROM OPERATIONS	1,93,420.62	1,85,851.60

Notes to the Consolidated Financial Statements

Reconciliation of Revenue from Operations with Contract Price (₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Contract Price	1,97,270.73	1,88,190.84
Less:		
Sales Returns	32.24	0.07
Rebates & Discounts	945.98	617.71
Embedded Interest	279.91	260.27
Others	2,591.98	1,461.19
REVENUE FROM OPERATIONS	1,93,420.62	1,85,851.60

34. OTHER INCOME

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Interest - Banks	24.72	21.48
Interest - Others	310.26	311.30
Claims Received	-	52.56
Government Grants related to Property, Plant & Equipment	107.49	-
Miscellaneous Receipts	71.88	389.66
Cash Discount Received	2.93	-
Insurance Claim Received	2.80	14.17
Profit on changes in NAV of Mutual funds	7.49	-
Profit on Redemption of Mutual funds	3.99	-
Dividend Received on Mutual Fund	41.87	-
Profit on Sale of Assets	4.92	0.19
Exchange Rate Difference (Net)	8.45	9,079.21
Rent Received	1.20	0.71
Mark to Market on Forward Contracts	184.47	-
Previous Year Income	-	2.29
Sundry balances / Excess provision written back (Net)	1.07	5.83
Liability no longer payable written back	275.81	87.72
TOTAL	1,049.35	9,965.12

Notes to the Consolidated Financial Statements

35. COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Raw Material & Components Consumed		
Opening Stock	18,245.73	14,398.23
Add: Purchases	97,237.49	1,14,156.02
SUB-TOTAL	**1,15,483.22**	**1,28,554.25**
Less: Closing Stock	11,890.98	18,245.73
COST OF MATERIALS CONSUMED	**1,03,592.24**	**1,10,308.52**

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

(₹ in lakhs)

Particulars		For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Opening Stock			
Finished Goods		18,770.89	16,000.63
Stock in Process		18,452.03	14,542.55
Waste		30.54	25.17
SUB-TOTAL	(A)	**37,253.46**	**30,568.35**
Less: Closing Stock			
Finished Goods		18,363.14	18,770.89
Stock in Process		19,336.49	18,452.03
Waste		51.73	30.54
SUB-TOTAL	(B)	**37,751.36**	**37,253.46**
(INCREASE) / DECREASE IN STOCK	(A-B)	**(497.90)**	**(6,685.11)**

37. EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Salaries & Wages	12,280.92	10,612.85
Directors' Remuneration	968.04	961.68
Contribution to Provident & Other Funds	665.69	649.51
Gratuity	199.18	133.72
Staff Welfare Expense	267.88	264.08
Recruitment & Training Expense	46.97	49.99
TOTAL	**14,428.68**	**12,671.83**

Notes to the Consolidated Financial Statements

38. FINANCE COST

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Interest Expense:		
- On Term Loans	561.95	129.14
- Banks	2,194.99	2,018.56
- Others	52.90	130.54
Bank Charges	703.03	1,114.61
Finance Procurement Charges	46.95	81.61
TOTAL	3,559.82	3,474.46

39. DEPRECIATION & AMORTISATION EXPENSE

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Depreciation	3,527.20	3,305.62
TOTAL	3,527.20	3,305.62

40. OTHER EXPENSES

(₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Consumption of Stores / Dyes and Packing Materials	15,405.05	15,035.87
Jobwork Charges	18,582.86	16,079.73
Power & Fuel	9,426.89	8,535.87
Rent (a)	692.02	637.22
Rates, Taxes & Fees	103.64	371.28
Insurance	217.09	241.66
Repairs to Machinery	431.98	456.87
Repairs to Buildings	103.56	183.54
Commission & Brokerage	1,679.64	1,582.40
Freight Outward	3,410.79	2,482.32
Other Selling Expenses	2,843.52	1,965.93
Loss on Sale of Assets	2.48	34.99
Investments written off	0.16	-
Loss in value of NAV of Mutual Funds	-	0.13
Bad Debts / Advances written off	20.34	717.57
Exchange Rate Difference (Net)	3,081.02	-
Provision for Dountful Debts	10.03	-
Mark to Market on Forward Contracts	-	65.54
Miscellaneous Expenses (b)	4,303.30	4,157.91
TOTAL	60,314.37	52,548.83

(a) Including Operating Lease - As a Lessee (₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
A) The total of future minimum lease payments under non-cancellable operating leases for each of the following years:		
i) Not later than one year	182.36	298.99
ii) Later than one year and not later than five years	456.35	297.71
iii) Later than five years	-	-
B) Lease payments recognised in the Statement of Profit and Loss	143.37	146.18

(b) Includes Payment to Auditors (₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
As Statutory Audit Fee	50.66	41.62
As Quarterly Audit / Limited Review Fees	10.50	10.50
As Tax Audit Fee	3.55	3.50
For Tax Representations	-	2.75
For Certification Work	0.33	0.18
In Other Capacity	1.33	1.25
For Reimbursement of Expenses	2.39	1.97
TOTAL	**68.76**	**61.77**

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

A. Contingent Liabilities (₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
i) Bank Guarantees	1,044.54	618.74
ii) Excise Duty / Custom Duty / Service Tax demands disputed in Appeals	182.84	182.84
iii) Other Litigation Claims (including Pending Labour Cases)	62.72	26.49
iv) Corporate Guarantee given to a Foreign Bank outside India for securing financial assistance	6,569.73	6,192.10

(a) In terms of EPCG Licenses issued, the Group has undertaken an export obligation of ₹ 64,677.81 lakhs, which is to be fulfilled over a period of 6 years. The Group has completed the export obligation to the extent of ₹ 59,282.64 lakhs till the year end, of which licenses of ₹ 48,673.86 lakhs have been redeemed by the DGFT and balance licenses having value of ₹ 10,608.78 lakhs are under redemption. The export obligation of ₹ 5,395.17 lakhs is to be fulfilled over a period of 6 years.

(b) In terms of advance license obtained for import of raw materials, the Group, has undertaken an export obligation for USD 18.950 Mn. which is to be fulfilled over a period of 2 years. The Group has completed the obligation and DGFT has redeemed these licenses.

(c) Under the package scheme of incentives of Government of Maharashtra for Mega Projects, the Group was eligible for VAT and Electricity duty refund benefits. However, if it contravenes any of the conditions of the scheme or eligibility certificate of entitlement, it shall repay forthwith the entire benefits drawn / availed alongwith interest thereon together with costs, charges and expenses.

Notes to the Consolidated Financial Statements

(d) No provision has been made in the accounts towards electricity duty on electricity generated for captive use during the period 01.04.2000 to 30.04.2005 amounting to ₹ 292.07 lakhs (previous year ₹ 292.07 lakhs) excluding interest, as the Group has won the case against MSEDCL vide order number 2204 of 2007 dated 07.11.2009 of the Hon'ble High Court of Mumbai whereby it was decided that no such duty is payable. MSEDCL has appealed before the Hon'ble Supreme Court with condonation of delay and matter is yet to be heard. As the matter is subjudice, the management feels that no provision is necessary.

B. Commitments (₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
a) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	45.25	1,399.34

42. RELATED PARTY DISCLOSURES

Related party disclosures as required by IND-AS 24 "Related Party Disclosures" are given below:

i) Key Management Personnel

1.	Shri Anil Kumar Jain	Executive Chairman
2.	Shri Mohit Jain	Managing Director (upto 30.06.2018) & Non Executive Vice Chairman (w.e.f. 01.07.2018)
3.	Shri K. R. Lalpuria	Executive Director & CEO (Exec. Dir. w.e.f. 04.05.2018 & CEO w.e.f 08.02.2019)
4.	Shri Kamal Mitra	Director (Works)
5.	Shri P. N. Shah	Independent Director
6.	Shri R. Anand	Independent Director
7.	Shri Dilip Thakkar	Independent Director
8.	Shri Prem Malik	Independent Director
9.	Shri Sushil Kumar Jiwarajka	Independent Director (w.e.f. 04.05.2018)
10.	Dr. (Mrs.) Vaijayanti Pandit	Independent Director
11.	Shri Sanjay Kumar Panda	Independent Director (w.e.f. 03.08.2018)
12.	Shri Siddharth Mehta	Independent Director (w.e.f. 03.08.2018)

ii) Relatives of Key Management Personnel

1. Smt. G. D. Jain
2. Smt. Shikha Jain

iii) Parties where Control Exists

A. Associates

1. A. K. Jain HUF

B. Others

1. Indo Count Foundation

(₹ in lakhs)

Particulars	Associates	Relatives of Key Management Personnel	Key Management Personnel	Others	Total
Remuneration Paid	-	40.42	1,096.10	-	1,136.52
	(-)	(38.99)	(902.28)	(-)	(941.27)
Commission Paid	-	-	8.32	-	8.32
	(-)	(-)	(6.00)	(-)	(6.00)
Sitting Fees	-	-	18.60	-	18.60
	(-)	(-)	(14.00)	(-)	(14.00)
Lease Rent Paid	67.31	-	-	-	67.31
	(75.17)	(-)	(-)	(-)	(75.17)
CSR Expenses	-	-	-	293.97	293.97
	(-)	(-)	(-)	(225.29)	(225.29)
Balance outstanding at the end of year:					
a) Deposit - Rent	15.60	-	-	-	15.60
	(15.60)	(-)	(-)	(-)	(15.60)
b) Other Payables:					
Remuneration Payable	-	-	179.50	-	179.50
	(-)	(-)	(214.21)	(-)	(214.21)
Commission Payable	-	-	8.32	-	8.32
	(-)	(-)	(6.00)	(-)	(6.00)

a) Previous year figures are given in brackets.

b) Related parties enlisted above are those having transactions with the Group.

43. It is Management's opinion that since the Group is exclusively engaged in the activity of manufacture of textile products which constitutes a single reportable segment in the context of Indian Accounting Standard (Ind-AS) 108 on "Operating Segments" issued by the Institute of Chartered Accountants of India.

44. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITIES (CSR)

The particulars of expenditure are as follows:

a) Gross amount required to be spent by the Company during the year was ₹ 623.31 lakhs (previous year ₹ 619.92 lakhs).

b) Amount incurred during the year:

Particulars	₹ in lakhs
i) Construction / Acquisition of Asset	-
ii) On purpose other than (i) above	293.97

Out of the above, the Group has paid ₹ 293.97 lakhs (previous year ₹ 225.29 lakhs) to Indo Count Foundation.

45. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 33 "EARNINGS PER SHARE"

Particulars	UoM	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Face value of Equity Shares	₹	2.00	2.00
Weighted average number of Equity Shares outstanding	Nos.	19,73,99,670	19,73,99,670
Profit for the year (Continuing Operations)	₹ In lakhs	6,024.09	12,603.89
Weighted Average earnings per share (Basic and Diluted)	₹	3.05	6.38

Notes to the Consolidated Financial Statements

46. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 "EMPLOYEE BENEFITS"

Defined Contribution Plans:

Amount of ₹ 665.69 lakhs (previous year ₹ 649.51 lakhs) is recognised as an expense and included in Employee Benefits Expense under the following defined contribution plans (Refer Note 37, supra): (₹ in lakhs)

Particulars	For the year 01.04.2018 to 31.03.2019	For the year 01.04.2017 to 31.03.2018
Benefits:		
Provident Fund	550.50	556.40
Employee State Insurance Scheme	111.15	90.13
Labour Welfare Scheme	4.04	2.98
TOTAL	665.69	649.51

Defined Benefit Plans:

Gratuity

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

The Group makes annual contributions to the Life Insurance Corporation of India, which is funded defined benefit plan for qualifying employees.

Leave Encashment Benefit

The Group provides for leave encashment, a defined benefit retirement plan covering eligible employees. The Leave Encashment Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 12 days salary for each completed year of service, till retirement subject to maximum of 90 days.

The Group makes annual contributions to the Life Insurance Corporation of India, which is funded defined benefit plan for qualifying employees.

