

INDO COUNT
INDUSTRIES LIMITED



Count On Us...



The Power of Commitment

Annual Report
2014-15

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■ **OUR COMMITMENT TO VALUE CREATION** is the touchstone of our turnaround, from the toughest market scenario that we faced to where the Home Textile business stands today. ■





The Power of Commitment

Hard work delivers more when assigned an aim. Aim becomes meaningful when assigned a mission. Aims which are shared by a group yield transformational outcomes. Dream of winning an Olympic gold for the Country, more so in a team event, pumps more adrenaline into veins than that of realizing an individual goal.

Having met with challenges in our Home Textiles business started in 2007, we directed all our energies and resources back to the drawing board. Collective commitment was made to take the adversity head-on and convert it into a promising opportunity. We took all the stakeholders into confidence, drew out a differentiated action plan. With renewed commitment, we went on to stabilize and strengthen our value proposition.

The results of our absolute commitment started bearing fruits by way of prominent clients, sales growth and better profitability margins. Today, Home Textile business has grown more than 10 times in a short span of 8 years of commencing operations. We are proud to say our 8 year old Home Textile Business division, today ranks as the 3rd largest exporter of Bed Linen from India and the 4th largest Bed Sheet exporter to USA .

OUR COMMITMENT TO VALUE CREATION is the touchstone of our turnaround, from the toughest market scenario that we faced to where the Home Textile business stands today.

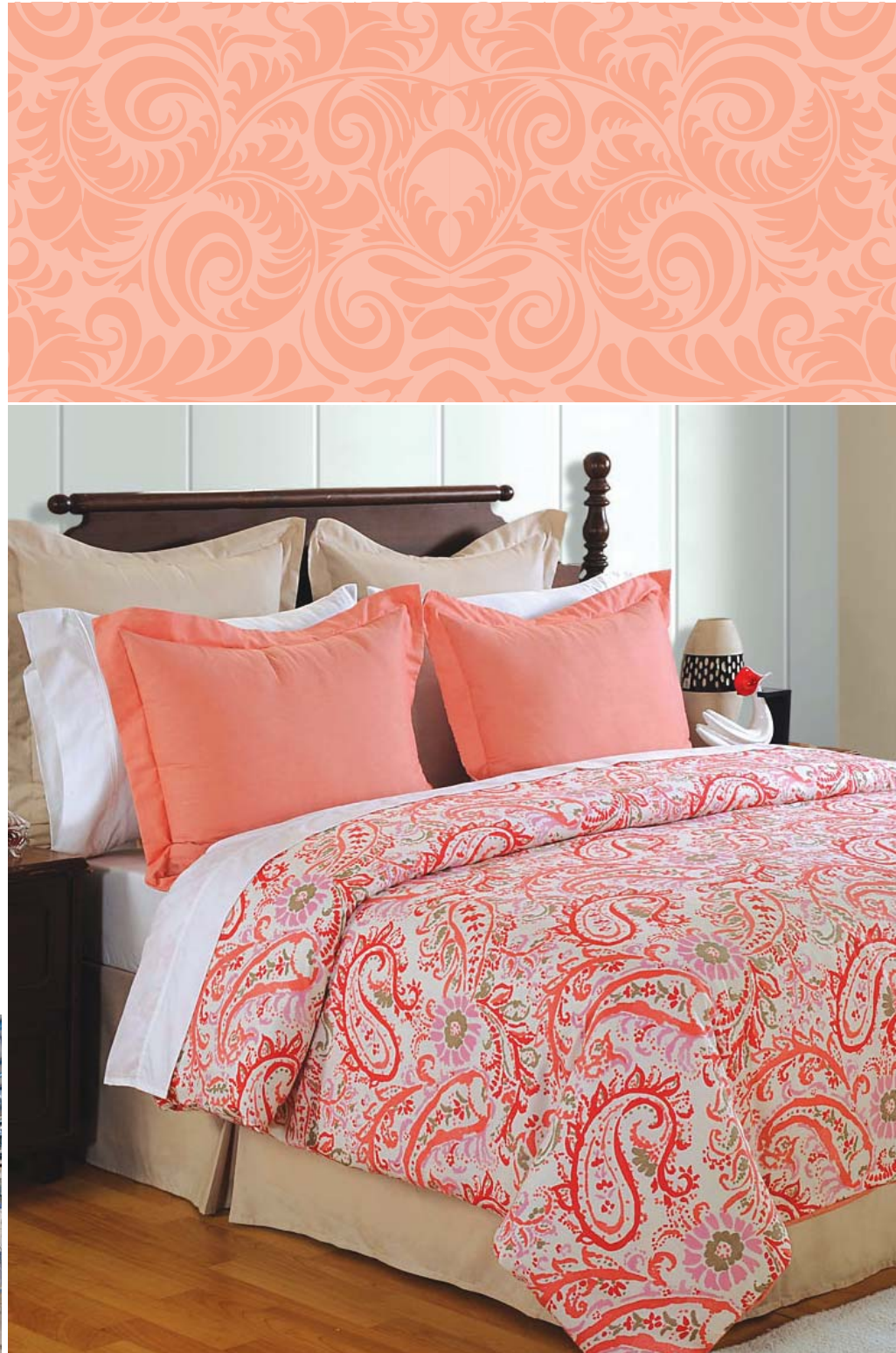
Having started in the toughest market conditions, grown and matured to an Integrated Home Textiles player in the global arena, today Indo Count is at an Inflection Point. With fire in our belly, we are raring for a quantum leap.

As a measure to salute the greater resolve of our stakeholders during tough times of yesteryears, we dedicate this Annual Report 2014-15 to the much celebrated and quintessential Indo Count belief namely the power of commitment.

Commitment to Excel

Commitment knows no limitations. It propels one to excel, along the current and also against the current. It is the commitment of those pursuing excellence that helps them convert adversities into unimaginable opportunities.

Our commitment to excel knew no limitations. Rising to the challenge, we drew a twin-pronged strategy of steadily improving our efficiencies at one hand and strengthening our balance sheet at the other. Our resolve to a faster exit from CDR has resulted into a much stronger Indo Count that is standing at an Inflection Point. As we are presented with a promising future of revenues, new markets, market share and margin growth; all this with an assured visibility over medium term, we are deepening our commitment to pursue excellence through this ensuing phase of accelerated growth.



Our commitment to excel knew no limitations. Rising to the challenge, we drew a twin-pronged strategy of steadily improving our efficiencies at one hand and strengthening our balance sheet at the other



Seeds of excellence

- Expanding into new geographies such as UK, Australia, Europe, Japan and Middle East
- Efficient inventory management whereby Indo Count tracks its client's inventory levels towards maintaining an optimum level at each business center.
- Keep growing the value proposition of Home Textiles consistently

Fruits of excellence

- The 3rd largest exporter of bed linen from India
- The 4th largest Bed Sheet exporter to USA
- The 13th largest supplier into the US from across the globe in Home Textiles
- Receiver of Export Excellence Award for "Top Exporter-Non MSME- Trading House" category conferred by FIEO (Western Region)

The
3rd
Largest exporter
of bed linen
from India

The
4th
Largest Bed Sheet
exporter to USA



Fortune India, has ranked the Company at 49th position on Revenue and 73rd position on Net Profits.



Commitment to Differentiate

In the fast evolving global lifestyle, committing to create a differentiated value proposition would go on to instigate lasting value.

At Indo Count, we committed to make differentiation our trump card. From management thoughts and strategies to product innovation and mix, to customer engagement models and mix, to production focus and assets, we committed ourselves to develop and deploy a differentiated approach to business.

Our resolute single-minded focus on home

textiles has reaped rich dividends in bed linen segment. We are now expanding our focus on fashion beddings such as comforters and quilts and utility beddings, as the product segments. Additionally, we are fast growing the institutional customer segment such as hotels and hospitals.

Combined addressable opportunities in these three newer segments are estimated to be three times of what sheet-sets offers. We aim to increase the share of our new Bed linen categories from the current level of under 5% to 25% over the next couple of years.





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5% to **25%**

over the next couple of years.

