

B. K. SHROFF & CO.
Chartered Accountants

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Review Report to the Board of Directors of Indo Count Industries Ltd.

We have reviewed the accompanying statement of unaudited financial results of Indo Count Industries Ltd. for the period ended 31st December, 2010. This statement is the responsibility of the Company's management and has been approved by the Committee of Board of Directors. Our responsibility is to issue a report on these financial statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Our observations in relation to such review are as under :

The company has outstanding foreign currency related derivative contracts in the form of options for hedging its business related exposure which are not speculative in nature. The contracts have long dated tenor with multiple contingent / uncertain events. As such ascertainment of fair value of these contracts is not feasible. However, banks estimate the total mark to market (MTM) of all outstanding contracts at approx Rs.709 lacs as at 31-12-2010 (Previous year Rs.1619 lacs). The management is of the opinion that the determination and crystallization of liability is dependent upon the outcome of uncertain future events or actions, not wholly within the control of the company. As adoption of AS-30 is presently not mandatory, the estimated MTM loss of Rs.709 lacs for the period ended 31-12-2010 (previous year Rs.1619 Laacs) has not been provided.

Based on our review conducted as above, nothing has come to our attention that caused us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B.K. SHROFF & CO.,
Chartered Accountants



ANIL GUPTA
PARTNER

Membership No.80074

Place : Mumbai
Date : 14.02.2011