(₹ in lakhs)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2018-19 (funded)	2017-18 (funded)	2018-19 (funded)	2017-18 (funded)
I	Change in Present Value of Defined Benefit Obligation during the year				
1	Present Value of defined benefit obligation at the beginning of the year	1,696.91	1,528.58	491.15	364.70
2	Interest cost	130.66	117.70	37.82	28.08
3	Current service cost	182.31	178.10	39.92	135.42
4	Past service cost	-	-	-	-
5	Liability transfer from other Company	-	-	-	-
6	Liability transferred out / divestment	-	-	-	-
7	Benefits paid directly by employer	-	-	(1.16)	-
8	Benefits paid	(100.88)	(70.24)	(69.42)	(39.52)
9	Actuarial changes arising from changes in demographic assumptions	-	-	-	-
10	Actuarial changes arising from changes in financial assumptions	-	(107.58)	(14.03)	(23.84)
11	Actuarial changes arising from changes in experience adjustments	(15.25)	50.35	(3.06)	26.32
12	Present Value of defined benefit obligation at the end of the year	1,893.74	1,696.91	481.23	491.15

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Sr. No.	Particulars	Gratuity 2018-19 (funded)	Gratuity 2017-18 (funded)	Leave Encashment 2018-19 (funded)	Leave Encashment 2017-18 (funded)
II	**Change in Fair Value of Plan Assets during the year**				
1	Fair value of plan assets at the beginning of the year	1,369.10	1,131.86	427.03	412.41
2	Interest Income	114.50	85.27	34.37	31.02
3	Contributions paid by the employer	66.53	217.47	50.87	23.11
4	Benefits paid from the fund	(100.88)	(65.51)	(70.58)	(39.52)
5	Assets transferred out / divestments	-	-	0.06	-
6	Return on plan assets excluding interest income	-	-	-	-
7	Actuarial losses / (gains)	(79.02)	-	2.22	-
8	Fair value of plan assets at the end of theyear	1,370.22	1,369.10	443.96	427.03
III	**Net Asset/ (Liability) recognised in the Balance Sheet**				
1	Present Value of defined benefit obligation at the end of the year	1,893.74	1,696.91	481.23	491.15
2	Fair value of plan assets at the end of the year	1,370.22	1,369.10	443.96	427.03
3	Amount recognised in the balance sheet	523.52	327.81	37.27	64.13
4	Net (liability) / asset- current	-	-	-	-
5	Net (liability) / asset- non-current	(523.52)	(327.81)	(37.27)	(64.13)
IV	**Expenses recognised in the Statement of Profit and Loss for the year**				
1	Current service cost	182.31	176.21	39.92	133.98
2	Interest cost on benefit obligation (Net)	31.17	24.70	8.22	(1.54)
3	Actuarial changes arising from changes in demographic assumptions	-	-	-	-
4	Actuarial changes arising from changes in financial assumptions	-	-	-	(23.84)
5	Actuarial changes arising from changes in experience adjustments	-	-	(18.26)	26.32
6	Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset)' above	-	-	(3.53)	0.10
7	Total expenses included in employee benefits expense	213.48	200.90	26.35	135.01
V	**Recognised in Other Comprehensive Income for the year**				
1	Actuarial changes arising from changes in demographic assumptions	-	-	-	-
2	Actuarial changes arising from changes in financial assumptions	-	(107.58)	-	-
3	Actuarial changes arising from changes in experience adjustments	(15.25)	50.35	-	-
4	Return on plan assets excluding interest income	4.13	7.73	-	-
5	Recognised in other comprehensive income	(11.12)	(49.50)	-	-
VI	**Maturity Profile of Defined Benefit Obligation**				
1	Within the next 12 months (next annual reporting period)	244.59	216.16	183.67	178.01
2	Between 2 and 5 years	424.58	305.22	82.09	64.32
3	Between 6 and 10 years	843.13	407.90	69.62	37.93
VII	**Quantitative Sensitivity Analysis for significant assumption is as below:**				
	Increase / (Decrease) on present valueof defined benefits obligation at the end of the year				
	(i) One percentage point increase in discount rate	(158.92)	(146.45)	(29.09)	(32.00)
	(ii) One percentage point decrease in discount rate	184.23	170.38	34.05	37.62
	(i) One percentage point increase in rate of salary Increase	187.00	172.83	34.57	38.20
	(ii) One percentage point decrease in rate of salary Increase	(163.86)	(150.76)	(30.00)	(33.00)
	(i) One percentage point increase in employee turnover rate	14.03	13.10	3.04	3.56
	(ii) One percentage point decrease in employee turnover rate	(14.74)	(13.77)	(3.21)	(3.74)
	(i) One percentage point increase in medical Inflation rate	N.A.	N.A.	N.A.	N.A.
	(ii) One percentage point decrease in medical Inflation rate	N.A.	N.A.	N.A.	N.A.

Notes to the Consolidated Financial Statements

VIII Sensitivity Analysis Method

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

IX The major categories of plan assets as a percentage of total (₹ in lakhs)

Particulars	Gratuity		Leave Encashment	
	2018-19	2017-18	2018-19	2017-18
Insurer Managed Funds	100%	100%	100%	100%

X Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	2018-19 (funded)	2017-18 (funded)	2018-19 (funded)	2017-18 (funded)
Discount Rate (p.a.)	7.70% p.a.	7.04% p.a.	7.70% p.a.	7.04% p.a.
Salary Escalation (p.a.)	7.00%	7.00%	7.00%	7.00%
Mortality Rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality post retirement Rate	NA	NA	NA	NA
Employee Turnover Rate (p.a.)	5.00% p.a.	4.00% p.a.	5.00% p.a.	4.00% p.a.
Future benefit Cost Inflation	NA	NA	NA	NA

Expected contribution to the defined benefit plan for the next annual reporting period:

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31 March, 2019. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(iii) The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

47. DETAILS OF CAPITAL EXPENDITURE INCURRED DURING THE YEAR FOR RESEARCH AND DEVELOPMENT

(₹ in lakhs)

Particulars	2018-19	2017-18
Plant and Machinery	27.18	47.23
TOTAL	27.18	47.23

48. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

a) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these instruments.

Notes to the Consolidated Financial Statements

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(₹ in lakhs)

Particulars	Carrying amount	Fair value		
	As at 31.03.2018	Level 1	Level 2	Level 3
Financial Assets at Amortised cost:				
Trade Receivables	28,720.99	-	-	-
Loans and Other Receivables (Non-Current)	115.50	-	-	115.50
Loans and Other Receivables (Current)	345.52	-	-	345.52
Cash and Bank Balances	1,556.83	-	-	-
Bank Deposits	990.87	-	-	-
TOTAL	31,729.71	-	-	461.02
Financial Assets at Fair Value through Profit and Loss:				
Derivative Instruments	5,660.98	-	5,660.98	-
Investments	10.33	0.16	10.17	-
TOTAL	5,671.31	0.16	5,671.15	-
Financial Liabilities at Amortised Cost:				
Non-Current Borrowings	4,884.06	-	-	-
Current Borrowings	32,226.10	-	-	-
Trade and Other Payables	19,156.33	-	-	-
Other Financial Liabilities (Current)	2,269.13	-	-	900.98
TOTAL	58,535.62	-	-	900.98

(₹ in lakhs)

Particulars	Carrying amount	Fair value		
	As at 31-03-2019	Level 1	Level 2	Level 3
Financial Assets at Amortised cost:				
Trade Receivables	25,530.12	-	-	-
Loans and Other Receivables (Non-Current)	172.58	-	-	172.58
Loans and Other Receivables (Current)	451.19	-	-	451.19
Cash and Bank Balances	2,312.15	-	-	-
Bank Deposits	1,037.99	-	-	-
TOTAL	29,504.03	-	-	623.77
Financial Assets at Fair Value through Profit and Loss:				
Investments	4,634.55	-	4,634.55	-
TOTAL	4,634.55	-	4,634.55	-
Financial Assets at Fair Value through Other Comprehensive Income:				
Derivative Instruments	1,449.66	-	1,449.66	-
TOTAL	1,449.66	-	1,449.66	-
Financial Liabilities at Amortised Cost:				
Non-Current Borrowings	5,743.53	-	-	-
Current Borrowings	25,693.22	-	-	-
Trade and Other Payables	14,394.48	-	-	-
Other Financial Liabilities (Current)	3,621.61	-	-	1,192.06
TOTAL	49,452.84	-	-	1,192.06

During the reporting period ending 31 March, 2019 and 31 March, 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

Notes to the Consolidated Financial Statements

Description of significant unobservable inputs to valuation:

The following table shows the valuation techniques and inputs used for financial instruments

Particulars	As at 31-03-2019	As at 31-03-2018
Non-Current Security Deposits	Discounted Cash Flow method using current interest rate.	
Derivative Instruments	Based on quotes from banks.	
Other Financial Liabilities (Non-Current)	Discounted Cash Flow method using risk adjusted discount rate.	

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regard to interest income and interest expense and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Group, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, an analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. Above 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to Interest Rate Risk (₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Total Borrowings	33,728.84	38,398.24
% of Borrowings out of above bearing Variable Rate of Interest	100%	100%

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit before Tax: (₹ in lakhs)

Particulars	2018-19	2017-18
50 bps increase would decrease the Profit before Tax by	168.64	191.99
50 bps decrease would increase the Profit before Tax by	(168.64)	(191.99)

Notes to the Consolidated Financial Statements

Foreign Currency Risk

The Group operates internationally and portion of the business is transacted in serveral currencies and consequently the Group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies.

Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign Currency in lakhs

Particulars	USD	EUR	CHF	GBP	JPY	Total
Foreign Currency Exposure as at 31 March, 2018						
Trade and Other Receivables	479.18	-	2.32	-	-	481.50
Non-Current Borrowings	-	-	-	24.83	-	24.83
Bank Balances	7.43	-	-	-	-	7.43
Trade and Other Payables	9.45	0.10	0.52	-	-	10.07
Foreign Currency Exposure as at 31 March, 2019						
Trade and Other Receivables	396.20	1.42	0.13	0.25	18.20	416.20
Non-Current Borrowings	-	-	-	15.23	-	15.23
Bank Balances	17.80	-	-	-	-	17.80
Trade and Other Payables	10.33	-	0.51	-	-	10.84

Forward Contracts

Foreign currency hedges taken by the Group against export trade receivables are as under:

Particulars	Number of Contracts	Foreign Currency in lakhs (USD)	₹ in lakhs	Buy / Sell
As at 31.03.2019	253	1,511.09	1,07,520.29	Sell
As at 31.03.2018	647	2,856.28	1,93,669.92	Sell

Foreign Currency Sensitivity

5% increase or decrease in foreign exchange rates will have the following impact on profit before tax: (₹ in lakhs)

Particulars	2018-19		2017-18	
	5% Increase	5% decrease	5% Increase	5% decrease
USD	1,467.23	(1,467.23)	1,616.51	(1,616.51)
EUR	5.52	(5.52)	0.42	(0.42)
GBP	2.90	(2.90)	13.12	(13.12)
CHF	53.74	(53.74)	85.06	(85.06)
JPY	11.39	(11.39)	-	-
Increase / (decrease) in Profit and Loss	**1,540.78**	**(1,540.78)**	**1,715.11**	**(1,715.11)**

Market Risk - Price Risk

Exposure

The Group's exposure to equity securities' price risk arises from investments held by the Group and classified in the Balance Sheet at fair value through Profit and Loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Notes to the Consolidated Financial Statements

Sensitivity

The table below summarises the impact of increases / decrease of the BSE index on the Group's equity and gain / loss for the period. The analysis is based on the assumption that the index has increased by 5% or decreased by 5% with all other variables held constant, and that all the Group's equity instruments moved in line with the index.

Impact on Profit before Tax (₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
BSE Sensex 30 - Increase 5%	231.73	0.51
BSE Sensex 30 - Decrease 5%	(231.73)	(0.51)

Above referred sensitivity pertains to quoted equity investment (Refer Note No. 13). Profit for the year would increase / decrease as a result of gains / losses on equity securities at fair value through profit and loss.

Credit Risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. Individual risk limits are set accordingly.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operationg results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, there are recognised in profit and loss.

The Group measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industrial practices and the business enviornment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on historical data, loss on collection of receivable is not material, hence, no additional provision considered.