Commitment to Delight



We hit the streets of USA and Europe to proactively research on the unmet desires and needs of home textiles consumers.

■ The manifestation of our unstoppable endeavors towards customer delight has come in many product, process and technique innovation, the most significant one being our first patented fitted sheet technology 'TRUE GRIP'. ■



Commitment made to oneself drives one further. Commitments made to those one values and cares for, drives much farther. The feeling to better the world of those one cares the most, adds extra spark to ones commitments.

At Indo Count, customers occupy the fulcrum of our commitment galaxy. Since our foray into home textiles in 2007, we have persevered hard to earn the trust and confidence of global customers of repute. Coming true to the higher prerequisite benchmarks of these reputed customers has been hard earned through consistent investments in our manufacturing facilities and processes, innovation and design capabilities, strengthened logistics capabilities, superior response timings and proactive mapping and management of their inventory positions. We have built all this brick by brick over a long period.

We didn't stop there. We undertook upon ourselves the responsibility of making their business better and their customers happier, by innovation and

delivering more value for every Dollar spent.

We hit the streets of USA and Europe to proactively research on the unmet desires and needs of home textiles consumers. We connect our feet-on-street customer insights with our design and development capabilities. The resultant new products help our customers sell more and sell fast. With customers' confidence rising, we have recently been expanding our delight sphere beyond bed linen with innovative range of fashion and utility beddings.

The manifestation of our unstoppable endeavors towards customer delight has come in many product, process and technique innovation, the most significant one being our first patented fitted sheet technology **'TRUE GRIP'**.

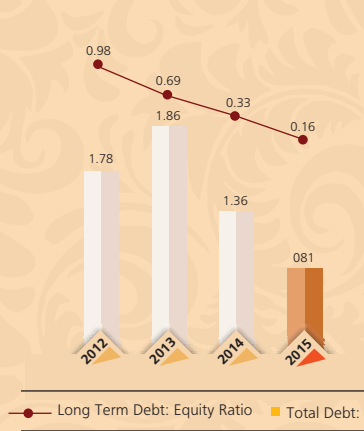
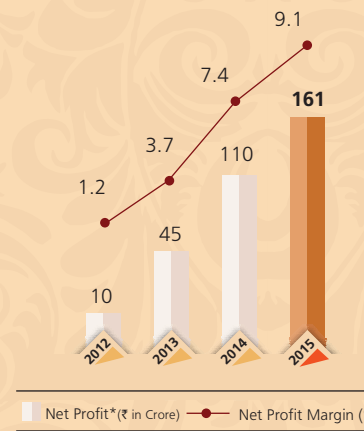
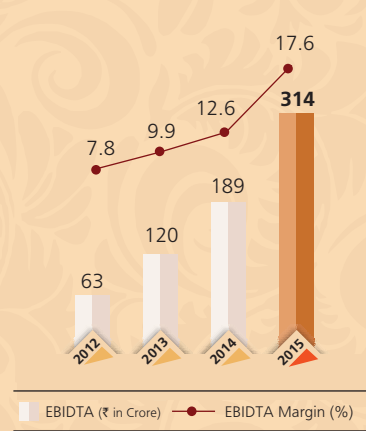
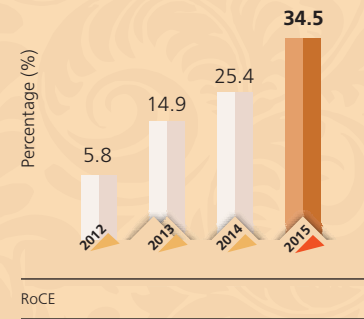
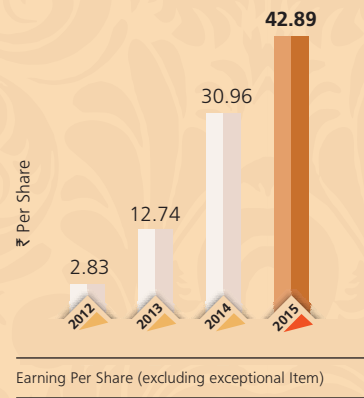
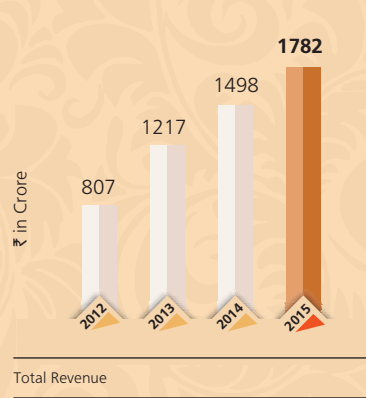


Financial Highlights

Consolidated Financial Highlights Particulars (₹ In Crs)	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Revenue	1781.80	1497.90	1217.09	807.13	733.21
EBITDA	313.66	189.10	120.05	63.03	72.27
EBITDA Margin	17.60%	12.60%	9.90%	7.80%	9.90%
Depreciation	15.96	19.56	18.48	18.60	19.56
Interest	65.03	49.89	49.80	35.19	30.64
Exceptional item	25.74	0	15.69	12.35	4.60
Tax	61.05	9.26	6.56	-0.80	6.81
Net Profit	145.88	110.39	29.52	-2.31	10.66
Net Profit (Excl. Exceptional)	161.44	110.39	45.21	10.04	15.26
Net Profit Margin(Excl.)	9.10%	7.40%	3.70%	1.20%	2.10%
Cash Profit	179.02	114.87	49.00	15.24	37.02
Earnings Per Share (EPS) (₹)	38.95	30.96	8.23	-0.61	3.03
EPS excluding exceptional items (₹)	42.89	30.96	12.74	2.83	4.3
Long Term Debt : Equity	0.16	0.33	0.69	0.98	1.08
Total Debt : Equity	0.81	1.36	1.86	1.78	1.76
Current Ratio	1.17	1.05	0.90	0.88	0.97
Asset Cover	6.00	3.57	2.66	2.11	1.86
Total Outstanding Liabilities : Net Worth	1.92	2.45	3.28	2.81	2.55
Interest Cover	4.58	3.40	2.04	1.26	1.72
Return on Equity (%)	40.80	45.30	15.80	-1.20	5.50
Return on Capital Employed (%)	34.50	25.40	14.90	5.80	7.60
Fixed Assets Turnover(x)	4.42	4.32	3.37	2.18	1.88
Total Assets Turnover(x)	1.43	1.48	1.45	1.18	1.06
Cash Earning per share (₹)	43.31	36.62	13.53	4.59	8.52

Key Performance Indicators: (Consolidated figures)

Long Term Debt: Equity 0.16 Times



*Excluding Exceptional Items

Chairman's Message



■ The value that your company brings in to its clients through its ability to innovate new products, wide products range, global presence, and end-user insight forms the core of its success story and strong customer relationship. ■

Dear Shareholders,

It gives me a great pleasure to present before you another set of good numbers with a few highest ever in your Company's history, in the face of a challenging business environment.

Your company has reported 'highest' on various parameters, that is, Revenue, EBIDTA, PAT, ROE, ROCE and Asset Turnover ratio in its history. The Long Term Debt: Equity is lowest.

I am pleased to share that, ICRA has pronounced "A" rating for Company's Long Term Exposures and "A1" rating for Company's Short Term Exposures. The improved Credit Rating will aid the lenders in lowering their Capital Adequacy on loan exposure to the Company, which in-turn will result in reduction of applicable interest rates to the Company.

A compilation of Top 500 Companies released by Dun & Bradstreet for the year 2015, your Company ranks at 386th position on Revenue and ranks at 286th position on Net Profit.

Yet another year of improved performance stands as a testimonial to your Company's persuasions for excellence and its commitment for success. The value that your company brings in to its clients through its ability to innovate new products, wide products range, global presence, and end-user insight forms the core of its success story and strong customer relationship. We aim to keep this momentum going by enduring to be the preferred partner of our global client's.

