

B. K. SHROFF & CO.

Chartered Accountants

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To

Board of Directors,
INDO COUNT INDUSTRIES LIMITED

Re: Limited Review Report for the quarter ended 30 June 2014

We have reviewed the accompanying Statement of Unaudited Financial Results of **INDO COUNT INDUSTRIES LIMITED** (the "Company") for the quarter ended 30 June 2014 ("the Statement") being submitted by the Company pursuant to requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II-Select Information referred to in paragraph 4 below. The Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as Stated above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the Accounting Standards specified under Companies Act 1956 (which are deemed to be applicable as per Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, had not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Further, we also report that we have traced the number of Shares as well as percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoter and promoter group shareholding in terms of Clause 35 of Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II-Select information for the quarter ended 30 June 2014 of the Statement, from details furnished by the Registrars.

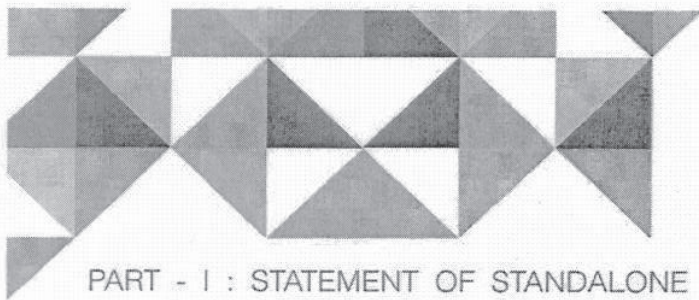
For B.K. SHROFF & CO.
Chartered Accountants
Firm Reg. No.302166E

Place : Mumbai
Date : 12-08-2014



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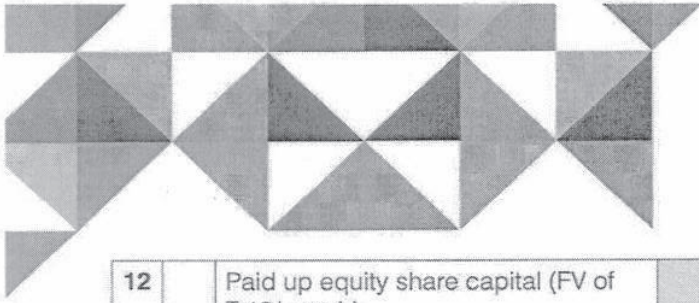
PARTNER
Membership No.6329



PART - I : STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2014

Value ₹ Crores (Except EPS)

Sr	Particulars	Quarter ended			Year ended
		30-06-2014	31-03-2014	30-06-2013	31-03-2014
		Unaudited	Audited	Unaudited	Audited
1	Income from operations				
	(a) Net Sales (including export incentives) (Net of excise duty)	303.37	342.61	280.32	1,410.33
	(b) Other operating income	13.01	9.53	15.56	30.16
	Total Income from operations (net) (a+b)	316.38	352.14	295.88	1,440.49
2	Expenditure				
	(a) Cost of materials sold	220.32	213.84	205.00	896.73
	(b) Purchases of stock-in-trade	0.38	1.94	2.98	8.79
	(c) Changes in inventories of finished goods, work in progress and stock-in-trade	(41.05)	(11.75)	(24.03)	(16.46)
	(d) Employee benefits expense	15.91	14.91	12.57	58.33
	(e) Depreciation	3.57	4.84	4.64	18.83
	(f) Other expenditure	55.02	72.27	48.75	255.38
	(g) Power and Fuel	13.83	12.84	14.54	57.86
	Total expenses (a+b+c+d+e+f+g)	267.98	308.89	264.45	1,279.46
3	Earnings before interest, depreciation, tax and amortisation (EBIDTA)	51.97	48.09	36.07	179.86
4	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	48.40	43.25	31.43	161.03
5	Other income	-	-	-	-
6	Profit / (Loss) from ordinary activities before finance costs and exceptional items	48.40	43.25	31.43	161.03
7	Finance costs	13.90	15.98	13.14	48.97
8	Profit / (Loss) from ordinary activities before tax	34.50	27.27	18.29	112.06
9	Tax expenses :				
	Current Income Tax	7.25	5.46	3.68	22.44
	Deferred Tax	9.59	(1.88)	4.47	7.13
	MAT Credit Entitlement	(7.25)	(5.46)	(3.68)	(22.44)
10	Net profit / (Loss) for the period	24.91	29.15	13.82	104.93
11	CASH PROFIT	30.82	26.66	19.25	108.46