Exposure to Credit Risk (₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Financial assets for which loss allowance is measured using 12-months' Expected Credit losses (ECL)		
Investments in Debentures or Bonds	4,634.55	10.17
Investments in Unquoted Shares	-	0.16
Non-Current Loans and Advances	172.58	115.50
Cash and Bank Balances	2,312.15	1,556.83
Bank Deposits	1,037.99	990.87
Current Loans and Advances	451.19	345.52

Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) (₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Trade Receivables	25,530.12	28,720.99

Balance with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due:

Particulars	₹ in lakhs
As at 31.03.2019	
Not Due	22,147.46
Up to 3 months	3,021.20
3 to 6 months	267.22
More than 6 months	94.24
TOTAL	25,530.12
As at 31.03.2018	
Not Due	26,805.73
Up to 3 months	1,373.84
3 to 6 months	184.53
More than 6 months	356.89
TOTAL	28,720.99

Financial assets are considered to be of good quality and there is no significant increase in credit risk.

Movement in provisions of doubtful debts

Particulars	₹ in lakhs
As at 31.03.2019	
Opening Provision	-
Add: Additional Provision made	10.03
Less: Provision write off	-
Less: Provision reversed	-
CLOSING PROVISIONS	10.03
As at 31.03.2018	
Opening Provision	-
Add: Additional Provision made	-
Less: Provision write off	-
Less: Provision reversed	-
CLOSING PROVISIONS	-

Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a resonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Notes to the Consolidated Financial Statements

Maturity Profile of Financial Liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(₹ in lakhs)

Particulars	Less than 1 year	1 to 5 years	Total
As at 31.03.2019			
Non-Current Borrowings	-	5,743.53	5,743.53
Current Borrowings	25,693.22	-	25,693.22
Trade Payables	14,394.48	-	14,394.48
Other Financial Liabilities	3,621.61		3,621.61
As at 31.03.2018			
Non-Current Borrowings	-	4,884.06	4,884.06
Current Borrowings	32,226.10	-	32,226.10
Trade Payables	19,156.33	-	19,156.33
Other Financial Liabilities	2,269.13	-	2,269.13

Capital Management

For the purposes of the Group's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Group's Capital Management is to maximise shareholder value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using Gearing Ratio, which is total debt divided by total capital plus debt. (₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Total debt	33,728.84	38,398.24
Equity	97,474.70	95,636.77
Capital and Debt	**1,31,203.54**	**1,34,035.01**
GEARING RATIO	**25.71%**	**28.65%**

50. NET DEBT RECONCILIATION

(₹ in lakhs)

Particulars	2018-19	2017-18
Cash and Cash Equivalents	2,312.15	1,556.83
Non-Current Borrowings (including Current Maturities)	(8,035.62)	(6,172.14)
Current Borrowings	(25,693.22)	(32,226.10)
Interest Accrued but not Due	(53.58)	(9.30)
NET DEBT	**(31,470.27)**	**(36,850.71)**

(₹ in lakhs)

Particulars	Cash and Cash Equivalents	Non Current Borrowings (including Current Maturities)	Current Borrowings	Interest Accrued but not Due	Total
As at 31.03.2019					
Opening Net Debt	1,556.83	(6,172.14)	(32,226.10)	(9.30)	(36,850.71)
Cash Flows	755.32	(1,863.48)	6,532.88	-	5,424.72
Finance Cost	-	-	-	(3,559.82)	(3,559.82)
Interest Paid	-	-	-	3,515.54	3,515.54
CLOSING NET DEBT	**2,312.15**	**(8,035.62)**	**(25,693.22)**	**(53.58)**	**(31,470.27)**
As at 31.03.2018					
Opening Net Debt	891.35	(2,872.51)	(28,213.58)	(12.78)	(30,207.52)
Cash Flows	665.48	(3,299.63)	(4,012.52)	-	(6,646.67)
Finance Cost	-	-	-	(3,474.46)	(3,474.46)
Interest Paid	-	-	-	3,477.94	3,477.94
CLOSING NET DEBT	**1,556.83**	**(6,172.14)**	**(32,226.10)**	**(9.30)**	**(36,850.71)**

As per our report of even date attached

For and on behalf of Board of Directors

For Suresh Kumar Mittal & Co.,
Chartered Accountants
Firm Regd. No.: 500063N

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 22, 2019

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Cautionary statement

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

Complete Comfort

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Email: icilinvestors@indocount.com
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INDO COUNT INDUSTRIES LIMITED

CIN: L72200PN1988PLC068972

Registered Office: Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, District Kolhapur-416109, Maharashtra

Tel No: (0230)-2463100/2461929

Website: www.indocount.com; **E-mail:** icilinvestors@indocount.com

NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of Indo Count Industries Limited will be held on Tuesday, 13th August, 2019 at 12.30 p.m. at Hotel Vrishali Executive, Conference Hall, 39 A/2, Tarabai Park, District Kolhapur – 416 003, Maharashtra to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2019 together with the reports of the Board of Directors and Auditors thereon.

2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2019 together with the report of the Auditors thereon.

3. To declare Final Dividend of ₹ 0.60/- per Equity Share of face value of ₹ 2/- each for the Financial Year 2018-19.

4. To appoint a Director in place of Mr. Kamal Mitra (DIN: 01839261), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **Re-appointment of Mr. Anil Kumar Jain as "Executive Chairman" of the Company**

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

   "**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 (including second proviso to sub-section (1) of Section 197) and 198 of the Companies Act, 2013 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee (NRC) and approval of the Board of Directors (hereinafter referred to as "the Board"), the consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Anil Kumar Jain (DIN:00086106) as a Whole-time Director designated as "Executive Chairman" of the Company for a period of 3 years w.e.f. 1st October, 2019, on the remuneration and other terms and conditions as set out below, with liberty to the Board to alter and vary the terms and conditions of the said re-appointment and remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197 of the Act;

   (A) **Salary and Perquisites:**

   Basic Salary: ₹ 18,00,000 – 19,80,000 – 21,78,000 p.m.

   Perquisites and Allowances

   Category I

   1. Rent Free Fully Furnished Accommodation or House Rent Allowance equal to 100% of the Basic Salary.

   2. Furnishing of residential accommodation with free use of all facilities, Repairs and House Maintenance, Medical Allowance, Servant / Helper Allowance, Re-imbursement of gas, electricity, water charges or any other utilities, Special Allowance or such other allowances as may be decided by the Board - Upto 40% of the Basic Salary.

   3. Chauffer Driven Company Cars for both business and personal use. Fuel cost, repairs, maintenance and operating and running expenses for the cars.

4. Telephone, Mobile and Communication facilities, computers, laptops at the Residence for official purpose and expenses incurred thereof.

5. Payment of membership fees for clubs in India including any admission / life membership fees and other allied expenses.

6. Leave Travel Allowance (LTA) & Medical Expenses - As per the policy of the Company for the Executive Chairman / Managing Director / Whole-Time Directors of the Company.

7. Medical / Health Insurance - As per the Medical Insurance policy of the Company for Executive Chairman / Managing Director / Whole-Time Directors of the Company.

8. Personal Accident Insurance – Premium for the Personal Accident Insurance Policy for Mr. Anil Kumar Jain, Executive Chairman shall be borne by the Company.

9. Any other allowances, benefits and perquisites, as per the rules and / or policy of the Company as are applicable to the Executive Chairman of the Company and / or which may become applicable in the future. Reimbursement of expenses as per the policy of the Company not forming part of perquisites.

Category II

The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, 1961, gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave shall not be included for the purpose of computation of the overall ceiling of remuneration.

(B) Commission

The Commission as may be approved by the Board (or a Committee thereof) for each financial year.

The above remuneration including commission of all Whole-time Directors / Executive Directors / Managing Director shall be within 10% of the Net profits, as prescribed under Section 197 of the Act, read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);

RESOLVED FURTHER THAT any revision in remuneration payable to Mr. Anil Kumar Jain during his tenure of office be determined by the Board, pursuant to the recommendation of NRC provided overall remuneration of all Executive Directors / Managing Director is within 10% of the Net profit, as prescribed under Section 197 of the Act read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);

RESOLVED FURTHER THAT in accordance with the Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of NRC and approval of the Board, the consent of the members of the Company be and is hereby accorded for aforesaid payment of remuneration to Mr. Anil Kumar Jain, Executive Chairman and Promoter of the Company during his term of office of 3 years w.e.f. 1st October, 2019 to 30th September, 2022 and also for payment of remuneration from 1st April 2019 to 30th September, 2019, notwithstanding:

i) payment of annual remuneration to Mr. Anil Kumar Jain exceeds ₹ 5 Crores or 2.5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Act, whichever is higher; or

ii) aggregate annual remuneration paid to Executive/ Whole-Time Directors who are in promoter or promoter group exceeds 5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Act.

(C) Overall Remuneration:

The aggregate of salary, allowances and total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed ten percent (10%) of the net profits of the Company for all Managing/ Whole-time Directors in accordance with the provisions of Sections 197, 198 and other applicable provisions, if any, of the Act, read with Schedule V (including any statutory amendments, modifications or re-enactment(s) thereof, as may be made thereto and for the time being in force);

RESOLVED FURTHER THAT notwithstanding anything contained in Sections 197, 198 and Schedule V of the Act, or any amendment/re-enactment thereof and pursuant to recommendation of NRC and approval of Board, in the event of absence of profits or inadequate profits in any financial year, during the tenure of office of Mr. Anil Kumar Jain, Executive Chairman, he shall be paid remuneration by way of salary, perquisites as mentioned above as Minimum Remuneration, notwithstanding the said minimum remuneration is in excess of the limits specified in Section II of Schedule V of the Act subject to the compliance of applicable provisions of Schedule V of the Act;

RESOLVED FURTHER THAT Mr. Anil Kumar Jain, Executive Chairman shall not be liable to retire by rotation."

6. **Re-appointment of Mr. Kamal Mitra, as Director (Works) of the Company**

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

   "**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 (including second proviso to sub-section (1) of Section 197) and 198 of the Companies Act, 2013 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee (NRC) and approval of the Board of Directors (hereinafter referred to as "the Board"), the consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Kamal Mitra (DIN: 01839261) as Whole-time Director designated as "Director (Works)" of the Company for a period of 3 years w.e.f. 1st October, 2019, on the remuneration and other terms and conditions as set out below, with liberty to the Board to alter and vary the terms and conditions of the said re-appointment and remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197 of the Act;

(A) **Salary and Perquisites**

Basic Salary: ₹ 2,50,000/- p.m. with an annual increment as may be approved by NRC and Board.

Perquisites and Allowances

Category I

1. House Rent Allowance - Upto 50% of the Basic Salary.
2. Medical Allowance/ Reimbursement – As per the policy of the Company for Directors of the Company.
3. Leave Travel Allowance (LTA) - As per the policy of the Company for the Executive Chairman / Managing Director / Whole-Time Directors of the Company.
4. Chauffer Driven Company Car for both business and personal use. Fuel cost, repairs, maintenance and operating and running expenses for the car.
5. Travelling Expenses/ Conveyance – As per the policy of the Company for Directors of the Company.
6. Medical / Health Insurance - As per the Medical Insurance policy of the Company for Executive Chairman / Managing Director / Whole-Time Directors of the Company.
7. Personal Accident Insurance – Premium for the Personal Accident Insurance Policy taken for Mr. Kamal Mitra, Director (Works) shall be borne by the Company.
8. Any other allowances, benefits and perquisites, as per the rules and / or policy of the Company as are applicable to Mr. Kamal Mitra and / or which may become applicable in the future. Reimbursement of expenses as per the policy of the Company not forming part of perquisites.

Category II

The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, 1961, gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave shall not be included for the purpose of computation of the overall ceiling of remuneration.

(B) Commission

The Commission as may be approved by the Board (or a Committee thereof) for each financial year.