We are also continuously moving closer to customers and have setup showroom cum office in Australia and UK. This would facilitate us to reach out and serve our clients better in these new promising markets. We have expanded our capacities by 50% from 45 million meters to 68 million meters per annum. Your Company's commitment in staying abreast towards diverse end user preference has not only benefited clients but also all stakeholders. I am pleased to inform you further that your Company's new product offering within the home textile namely, institutional, fashion and utility bedding segment has received favorable responses from customers.

We as a Company believe "Every Smile Counts..." and are committed to the social cause. Your Company has initiated activities towards enhancing infrastructure facilities in rural areas with focus on healthcare centers and educational institution. Your Company has invested in resources towards conserving energy, recycling water and curtailing wastage at all its plants.

With the USA economy continued to gain strength and the Euro region has shown initial signs of recovery , the demand for housing would revive, leading to increased demand for Home Textile. Your Company today stands at a very interesting juncture with its strong relationships with world's leading retailers and a pipeline of new and innovative products.

Backed by the unrivalled commitment of our human capital your Company is well poised to continue this growth story. In the years to follow, we are committed to improve on performance to the satisfaction of all our stakeholders. I take this opportunity to thank all our stakeholders to believe in our commitment for success and partnering us in this growth journey and can proudly say -

Count On Us...

Many Thanks
Anil Kumar Jain

We as a Company believe
"Every Smile Counts..."

and are committed to the social cause. Your Company has initiated activities towards enhancing infrastructure facilities in rural areas with focus on healthcare centers and educational institution.

About Indo Count Industries

Company Overview

Indo Count is one of the leading integrated Home Textile companies in India. It currently supplies a wide range of bed linen to global retail chains across 49 countries in 5 continents. The Company has state-of-the-art manufacturing facilities at Kolhapur in Maharashtra with operations starting from Spinning, Weaving, Processing and Confection.

Vision

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

Mission

Indo Count is committed to provide all our customers desired Quality, Services and value for money through our technological and organizational strengths.



Value Proposition



State of the Art Technology and Machinery



Core Product Development setup



Marketing Strategy and Skills



Certificate & Compliances Brands



Quality- Expertise- Technology



Product Innovation



Sustainable Product Range

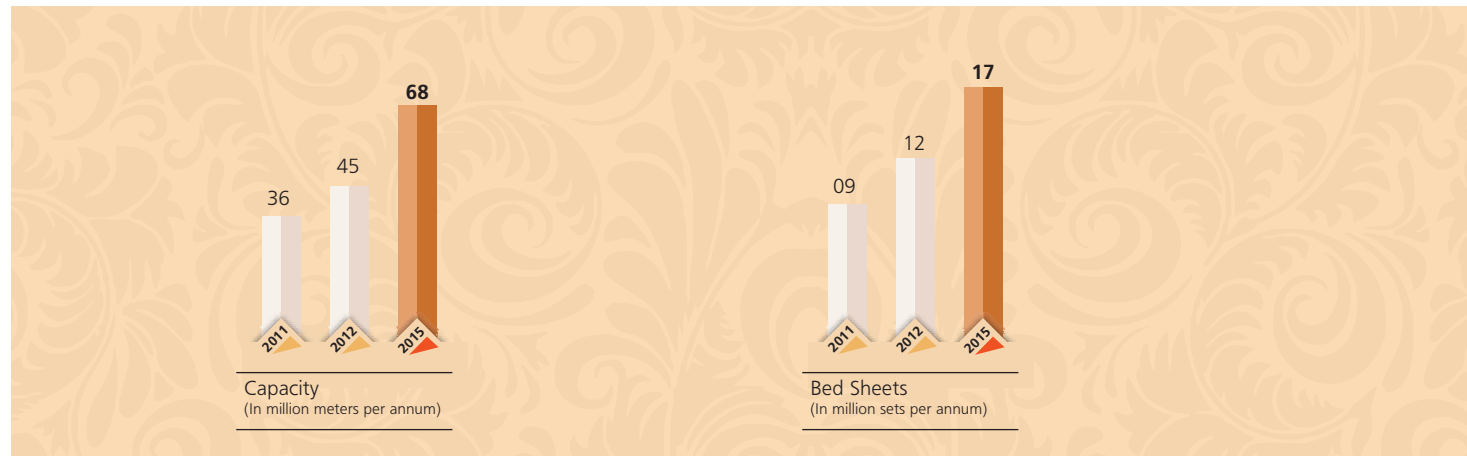


Trade Marks and Patent

Key Highlights of the YEAR

Operational Highlights

Capacity Expansion: Home Textile Division



New Product Portfolio

Fashion Bedding



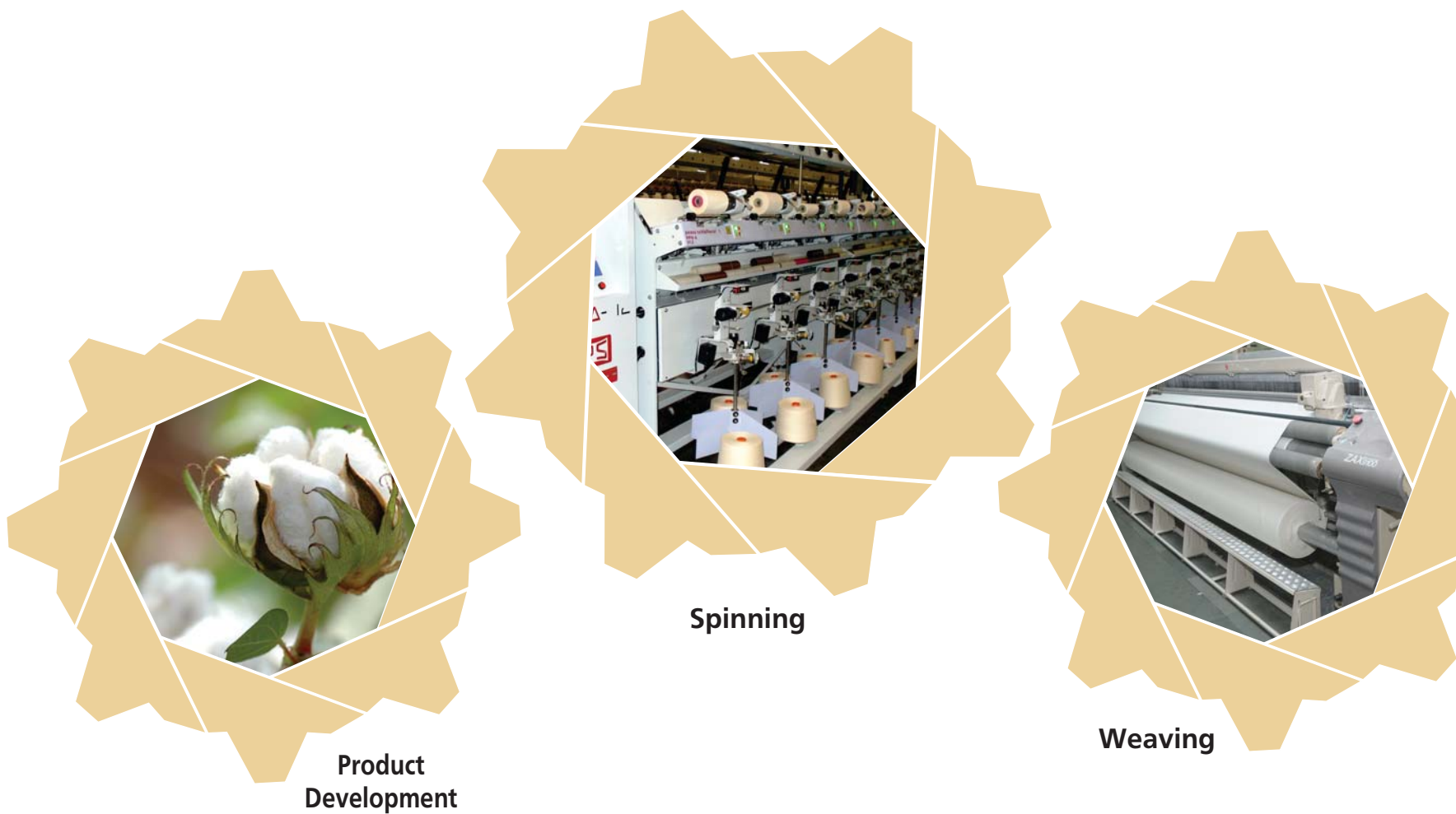
Institutional Linens



Utility Bedding



Vertically Integrated Business Model





Cut-n-Sew



Processing



Promotion

Brands



Linen *Soft*
Linen Blend Sheets


I N F I N I T Y
Cotton



The *Complete*
Sheet

AeroSateen
BREATHABLE SHEETS

color sense[®]