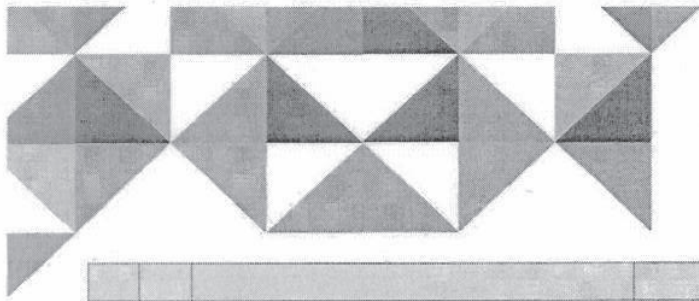


12	Paid up equity share capital (FV of ₹ 10/- each)	36.58	35.48	35.48	35.48
13	Reserves excluding revaluation reserve at the last balance sheet date	-	-	-	130.63
14	Earnings per Share:- Basic and diluted EPS before extra ordinary items for the period, for the year to date and for the previous year (not annualised) ₹	6.80	8.20	3.90	29.54

PART - II : SELECT INFORMATION FOR THE QUARTER ENDED 30TH JUNE 2014

Sr	Particulars	Quarter ended			Year ended
		30-06-2014	31-03-2014	30-06-2013	31-03-2014
		Unaudited	Audited	Unaudited	Audited
A	PARTICULARS OF SHAREHOLDING				
1	Public shareholding				
	- No of shares	162,82,094	162,82,094	162,94,559	162,82,094
	- Percentage of shareholding	44.51%	45.89%	5.92%	45.89%
2	Promoters and Promoters group Shareholding				
	(a) Pledged / Encumbered				
	- Number of shares	62,95,495	62,95,495	62,95,495	62,95,495
	- % of shares (as % of the total number of Shareholding of Promoter and Promoter group)	31.01%	32.79%	32.81%	32.79%
	- % of shares (as % of the total Share Capital of the Company)	17.21%	17.74%	17.74%	17.74%
	(b) Non encumbered				
	- Number of shares	140,04,045	129,04,045	128,91,580	129,04,045
	- % of shares (as % of the total number of Shareholding of Promoter and Promoter group)	68.99%	67.21%	67.19%	67.21%
	- % of shares (as % of the total Share Capital of the Company)	38.28%	36.37%	36.33%	36.37%

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Sr	Particulars	Quarter ended			Year ended
		30-06-2014	31-03-2014	30-06-2013	31-03-2014
		Unaudited	Audited	Unaudited	Audited
A	Segment Reporting :-				
1	Segment Revenue				
	a) Textiles	278.18	321.58	249.65	1,280.03
	b) Consumer Durable Goods/ Electronics	25.19	21.03	30.67	130.30
	Total	303.37	342.61	280.32	1,410.33
2	Segment Results				
	(Profit before interest, tax & exceptional items)				
	a) Textiles	47.59	42.59	30.29	160.22
	b) Consumer Durable Goods/ Electronics	0.81	0.66	1.14	0.81
	Total	48.40	43.25	31.43	161.03
	Less : Interest	13.90	15.98	13.14	48.97
	Less : Exceptional Items	-	-	-	-
	Total Profit Before Tax	34.50	27.27	18.29	112.06
3	Capital employed (assets - liabilities)				
	a) Textiles	258.93	232.09	171.73	232.09
	b) Consumer Durable Goods/ Electronics	36.90	36.10	33.20	36.10
	Total	295.83	268.19	204.93	268.19

Notes:

- 1) The above financial results were reviewed by the Audit Committee and approved by the Board of Directors on 12th August, 2014.
- 2) Effective 1st April, 2014, the company has revised its estimated useful life of fixed assets, wherever appropriate, on the basis of useful life specified in Schedule II of the Companies Act, 2013. The carrying amount as on 1st April, 2014 is depreciated over the revised remaining useful life. As a result of these changes, the depreciation charged for the quarter ended 30th June, 2014 is lower by ₹1,07,94,291 and the effect relating to the period prior to 1st April, 2014 is ₹ 88,53,187 (net of deferred tax asset of ₹ 42,51,967) which has been adjusted against opening balance of retained earnings.
- 3) The Company has changed the method of valuation of raw materials of spinning division from FIFO (first in first out) basis to weighted average method. The difference in value due to change in method is not significant.
- 4) On 10-04-2014 the Company has allotted 11,00,000 equity shares for cash at par to promoters on preferential basis. As per CDR restructuring scheme the promoters were directed to bring in additional equity capital of ₹ 1.10 crs in FY 13. EGM was called 17th Nov 2012 for approval of this preferential allotment. Share price as per ICD regulations was applied. Application money was received on 30th November 2012. However, the allotment could take place only on 10th April 2014 after completing the requisite compliances.
- 5) Previous period / year's figures have been regrouped/rearranged wherever necessary.
- 6) Details of investor complaints for the quarter ended 30th June, 2014 : beginning - Nil, received- Nil, pending- Nil.

Place: Mumbai

Date: 12.08.2014

FOR INDO COUNT INDUSTRIES LIMITED

Anil Kumar Jain
Chairman & Managing Director

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SUSTAINING GROWTH

BUILDING MOMENTUM

INDO COUNT INDUSTRIES LIMITED

Q1FY15 STANDALONE RESULTS

REVENUE AT ₹ 316 CRS, GROWTH OF 7%

EBITDA OF ₹ 52 CRS, GROWTH OF 44%



PRESS RELEASE: 12TH AUGUST 2014, MUMBAI

Indo Count Industries Ltd, a one of the India's leading Integrated Textile Manufacturing Company, has declared Unaudited Stand alone Results for the quarter ended June 30, 2014.