The above remuneration including commission of all Whole-time Directors / Executive Directors / Managing Director shall be within 10% of the Net profits, as prescribed under Section 197 of the Act, read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);

RESOLVED FURTHER THAT any increment / revision in Basic salary and perquisites and remuneration by way of incentive / bonus / ex-gratia / performance linked incentives payable to Mr. Kamal Mitra during his tenure of office be determined by the Board, pursuant to the recommendation of NRC provided overall remuneration of all Executive Directors / Managing Director is within 10% of the Net profit, as prescribed under Section 197 of the Act, read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);

(C) Overall Remuneration:

The aggregate of salary, allowances and total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed ten percent (10%) of the net profits of the Company for all Managing/ Whole-time Directors in accordance with the provisions of Sections 197, 198 and other applicable provisions, if any, of the Act, read with Schedule V (including any statutory amendments, modifications or re-enactments thereof, as may be made thereto and for the time being in force);

RESOLVED FURTHER THAT notwithstanding anything contained in Sections 197, 198 and Schedule V of the Act, or any amendment/re-enactment thereof and pursuant to the recommendation of NRC and approval of Board, in the event of absence of profits or inadequate profits in any financial year, during the tenure of office of Mr. Kamal Mitra, Director (Works), he shall be paid remuneration by way of salary, perquisites as mentioned above as Minimum Remuneration, notwithstanding the said minimum remuneration is in excess of the limits specified in Section II of Schedule V of the Act subject to the compliance of applicable provisions of Schedule V of the Act;

RESOLVED FURTHER THAT Mr. Kamal Mitra, Director (Works) shall be liable to retire by rotation."

7. Change in designation of Mr. Mohit Jain to "Executive Vice Chairman" of the Company

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 (including second proviso to sub-section (1) of Section 197) and 198 of the Companies Act, 2013 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee (NRC) and approval of the Board of Directors (hereinafter referred to as "the Board") and subject to any other approvals, permissions if required under the Act, the consent of the members of the Company be and is hereby accorded for the change in designation of Mr. Mohit Jain (DIN: 01473966) from Vice Chairman in Non-Executive category to Whole-time Director designated as "Executive Vice Chairman" of the Company for a period of 3 years w.e.f. 1st July, 2019, on the remuneration and other terms and conditions as set out below, with liberty to the Board to alter and vary the terms and conditions of the said appointment and remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197 of the Act;

(A) Salary and Perquisites:

Basic Salary: ₹ 13,00,000 – 14,30,000 – 15,73,000 p.m.

Perquisites and Allowances

Category I

1. Rent Free Fully Furnished Accommodation or House Rent Allowance equal to 100% of the Basic Salary.

2. Furnishing of residential accommodation with free use of all facilities, Repairs and House Maintenance, Medical Allowance, Servant / Helper Allowance, Re-imbursement of gas, electricity, water charges or any other utilities, Special Allowance or such other allowances as may be decided by the Board - Upto 40% of the Basic Salary.

3. Chauffer Driven Company Cars for both business and personal use. Fuel cost, repairs, maintenance and operating and running expenses for the cars.

4. Telephone, Mobile and Communication facilities, computers, laptops at the Residence for official purpose and expenses incurred thereof.

5. Payment of membership fees for clubs in India including any admission / life membership fees and other allied expenses.

6. Leave Travel Allowance (LTA) & Medical Expenses - As per the policy of the Company for the Executive Vice Chairman / Managing Director / Whole-Time Directors of the Company.

7. Medical / Health Insurance - As per the Medical Insurance policy of the Company for Executive Vice Chairman / Managing Director / Whole-Time Directors of the Company.

8. Personal Accident Insurance – Premium for the Personal Accident Insurance Policy for Mr. Mohit Jain, Executive Vice Chairman shall be borne by the Company.

9. Any other allowances, benefits and perquisites, as per the rules and / or policy of the Company as are applicable to the Executive Vice Chairman of the Company and / or which may become applicable in the future. Reimbursement of expenses as per the policy of the Company not forming part of perquisites.

Category II

The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, 1961, gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave shall not be included for the purpose of computation of the overall ceiling of remuneration.

(B) Commission

The Commission as may be approved by the Board (or a Committee thereof) for each financial year.

The above remuneration including commission of all Whole-time Directors / Executive Directors / Managing Director shall be within 10% of the Net profits, as prescribed under Section 197 of the Act, read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);

RESOLVED FURTHER THAT any revision in remuneration payable to Mr. Mohit Jain during his tenure of office be determined by the Board, pursuant to the recommendation of NRC provided overall remuneration of all Executive Directors / Managing Director is within 10% of the Net profit, as prescribed under Section 197 of the Act, read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);

RESOLVED FURTHER THAT in accordance with the Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of NRC and approval of the Board, the consent of the members of the Company, be and is hereby accorded for aforesaid payment of remuneration to Mr. Mohit Jain, Executive Vice Chairman and Promoter of the Company during his term of office of 3 years w.e.f. 1st July, 2019 to 30th June, 2022 notwithstanding:

i) payment of annual remuneration to Mr. Mohit Jain exceeds ₹ 5 Crores or 2.5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Act, whichever is higher; or

ii) aggregate annual remuneration paid to Executive/ Whole Time Directors who are in promoter or promoter group exceeds 5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Act.

(C) Overall Remuneration:

The aggregate of salary, allowances and total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed ten percent (10%) of the net profits of the Company for all Managing/ Whole-time Directors in accordance with the provisions of Sections 197, 198 and other applicable provisions, if any, of the Act, read with Schedule V (including any statutory amendments, modifications or re-enactments thereof, as may be made thereto and for the time being in force);

RESOLVED FURTHER THAT notwithstanding anything contained in Sections 197, 198 and Schedule V of the Act, or any amendment/re-enactment thereof and pursuant to recommendation of NRC and approval of Board, in the event of absence of profits or inadequate profits in any financial year, during the tenure of office of Mr. Mohit Jain, Executive Vice Chairman, he shall be paid remuneration by way of salary, perquisites as mentioned above as Minimum Remuneration, notwithstanding the said minimum remuneration is in excess of the limits specified in Section II of Schedule V of the Act subject to the compliance of applicable provisions of Schedule V of the Act;

RESOLVED FURTHER THAT Mr. Mohit Jain, Executive Vice Chairman shall be liable to retire by rotation."

8. **Re-appointment of Mr. Dilip J. Thakkar as a Non-Executive Independent Director of the Company for second term of five consecutive years**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Dilip J. Thakkar (DIN: 00007339), who was appointed as an Independent Director of the Company at the Annual General Meeting held on 23rd August, 2014 and who holds office as an Independent Director upto 15th August, 2019 and who meets the criteria of independence as specified in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and has submitted a declaration to that effect and eligible for the re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years w.e.f. 16th August, 2019 to 15th August, 2024."

9. **Re-appointment of Mr. Prem Malik as a Non-Executive Independent Director of the Company for second term of five consecutive years**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Prem Malik (DIN: 00023051), who was appointed as an Independent Director of the Company at the Annual General Meeting held on 23rd August, 2014 and who holds office as an Independent Director upto 15th August, 2019 and who meets the criteria of independence as specified in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and has submitted a declaration to that effect and eligible for the re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years w.e.f. 16th August, 2019 to 15th August, 2024."

10. **Re-appointment of Dr. (Mrs.) Vaijayanti Pandit as a Non-Executive Independent Director of the Company for second term of five consecutive years**

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

    "RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Dr. (Mrs.) Vaijayanti Pandit (DIN: 06742237), who was appointed as an Independent Director of the Company at the Annual General Meeting held on 23rd August, 2014 and who holds office as an Independent Director upto 15th August, 2019 and who meets the criteria of independence as specified in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and has submitted a declaration to that effect and eligible for the re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years w.e.f. 16th August, 2019 to 15th August, 2024."

11. **Giving Unsecured Loan / Corporate Guarantee to Pranavaditya Spinning Mills Ltd, Subsidiary of the Company upto ₹ 10 Crores**

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

    "RESOLVED THAT pursuant to the provisions of Section 185 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder and notifications, circulars issued (including any statutory modification(s) or re-enactment(s) or clarifications, exemption(s) thereof for the time being in force), and the relevant provisions of the Memorandum and Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to give Unsecured Loan upto ₹ 10,00,00,000/- (Rupees Ten Crores only) to Pranavaditya Spinning Mills Limited ("PSML"), a Subsidiary of the Company, in one or more tranches, at such rate of interest as applicable under the Act and on other terms and conditions as may be agreed between the Company and PSML from time to time and/or to provide Corporate Guarantee within the aforesaid limit on such terms and conditions as may be agreed between the Company and PSML, in connection with the loans if availed by PSML in future;

    RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary, expedient or desirable and to execute the documents, agreements, deeds or writings required to be made and to do all acts, deeds and things as it may in its absolute discretion deem necessary, proper or desirable;

    RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of its powers conferred by the above resolution to any committee of directors or any other officers of the Company to give effect to the above resolution."

By Order of the Board of Directors of
Indo Count Industries Limited

Date: 22nd May, 2019 **Amruta Avasare**
Place: Mumbai Company Secretary & Compliance Officer

Registered Office:
Office No. 1, Plot No. 266, Village Alte,
Kumbhoj Road, Taluka Hatkanangale,
District Kolhapur 416 109, Maharashtra.

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of the Business under Item Nos. 5 to 11 of the Notice, is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM") IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   Proxy forms, in order to be effective, must be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the AGM. Proxy form should be duly completed, stamped and signed.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or member.

3. The final dividend on equity shares as recommended by the Board of Directors, if approved by the members at the AGM, will be paid to those Equity Shareholders whose names appear in the Register of Members / Register of Beneficial Owners as at the close of business hours on Friday, 2nd August, 2019 ("Record Date").

4. Corporate Members intending to send their authorized representatives are requested to send to the Company a duly certified copy of the Resolution passed by the Board of Directors under Section 113 of the Act, authorizing their representatives to attend and vote at the AGM.

5. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard – 2 on General Meetings, relevant details of the Directors seeking appointment/re-appointment are provided in the "Annexure I" to this Notice.

6. Pursuant to the provisions of Section 72 of the Act, members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company are requested to submit Form SH-13 to the Registrar and Transfer Agent of the Company. Members holding shares in demat form may contact their respective Depository Participant ("DP") for recording of nomination.

7. In case of joint members attending the AGM, the Member whose name appears as first holder in the order of names as per Register of Members of the Company will be entitled to vote, in case first holder has not done e-voting.

8. Members holding shares:

   a) in electronic/demat form are advised to inform the particulars of their bank account, change of address and E-mail address to their respective Depository Participant ("DP") only. The Company or its Registrar and Share Transfer Agent ('RTA') i.e. Link Intime India Private Limited cannot act on any request received directly from the members holding shares in demat mode for changes in any bank mandates or other particulars etc. and such instructions are required to be given directly by the members to their DP.

   b) in physical form are advised to inform the particulars of their bank account, change of address and E-mail address to the RTA.

9. Members, whether holding shares in electronic/physical mode, are requested to quote their DP ID & Client ID or Folio No. for all correspondence with the Company / RTA.

10. NRI Members are requested to:

    a) change their residential status on return to India permanently.

    b) furnish particulars of bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank with PIN Code No., if not furnished earlier.

11. To support green initiative and to disseminate all the communications promptly, members who have not registered their E-mail address are requested to register the same with the DP / RTA in respect of shares held in electronic/physical mode respectively for receiving all the communications including Annual Reports, Notices, etc., by email. Email addresses made available by the DP/RTA will be treated as registered email address for serving notices/documents.

12. Members holding shares under different Folio Nos. in the

same names are requested to apply for consolidation of folios and send relevant original share certificates to the Company's RTA for doing the needful.

13. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in dematerialized form are, therefore, requested to submit their PAN to their respective DP. Members holding shares in physical form are requested to submit their PAN details to the Company / RTA.

14. **Pursuant to SEBI Circular dated 8th June, 2018, w.e.f. 1st April, 2019, transfer of securities of a listed company is carried out in dematerialized form only. Hence, members holding equity shares of the Company in physical form are requested to dematerialize their shares at the earliest.**

15. Electronic copy of the Annual Report for Financial Year 2018-19 and Notice of the 30th AGM of the Company *inter-alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email addresses are registered with the Company/DP for communication purposes unless any member has requested for a hard copy of the same. Request for hard copy shall be sent at icilinvestors@indocount.com. For members who have not registered their email address, physical copies of the Annual Report for Financial Year 2018-19 and Notice of the 30th AGM of the Company *inter-alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent through permitted mode. The Notice of 30th AGM and Annual Report for FY 2018-19 will be available on website of Company at www.indocount.com

16. Copies of any documents referred to in the Notice and Explanatory Statement are available for inspection at the Registered Office of the Company on all days except Saturdays, Sundays or Public holidays between 2.00 p.m. to 4.00 p.m. upto the date of the AGM and also at the AGM venue.