THERMAL  BALANCE

Touch Sense
SHEETS


TRILOGY
TRIBLEND SHEETS

smartcel[™]
sensitive 

The secret of natural freshness

Global Presence



- Office- cum-Showroom & Distribution centers in USA, UK and Australia
- Clientele includes Top Global Retailers and Renowned International Brands
- Global Presence - United States, Canada, Brazil, France, Germany, Austria, Spain, UAE
- Expanded in new markets United Kingdom, Japan, Australia and Latin America
- Exports to 49 Countries



INDIA

- Mumbai, Global Headquarters
- Manufacturing factories in Kolhapur, Maharashtra
- Design Studio



USA

- Established in 2011
- New York - Showroom & Design Studio
- Charlotte, NC - 3 PL Warehouse (for retail and e-commerce).



UK

- Established in July 2014
- Manchester – Showroom, Design Studio & Warehouse



AUSTRALIA

- Established in July 2014
- Melbourne – Showroom, Design Studio & Warehouse

Corporate Information

BOARD OF DIRECTORS

Mr. Anil Kumar Jain - Chairman & Managing Director

Executive Directors

Mr. R. N. Gupta - Joint Managing Director

Mr. K. R. Lalpuria - Executive Director

Mr. Kamal Mitra - Director (Works)

Independent Directors

Mr. R. Anand

Mr. P. N. Shah

Mr. Sushil Kumar Jiwarajka

Mr. Dilip Thakkar

Mr. Prem Malik

Dr. (Mrs) Vajjayanti Pandit

CFO & COMPANY SECRETARY

Mr. R. Sundaram

AUDITORS

B. K. Shroff & Company

Chartered Accountants

3/7-B, Asaf Ali Road

New Delhi - 110 002.

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt Ltd.

44, Community Centre,

Phase-I, Near PVR,

Naraina Industrial Area,

New Delhi - 110 028.

REGISTERED OFFICE

1, Plot 266, Village Alte,

Kumbhoj Road, Taluka : Hatkanangale,

Dist. Kolhapur - 416 109, Maharashtra

PLANT LOCATIONS

- i) D-1, MIDC Ind. Area,
Gokul Shirgaon, Kolhapur - 416 234.
- ii) T-3, Five Star MIDC Area,
Kagal - Hatkanangle, Kolhapur - 416 216.

SUBSIDIARY COMPANIES

In United States of America

Indo Count Global Inc.,

Suite# 1019

The Textile Building

295 Fifth Avenue

New York, NY 10016

In United Kingdom

Indo Count UK Ltd.

Unit 2 "The Stables"

Wilmslow Road,

Disbury, Manchester M20 SPG,

United Kingdom.

In Australia

Indo Australia Pty Ltd

Holloway Drive Bayswater

Melbourne, Vic 3153, Australia.

In India

Pranavaditya Spinning Mills Ltd.

2, Plot 266, Village Alte,

Kumbhoj Road,

Taluka Hatkanangale,

Kolhapur, 416 109

Maharashtra

BANKERS

Union Bank of India

Bank of India

Bank of Baroda

Canara Bank

Exim Bank of India

Axis Bank of India

State Bank of India

Directors Report

Dear Members

Your Directors have pleasure in presenting the 26th annual report on the business and operations of your Company together with the audited financial statements and the Auditor Report for the financial year ended March 31, 2015.

(₹ In Crores, except EPS)

Financial Results	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Revenue	1679.95	1440.49	1781.80	1497.90
EBIDTA	301.28	179.87	313.66	189.10
Less : Interest	62.54	48.97	65.02	49.89
Less : Depreciation	15.40	18.83	15.97	19.56
Less: Exceptional Item	25.74	-	25.74	-
Profit before Tax	197.60	112.07	206.93	119.65
Provision for Tax	58.56	7.12	61.05	9.26
Net Profit	139.04	104.93	145.88	110.39
EPS (₹)	37.18	29.54	38.95	30.96
EPS* (₹)	41.12	29.54	42.89	30.96
Cash Profit	171.65	108.46	179.02	114.87
<i>* Excluding Exceptional Item</i>				
Net Profit for the year	139.04	104.93	145.88	110.39
Add: Balance in Profit & Loss Account	106.70	1.88	108.77	0.72
Sub-total	245.74	106.82	254.65	111.11
Less: Adjustment on account of depreciation	0.88	-	0.91	-
Less: Transferred to Traditional Reserve	-	-	4.22	1.80
Less: Share of Profit transferred to Minority Interen	-	-	0.22	0.43
Less: Preference Dividend including Dividend Distribution Tax	0.12	0.12	0.12	0.12
Balance carried to Profit & Loss Account	244.74	106.70	249.18	108.76

Operational and Financial Performance Overview

During the financial year under review, the Company achieved revenue of ₹ 1,679.95 Crores as against ₹ 1,440.49 Crores in the previous year, thereby registering a growth of 17%. EBIDTA during the above period grew from ₹ 179.87 Crores to ₹ 301.28 Crores, a growth of 67%. The net profit during the above period grew from ₹ 104.93 crores to ₹ 139.04 crores, a growth of 32%.

The Company could achieve this growth due to improved utilization of available resources and expanding the customer base. The Company's products such as Sheet Sets, Fashion Bedding, Institutional Bedding and Utility Bedding continue to be in demand in the international markets.

Indo Count Global Inc., has completed 3 years of operation. With the success in USA the Company has formed subsidiaries in United Kingdom and Australia. The Company is also taking steps to expand its footprint in other markets like Middle East and Europe.

Business Operations Overview and Outlook

The year 2014-15 was a period of relative stability. The Group generated significant part of the revenue from exports from developed economies. USA was relatively stable during the past year while the European economy was under continued stress and has started showing signs of revival.

The consumer spending in USA is expected to be stable during the current year. The large retail chain prefers vertically integrated players like your company, due to better product development capabilities and control over supply chain which consequently ensures higher service levels.

The Company is focused on maintaining growth and optimising its return on assets through leveraging distribution capabilities, enhanced utilisation of manufacturing capacities and cost optimisation measures. These measures will enhance the shareholders value in the coming years.

Keeping in line with the global standards and norms of manufacturing process, the company tries to ensure highest efficiency with negligible waste.

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the financial year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

Corporate Governance

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, a separate report on Corporate Governance along with Auditor's Certificate confirming its compliance is annexed and forms integral part of this Report.

Awards/Recognitions

Company is:

1. the 3rd largest manufacturer/exporter of Bed Linen from India;
2. the 4th largest supplier of Bed Linen from across the globe into USA; and
3. the 13th largest supplier of Home Textiles across the globe into USA.

Company's rank improved from 581 to 454 by Revenue among the listed companies in India. (Source: "Business Standard Magazine" BS 1000 Annual Magazine 2014, for the financial year ended 31st March, 2013)

Company has also received Bronze Trophy from TEXPROCIL for the 3rd highest exporter of Bed Linen from India during the financial year 2013-14.

Company has won export excellence Award in the "TOP Exporter- Non MSME- Trading House" category from The Federation of Indian Export Organisations, Western Region.

Dividend

Your Directors intend to plough back available resources for financial requirements and have not recommend any dividend for the financial year.

Consolidated Financial Statement & Subsidiaries

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements, the audited consolidated financial statement is provided in the Annual Report. As on March 31, 2015, the Company had 4 subsidiaries.

Pursuant to the first proviso to the first proviso to Section 129(3) of the Companies Act, 2013 and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014, the salient features of the financial statements, performance and financial position of each subsidiary and a joint venture is given in Form AOC-1 as **Annexure 1** to this Report.