Standalone Financials at a Glance:

Value ₹ Crores (Except EPS)

₹ Crores	Q1FY15	Q1FY14	Y-o-Y	FY14
Revenue	316	296	7%	1440
EBITDA	52	36	44%	180
EBITDA Margin	16%	12%		12%
Profit after Tax	25	14	80%	105
PAT Margin	8%	5%		7%
EPS	6.8	3.9	74%	29.5
Long Term Debt/Equity	0.52	1.60		0.57

The Company has recorded Revenue of ₹ 316 crs during the quarter compared to ₹ 296 crs during the same period previous year, registering growth of 7%.

The EBITDA for the period is ₹ 52 crs as against ₹ 36 crs registered during same period previous year, an increase of 44%. The EBITDA margin has improved to 16% from 12% in Q1FY14. The improvement in EBITDA margin is mainly due to increasing share of Home Textile business.

The Net Profit for the quarter is ₹ 25 crs registering growth of 80%.

COMMENTING ON THE RESULT, MR. ANIL KUMAR JAIN, CHAIRMAN, INDO COUNT INDUSTRIES LIMITED SAID :

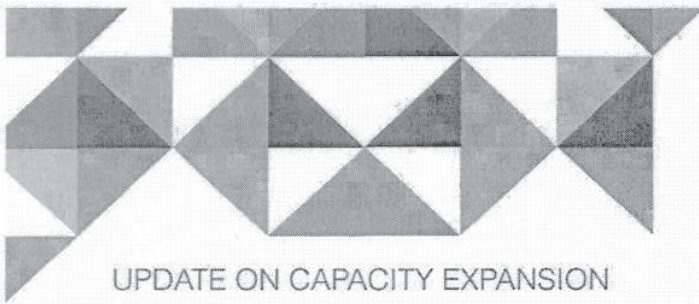
"We are very happy with continuously improvement in performance of Home Textile business. We are witnessing improvement in Demand of Home Textile Products across Geographies. The Retail market in US is picking up and we are witnessing improvement in realization due to our product mix. We see early signs of recovery in European market as well. We have set up subsidiary in UK to penetrate market in UK and European countries. We have also formed Joint Ventures (JV) in Australia to expand market in Australia and Newzeland.

We are well prepared on Supply side to capitalize on Global opportunity in Textile. We will be completing our capacity expansion by end of September 2014.

We strongly believe that **Better Days are ahead Count on Us.**"

TEXTILE DIVISION PERFORMANCE

Textile Division has recorded the Revenue of ₹ 278 crs during quarter as against ₹ 250 crs registering growth of 11% over same period previous year. EBIDTA of Textile Division for Q1FY15 was ₹ 51 crs as against ₹ 33 crs in Q1FY14. EBIDTA margin has improved from 13% to 18% in current quarter mainly due to better Product mix, optimum utilization of capacity in Home Textile segment.



UPDATE ON CAPACITY EXPANSION

The company is in the process of expanding its Home Textile capacity from 45 million meters per annum to 68 million meters per annum. The project work at site is progressing as per the schedule. The estimated project cost is ₹ 70 crs which is funded from internal accruals and loan funds. The expansion facility is likely to commence operations during Q3 FY15. The production expected to commence from Q3FY15 and gradually ramp up by the end of financial year 2015.

UPDATE ON CDR PROCESS

The company and lenders have started the process of exit from CDR. The company expects the process to be completed by end of Q3FY 15.

CREDIT RATING FROM CARE

CARE has upgraded the credit rating of the loan exposure of the company from "B" to "BBB" - which denotes moderate degree of safety with respect timely repayment of principal and interest.

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ABOUT INDO COUNT INDUSTRIES LIMITED

Indo Count is one India's leading Integrated Home Textile Company with quality products and prestigious international customers. It is vertically integrated from spinning to finished made ups. It has a long-term business relationship with global retailers such as 'Walmart', 'Target', 'Bed, Bath & Beyond', 'Macy's', 'JC Penney', 'John Lewis', 'Debenhams', to name a few. ICIL has developed as among the Top 3 suppliers of Bed Linen from India and the 4th largest supplier of bed sheets to the USA.

The company has over 2 decades of manufacturing and exporting experience of textile products. Our passion for quality permeates to the grass root level. The company is recipient of TEXPROCIL awards for last 7 consecutive years.

The company had registered Consolidated revenue of ₹ 1,498 Crs with an Net Profit of ₹ 110 Crs in FY14.

SAFE HARBOR STATEMENT

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For more information, please contact:

Mr. R. Sundaram - Chief Financial Officer

Indo Count Industries Limited

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