17. In terms of Section 124 of the Act (including any statutory modification(s) or re-enactment(s) for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account is required to be transferred to the Investor Education and Protection Fund (IEPF) along with shares. Accordingly, the Interim and Final Dividend for the FY 2015-16, 2016-17 and 2017-18 are due for transfer along with the shares in respect of which such dividend is unpaid/unclaimed to IEPF in the year 2022, 2023, 2024 and 2025 respectively. Members are requested to ensure that they claim the respective dividend(s) before transfer of the said amount to IEPF. Members who have not encashed their dividend warrants for said dividend(s) are requested to contact the Company or/Registrar and Transfer Agent.

    Further, as per SEBI Circular dated 20th April 2018, unpaid dividend can be paid only in electronic mode and members are requested to update their bank details at earliest.

18. Route Map to reach the venue of the 30th AGM is given at the end of this Notice.

E-voting:

Pursuant of Section 108 of the Act read with Rule 20 of Companies (Management and Administration) Rules, 2015 as amended from time to time, and Regulation 44 of the Listing Regulations, the Company is pleased to provide 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through National Securities Depository Limited (NSDL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on all resolutions mentioned in the notice of the 30th AGM of the Company.

General Instructions:

a) It is clarified that it is not mandatory for a member to cast vote using e-voting facility. The facility for voting, through ballot/poll paper shall also be made available at the venue of the 30th AGM. The members attending the AGM, who have not cast their vote through remote e-voting shall be able to exercise their voting rights at the AGM. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.

b) The voting rights of members shall be in proportion to the shares held by them, of the paid-up equity share capital of the Company as on the cut-off date i.e. **Tuesday, 6th August, 2019**.

c) The remote e-voting period begins on **Friday, 9th August, 2019 at 9.00 a.m. (IST) and ends on Monday, 12th August, 2019 at 5.00 p.m. (IST)**. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, 6th August, 2019 may cast their votes by remote e-voting.

The remote e-voting module shall be disabled by NSDL for voting after 5.00 p.m. (IST) on 12th August, 2019.

d) Mr. Shrenik Nagaonkar, Partner of M/s. PPS & Associates, Practicing Company Secretaries (Membership No.: F7067; CP No: 11682), has been appointed as a Scrutinizer to scrutinize the remote e-voting process and voting through ballot/poll paper at the venue of AGM in a fair and transparent manner.

e) The Scrutinizer shall submit his consolidated report to the Chairman within 48 hours from the conclusion of the AGM.

f) The result declared along with the Scrutinizer's Report shall be placed on the website of the Company at www.indocount.com and on the website of NSDL and shall simultaneously be communicated to Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited within 48 hours from conclusion of the AGM.

Process and manner for members opting to vote through remote e-voting:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Members whose email address is registered with the Company/Depository Participants(s) shall receive an email from NSDL. Following steps shall be followed for remote e-voting:

(i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile.

(ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

(iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

(iv) Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

(v) Your password details are given below:

a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c. How to retrieve your 'initial password'?

1. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit

client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

2. If your email ID is not registered, your 'initial password' is communicated to you on your postal address on the attendance slip.

(vi) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

(vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

(viii) Now, you will have to click on "Login" button.

(ix) After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

(i) After successful login at Step A, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

(ii) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

(iii) Select "EVEN" of "Indo Count Industries Limited" for which you wish to cast your vote.

(iv) Now you are ready for e-Voting as the Voting page opens.

(v) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

(vi) Upon confirmation, the message "Vote cast successfully" will be displayed.

(vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

(viii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Members

A. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

B. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to shrenik.nagaonkar@ppscs.in with a copy marked to evoting@nsdl.co.in.

C. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

At the Annual General Meeting of the Company held on 26th July, 2016, Mr. Anil Kumar Jain (DIN: 00086106) was appointed as a Whole Time Director of the Company designated as "Executive Chairman" of the Company for a period of 3 years w.e.f. 1st October, 2016 to 30th September, 2019. Thus, the existing term of Mr. Anil Kumar Jain as Executive Chairman is ending on 30th September, 2019.

Pursuant to the recommendation of the Nomination and Remuneration Committee and in order to continue to avail benefit of his rich knowledge, vast experience and effective leadership, the Board of Directors of the Company at its meeting held on 22nd May, 2019, re-appointed Mr. Anil Kumar Jain as a Whole Time Director designated as "Executive Chairman" of the Company for a further period of 3 years w.e.f. 1st October, 2019, on the terms and conditions including remuneration as stated in Item No. 5 of the Notice, subject to the approval of members of the Company.

Mr. Anil Kumar Jain has given his consent for the aforesaid re-appointment. He is not disqualified to act as Director u/s 164, 196 of the Companies Act, 2013 ("the Act") read with Part I of Schedule V of the Act. He is not debarred from holding the office of Director by virtue of any SEBI Order or any other authority.

Effective from 1st April, 2019, pursuant to the Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the members by special resolution in general meeting, if-

i. the annual remuneration payable to such executive director exceeds ₹ 5 Crores or 2.5 per cent of the net profits of the listed entity calculated as per the provisions of Section 198 of the Act, whichever is higher; or

ii. where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

Pursuant to the provisions of Sections 196, 197, 198 and any other applicable provisions, if any, of the Act, and the rules framed thereunder read with Schedule V of the Act, the appointment and remuneration of Whole Time Director requires approval of the shareholders in General Meeting.

The Company has received notice in writing from a Member under Section 160 of the Act proposing candidature of Mr. Anil Kumar Jain for the office of Director of the Company.

The brief resume and other details of Mr. Anil Kumar Jain as per the Listing Regulations and Secretarial Standard - 2 are provided in "Annexure I" to the Notice.

The statement as required under Section II, Part II of the Schedule V of the Act, with reference to payment of minimum remuneration at Item No. 5 is annexed hereto as "Annexure II".

The Board of Directors recommends the resolution at Item No. 5 of the Notice for the approval of members of the Company by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Anil Kumar Jain and Mr. Mohit Jain and their relatives are, in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 of the Notice.

ITEM NO. 6

At the Annual General Meeting of the Company held on 26th July, 2016, Mr. Kamal Mitra (DIN: 01839261) was appointed as a Whole Time Director of the Company designated as "Director (Works)" of the Company for a period of 3 years w.e.f. 1st October, 2016 to 30th September, 2019. Thus, the existing term of Mr. Kamal Mitra, Director (Works) is ending on 30th September, 2019.

Pursuant to the recommendation of Nomination and Remuneration Committee and considering his rich experience and knowledge, the Board of Directors of the Company at its meeting held on 22nd May, 2019 re-appointed Mr. Kamal Mitra as Whole Time Director designated as "Director (Works)" for a further period of 3 years w.e.f. 1st October, 2019 on the terms and conditions including remuneration as stated in Item No. 6 of the Notice, subject to the approval of Members of the Company.

Mr. Kamal Mitra has given his consent for the aforesaid re-appointment. He is not disqualified to act as Director u/s 164, 196 of the Companies Act, 2013 ("the Act") read with Part I of Schedule V of the Act. He is not debarred from holding the office of Director by virtue of any SEBI Order or any other authority.

Pursuant to the provisions of Sections 196, 197, 198 and any other applicable provisions, if any, of the Act, and the rules framed thereunder read with Schedule V of the Act, the appointment and remuneration of Whole Time Director requires approval of the shareholders in General Meeting.

The Company has received notice in writing from a Member under Section 160 of the Act proposing candidature of Mr. Kamal Mitra for the office of Director of the Company.

The brief resume and other details of Mr. Kamal Mitra as per the Listing Regulations and Secretarial Standard - 2 are provided in "Annexure I" to the Notice.

The statement as required under Section II, Part II of the Schedule V of the Act, with reference to payment of minimum remuneration at Item No. 6 is annexed hereto as "Annexure II".

The Board of Directors recommends the resolution at Item No. 6 of the Notice for the approval of members of the Company by way of a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Kamal Mitra and his relatives are, in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 6 of the Notice.

ITEM NO. 7

At the Annual General Meeting held on 11th September, 2018, the Members of the Company had approved change in designation of Mr. Mohit Jain (DIN: 01473966) from Managing Director to Vice Chairman of the Company in Non-Executive category w.e.f. 1st July, 2018.

In order to reorganize Company's business activities afresh and considering skills and experience of Mr. Mohit Jain in managing business and pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 22nd May, 2019 approved re-designation of Mr. Mohit Jain as a Whole Time Director designated as "Executive Vice Chairman" of the Company for a period of 3 years w.e.f. 1st July, 2019 on such remuneration and other terms and conditions as stated in Item No. 7 of the Notice, subject to the approval of members of the Company and any other authorities, if required.

Mr. Mohit Jain has given his consent for the aforesaid re-designation. He is not disqualified to act as Director u/s 164, 196 of the Companies Act, 2013 ("the Act"). He is not debarred from holding the office of Director by virtue of any SEBI Order or any other authority.

Effective from 1st April, 2019, pursuant to the Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the members by special resolution in general meeting, if-

i. the annual remuneration payable to such executive director exceeds ₹ 5 Crores or 2.5 per cent of the net profits of the listed entity calculated as per the provisions of Section 198 of the Act, whichever is higher; or

ii. where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

Pursuant to the provisions of Sections 196, 197, 198 and any other applicable provisions, if any, of the Act, and the rules framed thereunder read with Schedule V of the Act, the appointment and remuneration of Whole Time Director requires approval of the Members in General Meeting and the said appointment will be subject to the approval of central government in case the appointment is in variance to the conditions in Part I of Schedule V of the Companies Act, 2013. Due to change in residential status of Mr. Mohit Jain in the previous year, necessary approval, if any, of central government will be obtained.

The brief resume and other details of Mr. Mohit Jain as per the Listing Regulations and Secretarial Standard - 2 are provided in Annexure I to the Notice.

The statement as required under Section II, Part II of the Schedule V of the Act, with reference to payment of minimum remuneration at Item No. 7 is annexed hereto as Annexure II.

The Board of Directors recommends the resolution at Item No. 7 of the Notice for the approval of Members of the Company by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Mohit Jain and Mr. Anil Kumar Jain and their relatives are, in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 7 of the Notice.

ITEM NO. 8

At the Annual General Meeting (AGM) held on 23rd August, 2014, Mr. Dilip J. Thakkar (DIN: 00007339), was appointed as a Non-Executive Independent Director of the Company for a first term of 5 consecutive years i.e. upto 15th August, 2019.

Further, pursuant to Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, at the Annual General Meeting held on 11th September, 2018, members of the Company approved continuation of term of Mr. Dilip J. Thakkar upto 15th August, 2019.

Mr. Dilip J. Thakkar is a Chartered Accountant (FCA) and fellow member of Indian Institute of Bankers. He has around 58 years of experience in the fields of Accounting, Finance, FEMA and Taxation. He serves as Senior Partner of M/s. Jayantilal Thakkar & Co. and M/s. Jayantilal Thakkar Associates, Mumbai. Mr. Thakkar specializes in Foreign Exchange Management Act and extensively advises Non Resident Indians, Overseas Corporations and large Indian Companies on Investments, Taxation, collaboration etc.

Mr. Dilip J. Thakkar is associated with the Company from past 16 years as an Independent Director. Mr. Dilip J. Thakkar, aged 82 years, is fit and capable of discharging his duties as an Independent Director of the Company. He attends Board and Committee meetings of the Company, participates in various discussions and provides his valuable suggestions to the Board. His rich knowledge, skills, wide experience, contributions have immensely benefited the Company.