The Company has framed a policy for determining material subsidiaries, which has been uploaded on the Company's website.

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

Corporate Social Responsibility (CSR)

The key philosophy of all our CSR initiatives is guided by our belief "**Every Smile Counts ...**"

The Company has constituted CSR Committee. Dr. (Mrs.) Vaijayanti Pandit is the Chairperson of the Committee, Mr. Anil Kumar Jain and Mr. Kailash R. Lalpuria are other members of the Committee.

The adopted CSR Policy outlines various areas like education, livelihood, rural development projects, health, water and sanitation to be undertaken by the Company. The Company has formed a separate Trust, namely, '**Indo Count Foundation**' for implementing the aforesaid initiatives.

The CSR Policy may be accessed on the Company's website.

The Company is focused on introducing various innovative measures as part of our corporate social responsibility and the directors are confident that these measures will reduce malnutrition, promote gender equality, and improve education and health care among the various sections of our society.

The Annual Report on CSR activities is annexed as **Annexure 2**.

Related Party Transactions

All related party transactions entered into during the financial year were on an arm's length basis and in the ordinary course of business. Note 33 to the financial statement sets out related party disclosure. No related party transaction was in conflict with the interest of the Company. Material related party transactions were entered into by the Company only with its subsidiaries. No materially significant related party transaction was made by the Company with the Key Managerial Personnel. As prescribed by Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of related party transactions are given in Form AOC-2, as **Annexure 3** to this Report. The policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website.

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

Information required under Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in "**Annexure 4**" forming part of this Report.

Particulars of Employees

Particulars of employees required to be furnished pursuant to the provisions of Section 197 of the Companies Act, 2013 (ACT), read with Rules 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as an Annexure to this Report. However,

pursuant to the provisions of Section 136 of the Act, the Report and Accounts are being sent to all the Members excluding the aforesaid Annexure. Members, who are interested in the information, may write to the Company Secretary at the registered office of the Company.

The statement of particulars of appointment and remuneration of managerial personnel pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure 5** to this Report.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed C V Kulkarni & Co., (CP No. 2792, FCS: 3342), Company Secretaries to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report is annexed herewith as **Annexure 6**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Extract of Annual Return

Extract of the Annual Return of the Company in form MGT 9 is annexed herewith as **Annexure 7** to this Report.

Segment

The Company is engaged in the manufacture and export of cotton yarn & made ups, which are governed by the same set of risks and returns and as such are in the same segment. Other segment is Consumer Durable Goods Division.

The Segment reporting has been presented as per Accounting Standard (AS) - 17.

CDR Exit

The Company has exceeded the prescribed performance and growth parameters under the CDR Mechanism and exited the CDR mechanism 4 years ahead of scheduled exit and paid recompense amount of ₹ 25.74 Crore. The CDR exit will provide the Company better working and other opportunities in the immediate near future.

Capacity Expansion

During the year, your Company was operating at optimum capacity levels and the need was felt to augment capacities to cater growing customer needs. Your Company undertook expansion of capacity from 45 Million meters per annum to 68 million meters per annum, enhancement of almost 50%. The additional capacities are commercially available from FY 15-16 and the results would start getting reflected in FY 15-16 financials.

The additional capacities apart from providing growth to the top line will also contribute to the bottom line with Operating Leverage effect.

Equity Share Capital

During the year under review, the Company issued 11,00,000 Equity Shares, against funds infused by the promoters, in compliance with the terms of CDR Scheme. Further, 28,98,300 Equity Shares were issued to the promoters pursuant to exercise of conversion option on the outstanding Optionally Fully Convertible Warrants (OFCW). The paid up equity share capital of the Company as on 31st March, 2015 was ₹ 39.48 Crores.

Directors

In accordance with the provisions of Section 152 of Companies the Act 2013, Mr. Kailash R. Lalpuria (DIN: 00059758) Director of the Company, who retires by rotation at the ensuing Annual General Meeting, being eligible, has offered himself for re-appointment.

At the 25th Annual General Meeting of the company held on 23rd August, 2014 the company had appointed the existing independent directors Mr. P. N. Shah (DIN: 00096793), Mr. R. Anand (DIN: 00040325), Mr. Prem Malik (DIN: 00023051), Mr. Sushil Kumar Jiwarajka (DIN: 00016680), Mr. Dilip Thakkar (DIN: 00007339) and Dr. (Mrs.) Vaijayanti Pandit (DIN: 06742237), as independent directors under the companies Act, 2013 for 5 consecutive years for a term upto the conclusion of the 30th Annual General Meeting.

Further, in terms of Section 149 (10) & (13), the Independent Directors of the Company would not be liable to retire by rotation.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of vigil mechanism are explained in the Corporate Governance Report. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Internal Audit

M/s. Suresh Kumar Mittal & Co., Chartered Accountants performs the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

Obligation of Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint.

Meetings

During the year 4 Board Meetings, 1 independent directors' meeting and 4 Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given, investments made, guarantees given and securities are provided in the standalone financial statement (Please refer to Note 33 to the standalone financial statement).

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies have been selected and applied consistently and judgement 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, 2015 and of the profit of the Company for the year ended on that date;

- c. that 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;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Internal control systems and their adequacy

The 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, safe guarding 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 undertaken, as may be required.

Human Resources

Human resources are invaluable assets of this Company. Company received 2nd rank for executing best Human Resources practices for large scale categories in and around Pune Region. The Human Resource function strives to make the Company an employer of choice by attracting, retaining and developing sustainable talent in the organization.

Your Company has always provided a congenial atmosphere for work to its employees. Your Company is an equal opportunity employer and offers opportunities to all without regard to their caste, religion, colour, marital status and sex.

Development of employee skills and imparting knowledge is a top-most priority of the Company. The Company regularly conducts various training programs, which are very important to the business.

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request.

Auditors

M/s. B K Shroff & Co., Chartered Accountants, have been appointed as Auditor of the Company for a period of 3 years to hold office from the conclusion of the 25th Annual General Meeting to the conclusion of the 28th Annual General Meeting of the Company, subject to ratification by the members at each Annual General Meeting.

The Audit Committee and the Board of Directors have recommended to the members of the Company, ratification of appointment of M/s. B K Shroff & Co., Chartered Accountants, as Auditor to hold office from the conclusion of the ensuing Annual General Meeting to the conclusion of the 27th Annual General Meeting of the Company.

Auditors' Report

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.

3. Mr. Anil Kumar Jain & Mr. Kamal Mitra who are Non-Executive Directors on the Board of Pranavadiya Spinning Mills Ltd., subsidiary of the Company, receive sitting fees. Apart from the sitting fees, as aforesaid, neither the Managing Director nor any of the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
4. 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.

Acknowledgements

Our consistent growth has been made possible because of our culture of professionalism, integrity and continuous evolution.

Your Directors take this opportunity to thank our customers, suppliers, investors, bankers, the Central and State Governments, for their consistent support and co-operation to the Company. We place on record our appreciation of the contribution made by employees at all levels, without whose whole-hearted efforts, the overall performance would not have been possible.

Your Directors look forward to the long term future with confidence.

On behalf of the Board of Directors

ANIL KUMAR JAIN

Mumbai, 30th June, 2015

Chairman & Managing Director

FORM NO. AOC - 1

Statement containing salient features of the financial statement of subsidiary companies

(Pursuant to the first proviso to sub section (3) of Section 129 read with
Rule 5 of Companies (accounts) Rules, 2014)

Sr. No.	Name of the Subsidiary	Reporting Currency	Exchange Rate	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision For Taxation	Proposed Dividend	% of Share Holding	Country
1.	Pranavaditya Spinning Mills Ltd.	INR	1.00	1,924.13	2,136.98	4,863.52	802.41	0.16	6,584.82	117.72	34.85	-	74.53	India
2	Indo Count Global Inc., USA	USD	62.50	446.19	648.50	17,024.44	15,929.76	-	24,614.31	547.37	214.14	-	100	USA
3.	Indo Count UK Ltd.	GBP £	-	-	-	-	-	-	-	-	-	-	100	UK
4	Indo Australia Pty. Ltd.	A \$	-	-	-	-	-	-	-	-	-	-	51	Australia

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2014-15

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.	The CSR Committee decided to spend amount under Healthcare activities, rural development projects, promoting education during the year 2014-15. Weblink: http://www.indocount.com/corporatesocialresponsibility.php?id=5
2	The Composition of the CSR Committee.	(1.) Dr. (Mrs.) Vaijayanti Pandit – Chairman (Independent Director) (2.) Mr. Anil Kumar Jain – Member (3.) Mr. Kailash R. Lalpuria – Member
3	Average net profit of the company for last three financial years.	Average net profit of ₹ 44.05 Crore
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	₹ 88.11 Lacs
5	Details of CSR spent during the financial year 2014-15	₹ 11.27 Lacs
	(a) Total amount to be spent for the financial year 2014-15	₹ 88.11 Lacs
	(b) Amount un spent , if any	₹ 76.84 Lacs (carried forward to 2015-16)

Manner in which the amount spent during the financial year 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 (Amount in ₹)	Amount spent on the projects or programs Sub-heads: 1) Direct on projects or programs- 2) Overheads (Amount in ₹)	Cumulative Expenditure upto the reporting Period (Amount in ₹)	Amount spent Direct or through Implementing Agency.
1.	Improving medical care and infrastructure	Health care	Mumbai-Maharashtra	10,00,000/-	5,00,000/-	5,00,000/-	Implementing Agency
2	Improving medical care and infrastructure	Health care	Kolhapur-Maharashtra	13,00,000/-	1,25,957/-	1,25,957/-	Direct

(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 (Amount in ₹)	Amount spent on the projects or programs Sub-heads: 1) Direct on projects or programs- 2) Overheads (Amount in ₹)	Cumulative Expenditure upto the reporting Period (Amount in ₹)	Amount spent Direct or through Implementing Agency.
3	Rural Development and welfare Projects	Rural development projects	Kolhapur- Maharashtra	17,50,000/-	4,82,690/-	4,82,690/-	Direct
4	Promoting education and assisting by improving facilities	Promoting education	Kolhapur- Maharashtra	5,00,000/-	18,667/-	18,667/-	Direct
Total - Direct Expenses on projects				45,50,000/-	11,27,314/-		
Total - Indirect Expenses on overheads							
Grand Total				45,50,000/-	11,27,314/-	11,27,314/-	

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

Anil Kumar Jain
Chairman & Managing Director

Dr. (Mrs.) Vijayanti Pandit
Chairman, CSR Committee

Mumbai, 30th June, 2015

Annexure-3

Form No. AOC-2

as on the financial year ended on 31st March 2015

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

Form for 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:

- No contracts or arrangements or transactions were entered into by the Company with related parties during the year ended March 31, 2015, which were not at arm's length basis.**
- Details of contracts or arrangements or transactions at arm's length basis during the year ended March 31, 2015:**

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

Sl. No.	Name of the related party	Nature of Relationship	Nature of contracts / arrangements / transaction	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value (₹ In Lacs)	Amount paid as advances, if any
1	Indo Count Global INC, USA	Wholly Owned Subsidiary	Sale-Goods	Ongoing	Based on transfer pricing guidelines. ₹ 20950.06	Nil
2	Paranavaditya Spinning Mills Limited	Subsidiary	Sale-Goods	Ongoing	Based on transfer pricing guidelines. ₹ 17.50	Nil
3	Paranavaditya Spinning Mills Limited	Subsidiary	Purchase -Goods	Ongoing	Based on transfer pricing guidelines. ₹ 46.54	Nil
4	Paranavaditya Spinning Mills Limited	Subsidiary	Sale -Machinery	Ongoing	Based on transfer pricing guidelines. ₹ 1.13	Nil

Note:- Appropriate approvals have been taken for related party transactions.

On behalf of the Board of Directors

Anil Kumar Jain

Chairman & Managing Director

DIN: 00086106

Place: Mumbai

Dated: 30th June, 2015

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC:

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 are provided hereunder:

The report of the Board shall contain the following information and details, namely:-

(A) Conservation of energy-

(i) Steps taken or impact on conservation of energy;

1. Water:

- a) Cooling water from merceriser machines recovered and reused.
- b) Laying of new gravity water flow lines from processing machines. This water is taken into main water tank.
- c) Hot water from caustic recovery plant is reused in the washers of processing machines.

The above initiatives have resulted into 25% reduction in water consumption.

2. Steam:

- a) Fuel saved due to self operating temperature control installed in Boiler for feed water.
- b) Flash steam recovered from various process and automation has resulted in saving of fuel.

The above initiative have resulted into saving of 5% in total consumption.

3. Power:

- a) Modification of softening water pipe lines.
- b) Installation of lighting transformers.
- c) Installation of LED lights in process house.
- d) Conversion of ETP water discharge from pump to gravity.

The above initiative have resulted into saving of 4% in power cost.

(ii) Steps taken by the company for utilising alternate sources of energy;

Rain Water Harvesting pipe line done & used in the same for normal operations.

(iii) Capital investment on energy and conservation equipments;

- a) Reverse Osmosis Plant erection is in progress for reducing in Captive Consumption.
- b) Pipe line for reusing ETP treated Water for gardening.
- c) Water used in processing machines is also recycled and used in other processes.
- d) Hot water / Steam Generated from process house used for steam boiler as input
- e) Pipe line / pump modification for power saving

(B) Technology Absorption:

(i) Efforts made towards technology absorption;

- a. **Aero Sateen:** In this technology fabric transfers the heat from human body to the ambient environment during sleep. Bed sheet made from this new innovated fabric gives comfortable sleep because of good amount air permeability of fabric.
- b. **Infinity Cotton:** Infinity Cotton is exquisitely crafted from an opulent blend of Long Staple few finest cottons in the world in order to get superior yarn with exceptionally soft hand feel making it world's best cotton sheets. This superior Yarn is spun on slow speed ring frames so that yarn surface stays smooth and flawless.
- c. **Neo Fresh:** This Technology enhances the fabric appearance in terms of Wrinkle free and Pilling property which last wash after wash. Neo Fresh gives fresh look with good handle to the fabric with good durability.

(ii) The benefits derived like product improvement, Costreduction, product development or import substitution;

Product improvement

- a. **Sanitize:** Our Product provides freshness and prevents growth of Bacteria and dustmites. This product provides a complete hygiene protection to end user.
- b. **Dura white:** Our Product remains as bright and white which looks new even after repeated home laundering.
- c. **Tri blends:** Our product is a blend of cotton and manmade fibres (Like Viscose/Polyester) to balance wicking property for better moisture management along with natural property of cotton.

- d. Performance Finish:** Our product will have performance property of wrinkle free, anti-shrink, anti-pill with excellent smoothness appearance.

Cost reduction

Reduction of water in process house, reduction of dyes and chemicals, improvement in fresh packing has contributed towards cost reduction.

Product Development;

We have developed various finishes for bed Linen series out of those following are the few major product developments:

1. **Aloe Vera, vitamin-E and jojoba oil finish:** For freshness and skin nourishing throughout night during sleep.
2. **Enzyme Wash sheet:** Makes the sheet extremely soft, smooth and clean surface for sleep comfort.
3. **Breathable Sheet:** Makes the sheet breathable due to fabric structure and give sleep comfort during sleep.