Considering all the aforesaid factors and on the basis of report of performance evaluation of Mr. Dilip J. Thakkar, the Nomination and Remuneration Committee (NRC) recommended to the Board that his continued association will immensely benefit the Company. Pursuant to the recommendation of NRC and report of performance evaluation and in order to continue to reap benefits of his rich and varied experience, the Board at its meeting held on 8th February, 2019 approved and recommended re-appointment of Mr. Dilip J. Thakkar, as a Non-Executive Independent Director of the Company for a second term of five consecutive years with effect from 16th August, 2019 to 15th August, 2024 , not liable to retire by rotation.

Mr. Dilip J. Thakkar has given consent for the said re-appointment and he is not disqualified from being re-appointed as a director of the Company under Section 164 of the Companies Act, 2013 ("the Act"). Further, the Company has received declaration of independence from Mr. Dilip J. Thakkar confirming that he meets the criteria of independence as specified in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. The Board after assessing veracity of the same is of the opinion that he fulfills the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and rules made thereunder and the Listing Regulations and he is independent of the management. Further, Mr. Dilip J. Thakkar is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

The Company has received notice in writing from a member under Section 160 of the Act proposing candidature of Mr. Dilip J. Thakkar for the office of Director of the Company.

The details of Mr. Dilip J. Thakkar required under Regulation 36(2) of the Listing Regulations and Secretarial Standard - 2 are provided in "Annexure I" to the Notice. The letter of re-appointment of Mr. Dilip J. Thakkar setting out the terms and conditions of the said re-appointment is available for inspection at the Registered Office of the Company on all days except Saturdays, Sundays or Public holidays between 2.00 p.m. to 4.00 p.m. upto the date of the AGM and also at the AGM. Further, the letter of appointment is also available on website of the Company.

Pursuant to the provisions of Section 149(10) of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing of a special resolution by the company. Further, as per Schedule IV of the Act, the re-appointment of independent director shall be on the basis of report of performance evaluation. As per Regulation 17(1)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, effective from 1st April, 2019, no listed company shall appoint or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless the same is approved by members of the Company by way of Special Resolution.

The Board of Directors recommends the resolution at Item No. 8 of the Notice for the approval of members of the Company by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Dilip J. Thakkar and his relatives are, in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 8 of the Notice.

ITEM NO. 9

At the Annual General Meeting (AGM) held on 23rd August, 2014, Mr. Prem Malik (DIN: 00023051), was appointed as a Non-Executive Independent Director of the Company for a first term of 5 consecutive years i.e. upto 15th August, 2019.

Further, pursuant to Regulation 17(1)(a) of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, at the Annual General Meeting held on 11th September, 2018, members of the Company approved continuation of term of Mr. Prem Malik upto 15th August, 2019.

Mr. Prem Malik is Master in Arts (MA, Hons) and having wide experience of more than 53 years in textile and clothing. Mr. Malik was Past Chairman of Confederation of Indian Textile Industry, Cotton Textile Export Promotion Council and Bombay Textile Research Association.

Mr. Prem Malik is associated with the Company from past 10 years as an Independent Director. Mr. Prem Malik, aged 77 years, is fit and capable of discharging his duties as an Independent Director of the Company. He attends Board and Committee meetings of the Company, participates in various discussions and provides his valuable suggestions to the Board. His rich knowledge, skills, wide experience, contributions have immensely benefited the Company.

Considering all the aforesaid factors and on the basis of report of performance evaluation of Mr. Prem Malik, the Nomination and Remuneration Committee (NRC) recommended to the Board that his continued association will immensely benefit the Company. Pursuant to the recommendation of NRC and report of performance evaluation and in order to reap benefits of his rich and varied experience, the Board at its meeting held on 8th February, 2019 approved and recommended re-appointment of Mr. Prem Malik, as a Non-Executive Independent Director of the Company for a second term of five consecutive years with effect from 16th August, 2019 to 15th August, 2024 not liable to retire by rotation.

Mr. Prem Malik has given consent for the said re-appointment and he is not disqualified from being re-appointed as a Director of the Company under Section 164 of the Companies Act, 2013 ("the Act"). Further, the Company has received declaration of independence from Mr. Prem Malik confirming that he meets the criteria of independence as specified in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. The Board after assessing veracity of the same is of the opinion that he fulfills the conditions for appointment as an Independent Director as specified in the Act, and rules made thereunder and the Listing Regulations and he is independent of the management. Further, Mr. Prem Malik is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

The Company has received notice in writing from a Member under Section 160 of the Act proposing candidature of Mr. Prem Malik for the office of Director of the Company.

The details of Mr. Prem Malik required under Regulation 36(2) of the Listing Regulations and Secretarial Standard - 2 are provided in Annexure I to the Notice. The letter of re-appointment of Mr. Prem Malik setting out the terms and conditions of the said re-appointment is available for inspection at the Registered Office of the Company on all days except Saturdays, Sundays or Public holidays between 2.00 p.m. to 4.00 p.m. upto the date of the AGM and also at the AGM. Further, the letter of appointment is also available on website of the Company.

Pursuant to the provisions of Section 149(10) of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing of a special resolution by the company. Further, as per Schedule IV of the Act, the re-appointment of independent director shall be on the basis of report of performance evaluation. As per Regulation 17(1)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, effective from 1st April, 2019, no listed company shall appoint or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless the same is approved by members of the Company by way of Special Resolution.

The Board of Directors recommends the resolution at Item No. 9 of the Notice for the approval of members of the Company by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Prem Malik and his relatives are, in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 9 of the Notice.

ITEM NO. 10

At the Annual General Meeting (AGM) held on 23rd August, 2014, Dr. (Mrs.) Vaijayanti Pandit (DIN: 06742237), was appointed as a Non-Executive Independent Director of the Company for a first term of 5 consecutive years i.e. upto 15th August, 2019.

Dr. (Mrs) Vaijayanti Pandit has done Ph.D in Management Studies from Jamnalal Bajaj Institute of Management Studies and Diploma in Journalism and Mass Communications. She also holds Masters in political science. Dr. Pandit has more than 35 years of experience and she served as Senior Director of the Federation of Indian Chambers of Commerce and Industry (FICCI) and Secretary of Indian Merchants Chambers. She is an Advisor of Welingkar Institute of Management. Dr. (Mrs.) Vaijayanti Pandit is on the Board of various listed and unlisted Companies. She is also actively involved in various CSR activities.

Dr. (Mrs.) Vaijayanti Pandit is associated with the Company from the year 2013 as an Independent Director. She attends Board and Committee meetings of the Company, participates in various discussions and provides her valuable suggestions to the Board. Her rich knowledge, skills, wide experience, contributions have immensely benefited the Company.

Considering all the aforesaid factors and on the basis of report of performance evaluation of Dr. (Mrs.) Vaijayanti Pandit, the Nomination and Remuneration Committee (NRC) recommended to the Board that her continued association will immensely benefit the Company. Pursuant to the recommendation of NRC and report of performance evaluation and in order to reap benefits of her rich and varied experience, the Board at its meeting held on 8th February, 2019 approved and recommended re-appointment of Dr. (Mrs.) Vaijayanti Pandit, as a Non-Executive Independent Director of the Company for a second term of five consecutive years with effect from 16th August, 2019 to 15th August, 2024 not liable to retire by rotation.

Dr. (Mrs.) Vaijayanti Pandit has given consent for the said re-appointment and she is not disqualified from being re-appointed as a Director of the Company under Section 164 of the Companies Act, 2013 ("the Act"). Further, the Company has received declaration of independence from Dr. (Mrs.) Vaijayanti Pandit confirming that she meets the criteria of independence as specified in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and that she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact her ability to discharge her duties with an objective independent judgment and without any external influence. The Board after assessing veracity of the same is of the opinion that she fulfills the conditions for appointment as an Independent Director as specified in the Act, and rules made thereunder and the Listing Regulations and she is independent of the management. Further, Dr. (Mrs.) Vaijayanti Pandit is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

The Company has received notice in writing from a Member under Section 160 of the Act proposing candidature of Dr. (Mrs.) Vaijayanti Pandit for the office of Director of the Company.

The details of Dr. (Mrs.) Vaijayanti Pandit required under Regulation 36(2) of the Listing Regulations and Secretarial Standard - 2 are provided in Annexure I to the Notice. Copy of draft letter of re-appointment of Dr. (Mrs.) Vaijayanti Pandit setting out the terms and conditions of the said re-appointment is available for inspection at the Registered Office of the Company on all days except Saturdays, Sundays or Public holidays between 2.00 p.m. to 4.00 p.m. upto the date of the AGM and also at the AGM. Further, the letter of appointment is also available on website of the Company.

Pursuant to the provisions of Section 149(10) of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing of a special resolution by the company. Further, as per Schedule IV of the Act, the re-appointment of independent director shall be on the basis of report of performance evaluation.

The Board of Directors therefore recommends the resolution at Item No. 10 of the Notice for the approval of members of the Company by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Dr. (Mrs.) Vaijayanti Pandit and her relatives are, in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 10 of the Notice.

ITEM NO. 11

Pranavaditya Spinning Mills Ltd (PSML), Company's subsidiary is engaged in the business of manufacturing of cotton yarn. In order to meet fund requirements of PSML for its principal business activities, the Company may have to render support in the form of unsecured loan or corporate guarantee upto ₹ 10 Crore to PSML.

Pursuant to approval of the Audit Committee, the Board of Directors of the Company, at their meeting held on 22nd May, 2019, evaluated the said proposal and has approved the aforesaid financial support at such rate of interest applicable under the Companies Act, 2013 ("the Act") and on such terms and conditions as may be agreed between the Company and PSML from time to time .

PSML is covered under the category of "a person in whom any of the Director of the Company is interested" as specified in the explanation to sub-section 2 of Section 185 of the Act, and not falling under the exemptions given under Section 185 (3) of the Act. Hence, prior approval of members of the Company is required for giving Loan/ Corporate Guarantee to Pranavaditya Spinning Mills Limited.

The Board of Directors therefore recommends the resolution at Item No. 11 of the Notice for the approval of members of the Company by way of Special Resolution.

The aforesaid proposed transaction will also fall under related party transaction as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). However, the quantum of transaction is within the threshold limit prescribed under the Listing Regulations.

None of the Directors, Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 11 of the Notice. However, Mr. Anil Kumar Jain and Mr. Kamal Mitra are common Directors.

Annexure I

Additional Information of Directors seeking appointment/reappointment as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 & Secretarial Standard-2

Name of the Director	Mr. Anil Kumar Jain
Age	66 years
DIN	00086106
Category	Executive Non-Independent
Date of first appointment on the Board	22nd August, 1990
Brief Resume and nature of expertise in specific functional areas	Mr. Anil Kumar Jain, a B.Com (Hons.) from St. Xavier's College, Kolkata has more than 40 years of experience in the industry. He started his career from 1975 and had held various key positions in the family business. He was instrumental in turning around BIFR / Sick Units by introducing innovative technology and export culture. In the year 1988, he promoted Indo Count Industries Ltd.
Terms & conditions of re-appointment	As per resolution mentioned in Item no. 5 of the Notice
Details of remuneration sought to be paid and remuneration last drawn.	For remuneration sought to be paid, please refer resolution mentioned in item no. 5. For FY 2018-19 – ₹ 525.12 lakhs.
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Anil Kumar Jain is father of Mr. Mohit Jain. Apart from this, Mr. Anil Kumar Jain does not have any relationship with other Directors and Key Managerial Personnel of the Company.
Number of Board Meetings attended during the year	4
Directorships held in other public Companies, including listed Companies [excluding foreign private Companies and deemed public Company] as on 31st March, 2019	1. Pranavaditya Spinning Mills Limited 2. Margo Finance Limited
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees of other Public Companies as on 31st March, 2019	1. Pranavaditya Spinning Mills Limited - Member of Stakeholders' Relationship Committee 2. Margo Finance Limited – Member of Stakeholders' Relationship Committee
Number of shares held in the Company as on 31st March, 2019	18,67,555 Equity Shares of ₹ 2/- each