(iii) 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 incurred on Research and Development during financial year 2014-15 is ₹ 138.47 Lacs

(C) Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

(₹ In Crores)		
Particulars	2014-15	2013-14
Foreign Exchange earned in terms of Actual Inflows	1324.92	1104.80
Foreign Exchange outgo in terms of Actual Outflows	99.08	83.77

**STATEMENT OF PARTICULARS AS PER RULE 5 OF THE COMPANIES
(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

Sl. No.	Name of the Director/ Key Managerial Personnel and Designation	Remuneration of Director/ Key Managerial Personnel for the year ended March 31, 2015 (₹ in Lacs)	% increase in the remuneration in the year ended March 31, 2015	Ratio of the remuneration of each Director to the median remuneration of the employees	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company
1	Mr. Anil Kumar Jain - Chairman & Managing Director	930.50	61.49%	329.96	The Profit before tax increased by 76% and the profit after tax increased by 32% in the financial year 2014-15
2	Mr. R. N. Gupta - Jt. Managing Director	17.31	14.86%	6.14	
3	Mr. Kailash R. Lalpuria- Executive Director	46.62	7.25%	16.53	
4	Mr. Kamal Mitra - Director (Works)	16.91	12.58%	6.00	
5	Mr. P.N. Shah - Independent Non-executive Director	2.00	81.82%	0.71	
6	Mr. Dilip Thakkar - Independent Non-executive Director	1.50	400 %	0.53	
7	Mr. R. Anand - Independent Non-executive Director	2.00	100%	0.71	
8	Mr. Sushil Kumar Jiwrajka - Independent Non-executive Director	1.40	250%	0.50	
9	Mr. Prem Malik - Independent Non-executive Director	1.90	533%	0.67	
10	Dr. (Mrs.)Vaijayanti Pandit - Independent Non-executive Director	2.00	***	0.71	
11	Mr. R Sundaram - Chief Financial Officer & Company Secretary	44.84	10.18%	15.90	

- i) The median remuneration of employees of the Company during the year ended March 31, 2015 was ₹ 2.82 Lac.
- ii) During the year ended March 31, 2015, there was an increase of 17.50 % in the median remuneration of employees.
- iii) As on March 31, 2015, the Company had 549 permanent staff employee.
- iv) Relationship between average increase in the remuneration and performance of the Company:-
“PAT for the year ended March 31, 2015 increased by 32% and the median remuneration by 17.50%.”
- v) Comparison of remuneration of the Key Managerial Personnel against the performance of the Company:-
While PAT rose by 32% from ₹ 104.93 crores in 2013-14 to ₹ 139.04 crores in 2014-15, the total remuneration of Key Managerial Personnel rose by 58.02 % from ₹ 6.17 crores in 2013-14 to ₹ 9.75 crores in 2014-15.”
- vi) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.
- vii) During the financial year 2014-15, there was an average 12.60 % increase in the salaries of employees other than the key managerial personnel. Remuneration of the key managerial personnel rose by 58.02% in line with the volume of the Company’s business and profits earned by it and their responsibilities.
- viii) The key parameters for any variable component of remuneration availed by the directors:-
“In terms of his appointment, Mr. Anil Kumar Jain, Chairman & Managing Director, is entitled to commission of the net profit calculated in accordance with the provisions of Sections 197 and 198 of the Companies Act, 2013.”
- ix) During the year ended, March 31, 2015, there was no employee, who is not a director of the Company and received remuneration in excess of the highest paid director of the Company.
- x) We affirm that the remuneration paid is as per the Remuneration policy of the Company.

On behalf of the Board of Directors

Anil Kumar Jain
Chairman & Managing Director
DIN: 00086106

Place: Mumbai
Dated: 30th June, 2015

Sr. No.	Particulars	As at March 31, 2015	As at March 31, 2014
1.	Market Capitalisation		
	BSE:	₹ 1,495 crores	₹ 140 crores
	NSE:	₹ 1,489 crores	₹. 141 crores
2.	Price Earnings Ratio		
	BSE:	₹ 10.18	₹ 1.33
	NSE:	₹ 10.14	₹ 1.34

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

To,
The Members,
Indo Count Industries Limited
Regd. Office : Office No. 1, Plot No. 266, Village Alte,
Kumbhoj Road, Taluka Hatkanangale,
Kolhapur 416109.

I 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 conduct / statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2015 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Indo Count Industries Limited for the Company's Financial Year ended on 31st March, 2015 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 following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):-
 - (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- VI. The Factories Act, 1948, The Employees Provident Funds and Pension Scheme 1952, the Payment of Gratuity Act, 1972, the Maternity Benefit Act, 1961, the Employees State Insurance Act 1948, the Minimum Wages Act, 1948, the Payment of Bonus Act 1965, the Maharashtra Labour Welfare Fund Act, 1953, the Equal Remuneration Act, 1976, the Payment of wages Act, 1936, Sexual Harassment of Women at Workplace Act (Prevention, Prohibition and Redressal), 2013, the Contract Labour (Regulation and Abolition) Act, 1970.

I 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 Listing Agreements entered into by the Company with BSE and NSE Stock Exchanges ;

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

I 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 period 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.

Majority Decision is carried through while the dissenting members' views if any, are captured and recorded as part of the minutes.

I further Report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has

- i. Issued and allotted 11,00,000 Equity Shares of ₹ 10/- each for cash at par on preferential basis on 10.04.2014.
- iii. The Company has incorporated wholly owned subsidiary in United Kingdom to carry on the business activities of the said company within the overall framework of objects of Indo Count Industries Limited
- iv. The Company has incorporated a joint venture company in Australia along with Somaia Group of Australia.

FOR C. V. KULKARNI & COMPANY
COMPANY SECRETARIES
C. V. KULKARNI
COMPANY SECRETARY

Place: Pune
Date: 30th June, 2015

FCS No: 3342
CP No: 2792

To,

The Members,
Indo Count Industries Ltd.
Regd. Office : Office No. 1, Plot No. 266, Village Alte,
Kumbhoj Road, Taluka Hatkanangale,
Kolhapur 416109.

My report of even date is to be read along with this letter

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices & process 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. I believe that the processes & practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness & appropriateness of financial records & Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules & regulations & happening of events etc.
5. The compliance of the provisions of Corporate & other applicable laws, Rules, Regulations, standards is the responsibility of the Management. My 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 its efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR C.V.KULKARNI & CO.
COMPANY SECRETARIES
C.V.KULKARNI
COMPANY SECRETARY,
FCS No.: 3342
CP No.: 2792

Flat No. 2, B Wing, Suyas Apartments,
769/770, Sadashiv Peth, Barrister Gadgil Street,
Pune 411030

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2015

[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	L72200PN1988PLCO68972
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	# 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur, Maharashtra- 416 109.
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited 44, Community Centre, Phase-I, Near PVR, Naraina Industrial Area, New Delhi - 110 028. Phone: 011 41410592.

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	83.25%
2	Preparation and spinning of Cotton fibers including blended cotton	13111	13.72%

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
1	Pranavaditya Spinning Mills Limited	L17119PN1990PLC058139	Subsidiary	74.53%	2(87)
2	Indo Count Global INC.,USA	EIN 38-3830098	Subsidiary	100%	2(87)
3	Indo Count UK Ltd.		Subsidiary	100%*	2(87)
4	Indo Australia Pty Ltd.		Subsidiary	51%*	2(87)

*Yet to be subscribed.

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

(i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year (As on 01-04-2014)				No. of Shares held at the end of the year (As on 31-03-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals / HUF	912448	0	912448	2.57	3810748	0	3810748	9.65	7.08
b) Central Government/ State Government (s)	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	5963266	0	5963266	16.81	7063266	0	7063266	17.89	1.08
d) FI/ Banks	0	0	0	0	0	0	0	0	0.0
e) Any other	0	0	0	0	0	0	0	0	0.0
Sub Total (A)(1)	6875714	0	6875714	19.38	10874014	0	10874014	27.54	8.16
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.0
b) Bodies Corporate	12400491	0	12400491	34.95	12400491	0	12400491	31.41	-3.54
c) Institutions	0	0	0	0	0	0	0	0	0.0
e) Any other	0	0	0	0	0	0	0	0	0.0
Sub Total (A)(2)	12400491	0	12400491	34.95	12400491	0	12400491	31.41	-3.54
Total Shareholding of Promoter and Promoter Group (A)(1)+(A)(2)	19276205	0	19276205	54.33	23274505	0	23274505	58.95	4.62
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	470000	23200	493200	1.39	672512	22500	695012	1.76	0.37
b) Financial Institutions / Banks	0	7470	7470	0.02	6070	7470	13540	0.04	0.2
c) Central Government/ State Government (s)	0	0	0	0	0	0	0	0	0.0
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0.0
e) Insurance Companies	0	0	0	0	0	0	0	0	0.0
f) Foreign Institutional Investors	2717161	0	2717161	7.66	2717161	0	2717161	6.88	-0.78
g) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0.0
h) Any other	0	0	0	0	0	0	0	0	0.0
Sub Total (B)(1)	3187161	30670	3217831	9.07	3395743	29970	3425713	8.68	-0.39