Name of the Director	Mr. Kamal Mitra
Age	65 years
DIN	01839261
Category	Executive Non-Independent
Date of first appointment on the Board	1st October, 2008
Brief Resume and nature of expertise in specific functional areas	Mr. Kamal Mitra holds a Bachelor Degree in Textile Engineering and has more than 38 years of experience in the Textile Industry.
Terms & conditions of re-appointment	As per resolution mentioned in Item no. 6 of the Notice
Details of remuneration sought to be paid and remuneration last drawn.	For remuneration sought to be paid, please refer resolution mentioned in item no. 6. For FY 2018-19 – ₹ 57.88 Lakhs.
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	None
Number of Board Meetings attended during the year	4
Directorships held in other public Companies, including listed Companies [excluding foreign and private Companies] as on 31st March, 2019	Pranavaditya Spinning Mills Limited
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees of other Public Companies as on 31st March, 2019	Pranavaditya Spinning Mills Limited – Member of Audit Committee and Stakeholders' Relationship Committee
Number of shares held in the Company as on 31st March, 2019	NIL

Name of the Director	Mr. Mohit Jain
Age	42 years
DIN	01473966
Category	As on date of this notice, he is Non-Executive & Non-Independent (Vice Chairman). W.e.f. 1st July, 2019 he is appointed as an "Executive Vice Chairman" by the Board.
Date of first appointment on the Board	9th May, 2016
Brief Resume and nature of expertise in specific functional areas	Mr. Mohit Jain has graduated from Babson College, United States of America and is specialized in the fields of Marketing, Economics, Finance and Entrepreneurial Studies. He has over 17 years' experience in Global Marketing and Entrepreneurship. He has vast experience on overseas business and has established networking with the global customers.
Terms & conditions of appointment	As per resolution mentioned in Item no. 7 of the Notice
Details of remuneration sought to be paid and remuneration last drawn.	For remuneration sought to be paid, please refer resolution mentioned in item no. 7. For FY 2018-19 – ₹ 85.68 Lakhs.
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Mohit Jain is son of Mr. Anil Kumar Jain (Executive Chairman). Apart from this, Mr. Mohit Jain does not have any relationship with other Directors and Key Managerial Personnel of the Company.
Number of Board Meetings attended during the year	4
Directorships held in other public Companies, including listed Companies [excluding foreign and private Companies] as on 31st March, 2019	NIL
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees of other Public Companies as on 31st March, 2019	NIL
Number of shares held in the Company as on 31st March, 2019	6,92,850 Equity Shares of ₹ 2/- each

Name of the Director	Mr. Dilip J. Thakkar
Age	82 years
DIN	00007339
Category	Non-Executive Independent
Date of first appointment on the Board	28th January, 2003
Brief Resume and nature of expertise in specific functional areas	Mr. Dilip J. Thakkar is a Chartered Accountant (FCA) and fellow member of Indian Institute of Bankers. He has around 58 years of experience in the fields of Accounting, Finance, FEMA and Taxation. He serves as Senior Partner of M/s. Jayantilal Thakkar & Co. and M/s. Jayantilal Thakkar Associates, Mumbai. Mr. Thakkar specializes in Foreign Exchange Management Act and extensively advises Non Resident Indians, Overseas Corporations and large Indian Companies on Investments, Taxation, collaboration etc.
Terms & conditions of re-appointment	As per resolution mentioned in Item no. 8 of the Notice
Details of remuneration sought to be paid and remuneration last drawn.	Mr. Dilip J. Thakkar shall be entitled for sitting fees as may be approved by the Board from time to time and commission as may be decided by the Board. At present, sitting fees for attending each Board/Committee meeting is ₹ 50,000/- and ₹ 10,000/- respectively. For FY 2018-19: Sitting Fees: ₹ 2,70,000/- Commission: ₹ 1,00,000/-
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	None
Number of Board Meetings attended during the year	4

Directorships held in other public Companies, including listed Companies [excluding foreign and private Companies] as on 31st March, 2019	1. Poddar Housing and Development Limited 2. Walchandnagar Industries Limited 3. Premier Limited 4. AGC Networks Limited 5. Essar Ports Limited
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees of other Public Companies as on 31st March, 2019	1. Walchandnagar Industries Limited – Chairman of Audit Committee and Member of Stakeholders' Relationship Committee 2. Premier Limited – Member of Audit Committee 3. Essar Ports Limited – Chairman of Audit Committee 4. AGC Networks Limited - Member of Audit Committee and Member of Stakeholders' Relationship Committee
Number of shares held in the Company as on 31st March, 2019	NIL

Name of the Director	Mr. Prem Malik
Age	77 years
DIN	00023051
Category	Non-Executive Independent
Date of first appointment on the Board	30th October, 2009
Brief Resume and nature of expertise in specific functional areas	Mr. Prem Malik is Master in Arts (MA, Hons) and having wide experience of more than 53 years in textile and clothing at top management. Mr. Malik was past Chairman of Confederation of Indian Textile Industry (CITI), Cotton Textile Export Promotion Council and Bombay Textile Research Association (BTRA).
Terms & conditions of re-appointment	As per resolution mentioned in Item no. 9 of the Notice
Details of remuneration sought to be paid and remuneration last drawn.	Mr. Prem Malik shall be entitled for sitting fees as may be approved by the Board from time to time and commission as may be decided by the Board. At present, sitting fees for attending each Board/Committee meeting is ₹ 50,000/- and ₹ 10,000/- respectively. For FY 2018-19: Sitting Fees: ₹ 2,90,000/- Commission: ₹ 1,00,000/-
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	None
Number of Board Meetings attended during the year	4
Directorships held in other public Companies, including listed Companies [excluding foreign and private Companies] as on 31st March, 2019	1. Patspin India Limited 2. GTN Textiles Limited 3. Lahoti Overseas Limited 4. NSL Textiles Limited 5. Ginni International Limited
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees of other Public Companies as on 31st March, 2019	1. Patspin India Limited - Member of Audit Committee and Stakeholders' Relationship Committee 2. GTN Textiles Limited – Member of Audit Committee and Chairman of Stakeholders' Relationship Committee 3. Lahoti Overseas Limited - Member of Audit Committee 4. Ginni International Limited – Chairman of Audit Committee
Number of shares held in the Company as on 31st March, 2019	2,500 Equity Shares of ₹ 2/- each

Name of the Director	Dr. (Mrs.) Vaijayanti Pandit
Age	66 years
DIN	06742237
Category	Non-Executive Independent
Date of first appointment on the Board	25th November, 2013
Brief Resume and nature of expertise in specific functional areas	Dr. (Mrs.) Vaijayanti Pandit has done Ph.D in Management Studies from Jamnalal Bajaj Institute of Management Studies and Diploma in Journalism and Mass Communications. She also holds Masters in political science. Dr. Pandit has more than 35 years of experience and she served as Senior Director of the Federation of Indian Chambers of Commerce and Industry (FICCI) and Secretary of Indian Merchants Chambers. She is an Advisor of Welingkar Institute of Management. Dr. Pandit is actively involved in various CSR activities.
Terms & conditions of re-appointment	As per draft resolution mentioned in Item no. 10.
Details of remuneration sought to be paid and remuneration last drawn.	Dr. (Mrs.) Vaijayanti Pandit shall be entitled for sitting fees as may be approved by the Board from time to time and commission as may be decided by the Board. At present, sitting fees for attending each Board/Committee meeting is ₹ 50,000/- and ₹ 10,000/- respectively. For FY 2018-19: Sitting Fees: ₹ 2,90,000/- Commission: ₹ 1,00,000/-
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	None
Number of Board Meetings attended during the year	4
Directorships held in other public Companies, including listed Companies [excluding foreign and private Companies] as on 31st March, 2019	1. Automobile Corporation of Goa Limited 2. I G Petrochemicals Limited 3. HPCL-Mittal Energy Limited 4. HPCL-Mittal Pipelines Limited 5. Concorde Motors (India) Limited 6. Tata Marcopolo Motors Limited 7. TML Distribution Company Limited 8. Banswara Syntex Limited
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees of other Public Companies as on 31st March, 2019	1. Automobile Corporation of Goa Limited – Member of Stakeholders' Relationship Committee 2. I G Petrochemicals Limited – Member of Audit Committee and Stakeholders' Relationship Committee 3. HPCL-Mittal Energy Limited – Member of Audit Committee 4. HPCL-Mittal Pipelines Limited – Member of Audit Committee 5. Concorde Motors (India) Limited- Member of Audit Committee 6. Tata Marcopolo Motors Limited – Member of Audit Committee 7. TML Distribution Company Limited – Member of Audit Committee
Number of shares held in the Company as on 31st March, 2019	NIL

Annexure II

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013:

I. General Information:

1) **Nature of industry:** Textiles
2) **Date of commencement of commercial production:** Operations started in the year 1988.
3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not applicable
4) A. **Standalone Financial performance based on given indicators:**

(₹ in crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	1812.54	1,709.18
Operating Profit (before interest, depreciation and tax)	160.94	265.34
Profit/(Loss) before Tax	94.65	202.14
Profit/(Loss) after Tax	59.22	131.08

5) **Foreign investments or collaborations, if any:** NIL

II. A- INFORMATION ABOUT MR. ANIL KUMAR JAIN :

Particulars	
Background details	Mr. Anil Kumar Jain, a B.Com (Hons.) from St. Xavier's College, Kolkata has more than 40 years of experience in the industry. He started his career from 1975 and had held various key positions in the family business. He was instrumental in turning around BIFR / Sick Units by introducing innovative technology and export culture. In the year 1988, he promoted Indo Count Industries Ltd.
Past remuneration	FY 2018-19: ₹ 525.12 lakhs. (more particularly described in the Corporate Governance Report)
Recognition or awards	Mr. Anil Kumar Jain is honoured with Best CEO (Textiles & Apparel) Award – 2016 and Top 100 Best CEO -2017 by Business Today. Under the leadership of Mr. Anil Kumar Jain, Executive Chairman, the Company has received various awards and recognitions which includes Gold Trophy from TEXPROCIL for highest exports in cotton made ups in FY 2016-17.
Job profile and his suitability	Mr. Anil Kumar Jain being Executive Chairman of the Company provides leadership, strategic vision and direction to the Company's business operations. He is steering the Company for more than 30 years and has rich and varied experience in the Textile Industry. Under his leadership, the Company has made enormous progress and today, the Company is amongst the leading manufacturers and exporters of bed linen from India.
Remuneration proposed	As stated in the Item No. 5 of this Notice.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The proposed remuneration of Mr. Anil Kumar Jain is in line with the nature of Industry, size of Company, responsibilities entrusted and peer remuneration. The NRC Committee after considering all aforesaid factors has recommended the remuneration specified in Item No. 5 of the notice.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Anil Kumar Jain is Promoter of the Company and father of Mr. Mohit Jain. Apart from this, Mr. Anil Kumar Jain does not have any relationship with the Company, other Directors and Key Managerial Personnel of the Company.

II-B- INFORMATION ABOUT MR. KAMAL MITRA :

Particulars	
Background details	Mr. Kamal Mitra holds a Bachelor Degree in Textile Engineering and has more than 38 years of experience in the Textile Industry.
Past remuneration	FY 2018-19: ₹ 57.88 Lakhs (more particularly described in the Corporate Governance Report)
Recognition or awards	The Company has received various award and recognition during the tenure of Mr. Kamal Mitra as a Whole-time Director of the Company.
Job profile and his suitability	Mr. Kamal Mitra is an occupier of Company's Spinning Division. He has rich and varied experience in textile industry. As a Whole-time Director of the Company, he is fully involved in the business and operations of the Company.
Remuneration proposed	As stated in the Item No. 6 of this Notice.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The proposed remuneration of Mr. Kamal Mitra is in line with the nature of Industry, size of Company, responsibilities entrusted and peer remuneration. The NRC Committee after considering all aforesaid factors has recommended the remuneration specified in Item No. 6 of the notice.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Mitra has no pecuniary relationship directly or indirectly either with the Company, other Directors and Key Managerial Personnel of the Company.

II-C- INFORMATION ABOUT MR. MOHIT JAIN :

Particulars	
Background details	Mr. Mohit Jain has graduated from Babson College, United States of America and is specialized in the fields of Marketing, Economics, Finance and Entrepreneurial Studies. He has over 17 years' experience in Global Marketing and Entrepreneurship. He has vast experience on overseas business and has established networking with the global customers.
Past remuneration	FY 2018-19: ₹ 85.68 Lakhs (more particularly described in the Corporate Governance Report)
Recognition or awards	Mr. Mohit Jain is coveted with "40 under 40 - India's hottest Young Business Leaders 2017 Award" by Economic Times. He was also honored as India's Most Trusted CEOs 2017 Award by World Consulting and Research Corporation (WCRC).
Job profile and his suitability	As an Executive Vice Chairman, Mr. Mohit Jain will be in-charge of the overall affairs and operations of the Company including planning and strategy. Considering his knowledge and skills in managing the business, his appointment on the Board as Executive Vice Chairman will immensely benefit the Company.
Remuneration proposed	As stated in the Item No. 7 of this Notice.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The proposed remuneration of Mr. Mohit Jain is in line with the nature of Industry, size of Company, responsibilities entrusted and peer remuneration. The NRC Committee after considering all aforesaid factors has recommended the remuneration specified in Item No. 7 of the notice.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Mohit Jain is son of Mr. Anil Kumar Jain and belongs to Promoter category. Apart from this, Mr. Mohit Jain does not have any relationship with the Company, other Directors and Key Managerial Personnel of the Company.

III. Other information:

1) **Reasons of loss or inadequate profits:**

   The Company has adequate profits under Section 198 of the Companies Act, 2013 and does not envisage any loss or inadequate profits. However, as a matter of abundant caution, the Company proposes to obtain approval of the members of the Company for payment of minimum remuneration to Mr. Anil Kumar Jain, Mr. Mohit Jain and Mr. Kamal Mitra in case of situation of inadequate profits. As a matter of compliance under Para A of Section II of Part II of Schedule V of Companies Act, 2013, this statement is given.

2) **Steps taken or proposed to be taken for improvement:**

   Not Applicable. However, the Company constantly endeavors to take all such measures which shall improve the performance of the Company.

3) **Expected increase in productivity and profits in measurable terms:**

   The Company is conscious about improvement in productivity and undertakes constant measures to improve the same. However, it is extremely difficult in present scenario to predict profits in measurable terms. For the year ended 31st March, 2019, net profit after tax stood at ₹ 59.22 Crores.

IV. Disclosures:

The information on remuneration package of Mr. Anil Kumar Jain, Executive Chairman, Mr. Mohit Jain, Executive Vice Chairman and Mr. Kamal Mitra, Director (Works) is provided in Corporate Governance Report forming part of the Annual Report for FY 2018-19.

By Order of the Board of Directors of
Indo Count Industries Limited

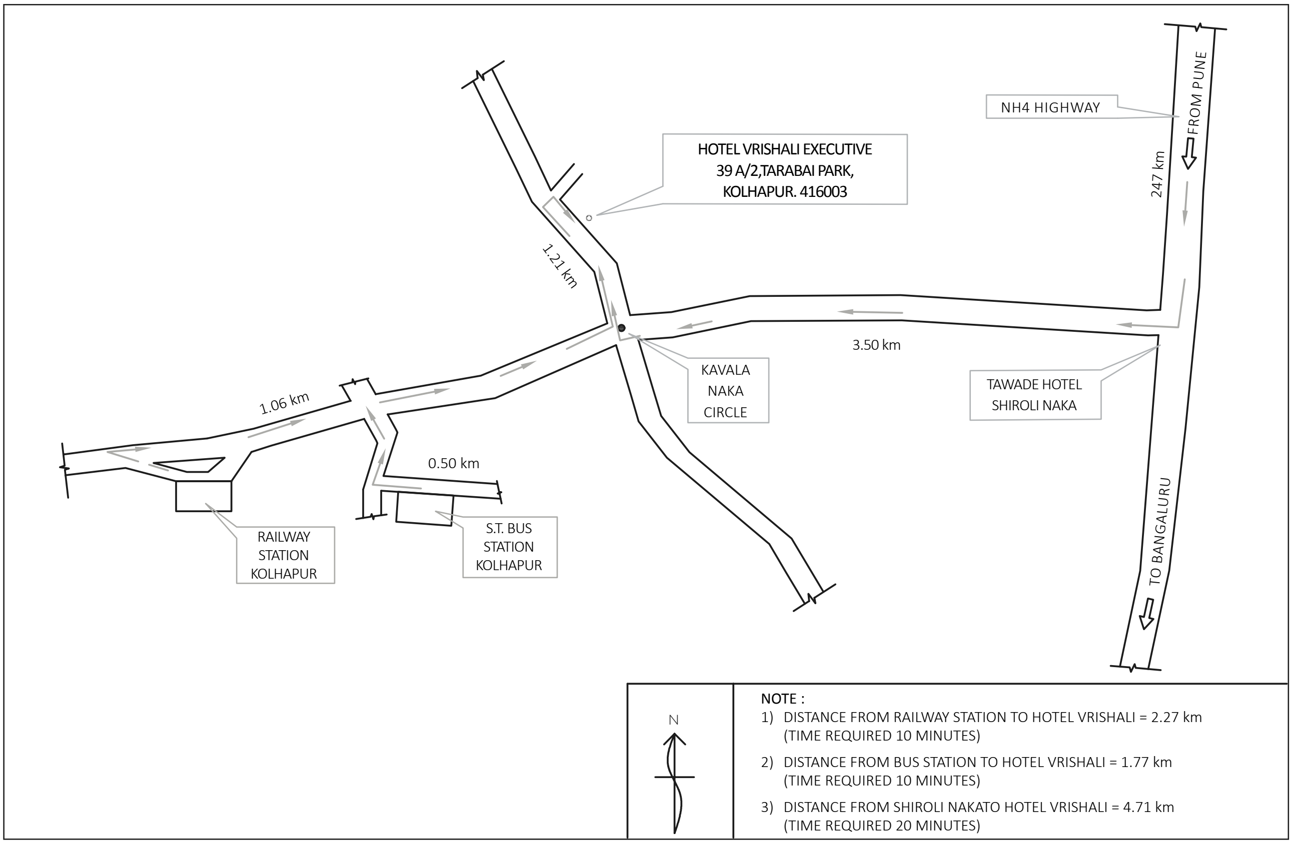
Amruta Avasare
Company Secretary & Compliance Officer

Date: 22nd May, 2019
Place: Mumbai

Registered Office:
Office No. 1, Plot No. 266, Village Alte,
Kumbhoj Road, Taluka Hatkanangale,
District Kolhapur 416 109, Maharashtra.

ROUTE MAP TO THE 30th AGM VENUE

Venue: Hotel Vrishali Executive, Conference Hall ,
39A/2, Tarabai Park, District Kolhapur 416003, Maharashtra



MANDATORY UPDATION OF PAN AND BANK DETAILS

Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders whose ledger folios did not had/had incomplete details with respect to PAN and Bank particulars were mandatorily required to furnish these details to the Company/ Registrar & Transfer Agent ("RTA") for registration/ updation in the physical folio. The Company had sent intimation followed by two reminders to those shareholders.

The Shareholders who have not yet responded are requested to submit the details at earliest. The KYC Form for updation of PAN & Bank details is available on website of the Company at https://www.indocount.com/images/investor/KYC-Form.pdf

MANDATORY DEMATERIALIZATION OF PHYSICAL SHARES FOR TRANSFER OF SECURITIES

Pursuant to SEBI Circular dated 8th June, 2019 & 27th March, 2019, any investor/shareholder who is desirous of transferring shares (which are held in physical form) after 1st April, 2019 can do so only after the shares are dematerialized. Hence, those shareholders who are still holding shares in physical form are requested to dematerialize the same at earliest. The Company had sent intimation followed by two reminders to physical shareholders.

However, The transfer deed(s) once lodged prior to deadline of 1st April, 2019 and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of 1st April, 2019.

INDO COUNT INDUSTRIES LIMITED

CIN: L72200PN1988PLC068972

Registered Office: Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, District Kolhapur-416109, Maharashtra

Tel No: (0230)-2463100/2461929

Website: www.indocount.com; **E-mail:** icilinvestors@indocount.com

PROXY FORM- MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :	
Registered address :	
E-mail Id:	
DP ID Client Id/ Regd. Folio No :	

I/We, being the member (s) of ………… ……………………shares of Indo Count Industries Limited, hereby appoint

1. Name: …………………………………………………… Address : ……………………………………………………………………………………………………

   ……

   E-mail Id: …………………………………………………………………………………Signature:………………………………………………, or failing him

2. Name: …………………………………………………… Address : ……………………………………………………………………………………………………

   ……

   E-mail Id: …………………………………………………………………………………Signature:………………………………………………, or failing him

3. Name: …………………………………………………… Address : ……………………………………………………………………………………………………

   ……

   E-mail Id: …………………………………………………………………………………Signature:……………………………………………………………………

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company to be held on Tuesday, 13th August, 2019 at 12.30 p.m. at Hotel Vrishali Executive, Conference Hall, 39 A/2, Tarabai Park, District Kolhapur - 416 003, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated here in below:

Item No.	Resolution	For*	Against*
	Ordinary Business		
1.	To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2019 together with the reports of the Board of Directors and Auditors thereon.		
2.	To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2019 together with the report of the Auditors thereon.		
3.	To declare Final Dividend of ₹ 0.60/- per Equity Share of face value of ₹ 2/- each for the Financial Year 2018-19.		
4.	To appoint a Director in place of Mr. Kamal Mitra (DIN: 01839261), who retires by rotation and being eligible, offers himself for the re-appointment.		
	Special Business		
5.	Re-appointment of Mr. Anil Kumar Jain (DIN: 00086106), as a Whole-time Director designated as "Executive Chairman" for a period of 3 years w.e.f. 1st October, 2019.		
6.	Re-appointment of Mr. Kamal Mitra (DIN: 01839261), as a Whole-time Director designated as "Director (Works)" for a period of 3 years w.e.f. 1st October, 2019.		
7.	Change in designation of Mr. Mohit Jain (DIN: 01473966), to Whole-time Director designated as "Executive Vice Chairman" for a period of 3 years w.e.f. 1st July, 2019.		
8.	Re-appointment of Mr. Dilip J. Thakkar (DIN: 00007339), as a Non-Executive Independent Director of the Company for second term of five consecutive years.		
9.	Re-appointment of Mr. Prem Malik (DIN: 00023051), as a Non-Executive Independent Director of the Company for second term of five consecutive years.		
10.	Re-appointment of Dr. (Mrs.) Vaijayanti Pandit (DIN: 06742237), as a Non-Executive Independent Director of the Company for second term of five consecutive years.		
11.	Giving Unsecured Loan/Corporate Guarantee to Pranavaditya Spinning Mills Ltd., Subsidiary of the Company upto ₹ 10 Crores.		

* Optional

Signed this …….. day of ……………………….2019

Signature of Shareholder(s): …………………………… Signature of Proxy holder(s): ……………………………

Affix
Revenue Stamp
₹ 1/-

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting. i.e. before 12.30 p.m. (IST) 11th August, 2019.

INDO COUNT INDUSTRIES LIMITED

CIN: L72200PN1988PLC068972

Registered Office: Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, District Kolhapur-416109, Maharashtra

Tel No: (0230)-2463100/2461929

Website: www.indocount.com; **E-mail:** icilinvestors@indocount.com

ATTENDANCE SLIP

30th Annual General Meeting on Tuesday, 13th August, 2019 at 12.30 p.m.

Registered Folio No./ DP ID-Client ID:	
Name and Address of the Member :	
Name of Joint holder(s) :	
No. of Equity Shares held :	

I/We hereby record my/our presence at the 30th Annual General Meeting of the Company held on Tuesday, 13th August, 2019 at 12.30 p.m. at Hotel Vrishali Executive, Conference Hall, 39 A/2, Tarabai Park, District Kolhapur – 416 003, Maharashtra.

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Name of the Member / Proxy Signature of Member / Proxy

Notes :

1. Only Member/Proxy holder can attend the meeting.

2. Please fill up the details in this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.

Electronic Voting Particulars

Electronic Voting Event Number (EVEN)	USER ID	Password/PIN
110988		

Please read the instructions on e-voting printed in the Notice of 30th Annual General Meeting. The Voting Period starts from 9.00 a.m. (IST) on Friday, 9th August, 2019 and ends at 5.00 p.m. (IST) on Monday, 12th August, 2019. The voting module shall be disabled by NSDL for voting thereafter.