Category of Shareholder	No. of Shares held at the beginning of the year (As on 01-04-2014)				No. of Shares held at the end of the year (As on 31-03-2015)				% Change during the year Note No.
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corporate	4732995	36074	4769069	13.44	4894914	36074	4930988	12.49	-0.95
b) Individuals									
i. Individual Shareholders holding nominal share capital up to ₹ 1 lakh	2741836	1609110	4350946	12.26	3080683	1496640	4577323	11.59	-0.67
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3451927	130000	3581927	10.10	2719604	130000	2849604	7.22	-2.88
c) Foreign Portfolio Investor (Corporate)	0	0	0	0.0	84200	0	84200	0.21	0.21
d) Any other (specify)									
(d-i) Clearing Member	90982	0	90982	0.26	211706	0	211706	0.54	0.28
(d-ii) NRI Repat	178718	0	178718	0.50	100157	0	100157	0.25	-0.25
(d-iii) NRI Non Repat	7356	8600	15956	0.04	17138	8600	25738	0.07	0.03
Sub Total (B)(2)	11203814	1783784	12987598	36.60	11108402	1671314	12779716	32.37	-4.23
Total Public Shareholding (B)(1)+(B)(2)	14390975	1814454	16205429	45.67	14504145	1701284	16205429	41.05	-4.62
C. Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	
Grand Total (A+B+C)	33667180	1814454	35481634	100	37778650	1701284	39479934	100	0.0

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2014)			Shareholding at the end of the Year (As on 31-03-2015)			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Anil Kumar Jain Including HUF	388511	1.09	1.09	388511	0.98	0.94	0.11
2	Gayatri Devi Jain	322771	0.91	0.91	1337171	3.39	0.82	2.48
3	Shikha Mohit Jain	35365	0.1	0.06	1049765	2.66	0.06	2.56
4	Neha Singhvi	21076	0.06	0.06	455826	1.15	0.05	1.09
5	Shivani Patodia	0	0.00	0.00	434750	1.1	0.00	1.1
6	Sunil Jain	2155	0.01	0	2155	0.01	0.00	0.00
7	Mohit Kumar Jain	138570	0.39	0.39	138570	0.35	0.35	-0.04
8	Sunita Jaipuria	4000	0.01	0.00	4000	0.01	0.00	0.00
9	Margo Finance Ltd.	307004	0.87	0.00	307004	0.78	0.00	-0.09
10	Rini Investment and Finance Pvt. Ltd.	23820	0.07	0.00	23820	0.06	0.00	-0.01
11	Indo Count Securities Ltd.	5270777	14.85	14.42	6208277	15.73	15.33	0.88
12	Sandridge Investments Ltd.	12400491	34.95	0.00	12400491	31.41	0.00	-3.54
13	Yarntex Exports Ltd	300000	0.85	0.85	462500	1.17	1.17	0.32
14	Slab Properties Pvt. Ltd.	61665	0.17	0.00	61665	0.16	0.00	-0.01
	Total	19276205	54.33	17.78	23274505	58.95	18.72	4.62

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year (As on 01-04-2014)		Cumulative Shareholding during the Year (01-04-2014 to 31-03-2015)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	1,92,76,205	54.33		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	10th April, 2014 +11,00,000 (Refer Note 1 below)	3.01	2,03,76,205	55.75
		20th December, 2014 +28,98,300 (Refer Note 2 below)	7.34	2,32,74,505	58.95
	At the End of the year			2,32,74,505	58.95

Notes:

- 11,00,000 equity shares were issued and allotted to the Promoters of the Company, towards funds infused by the promoters in compliance with the terms of CDR Scheme dated 8th December, 2008.
- 28,98,300 equity shares were issued and allotted to the Promoters of the Company pursuant to conversion of like number of Optionally Fully Convertible Warrants (OFCWs) held by them. The OFCWs were issued to the Promoters towards their contribution for capacity expansion capex.

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	As per Annexure A			
	Date wise Increase / Decrease in Share-holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	As per Annexure B			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

Shareholding pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs):

Annexure A

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the Year (01-04-14 to 31-03-15)		
		No. of Shares at the beginning (01-04-14) / end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company	
1	Elm Park Fund Ltd	2717161	6.88	01-Apr-2014	0	Nil transaction during the year			
		2717161	6.88	31-Mar-2015			2717161	6.88	
2	Amruit Promoters and Finance Pvt. Ltd.	594368	1.51	01-Apr-2014	0	Nil transaction during the year			
		594368	1.51	31-Mar-2015			594368	1.51	
3	Uniworth Finance and Securities Pvt.Ltd.	578705	1.47	01-Apr-2014	0	Nil transaction during the year			
		578705	1.47	31-Mar-2015			578705	1.47	
4	Aegis Finstate Pvt.Ltd.	575862	1.46	01-Apr-2014	0	Nil transaction during the year			
		575862	1.46	31-Mar-2015			575862	1.46	
5	Consolidated Finvest and holdings Ltd.	562810	1.43	01-Apr-2014	0	Nil transaction during the year			
		562810	1.43	31-Mar-2015			562810	1.43	
6	UTI-Mid Cap Fund	470000	1.19	01-Apr-2014					
				30-Sep-2014	+7500		Purchase	477500	1.21
		477500	1.21	31-Mar-2015			477500	1.21	
7	Lucky Holdings Pvt. Ltd.	343469	0.87	01-Apr-2014		Nil transaction during the year			
		343469	0.87	31-Mar-2015			343469	0.87	
8	Viswanath Chandran	305621	0.77	01-Apr-2014					
				18-Jul-2014	+3580		Purchase	309201	0.78
				25-Jul-2014	+6540		Purchase	315741	0.80
				01-Aug-2014	+8		Purchase	315749	0.80
				08- Aug-2014	+2		Purchase	315751	0.80
			+5453	Purchase	321204	0.81			

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the Year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14) / end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
				22-Aug-2014	+5487	Purchase	326691	0.82
				29-Aug-2014	+2013	Purchase	328704	0.83
				05-Sep-2014	+2337	Purchase	331041	0.84
				12-Sep-2014	+2424	Purchase	333465	0.84
				30-Sep-2014	-2001	Sale	331464	0.84
				10-Oct-2014	+2449	Purchase	333913	0.85
				17-Oct-2014	+1	Purchase	333914	0.85
				14-Nov-2014	-33000	Sale	300914	0.76
				28-Nov-2014	+11900	Purchase	312814	0.79
				12-Dec-2014	+2850	Purchase	315664	0.80
				19-Dec-2014	+2875	Purchase	318539	0.81
				31-Dec-2014	+825	Purchase	319364	0.81
				23-Jan-2015	-1404	Sale	317960	0.81
				13-Feb-2015	-1150	Sale	316810	0.80
				20-Feb-2015	-11892	Sale	304918	0.77
				27-Feb-2015	-4918	Sale	300000	0.76
				13-Mar-2015	+1300	Purchase	301300	0.76
				20-Mar-2015	+1300	Purchase	302600	0.77
				27-Mar-2015	+2250	Purchase	304850	0.77
		305944	0.77	31-Mar-2015	+1094	Purchase	305944	0.77
9	Citoc Ventures Pvt. Ltd.	0	0	01-Apr-2014				
				30-Jun-2014	+287184	Purchase	287184	0.73
				28-Nov-2014	-37184	Sale	250000	0.63
				19-Dec-2014	+6981	Purchase	256981	0.65
				31-Dec-2014	+19	Purchase	257000	0.65
				23-Jan-2015	-8000	Sale	249000	0.63
		249000	0.63	31-Mar-2015			249000	0.63
10	Vadra Overseas Pvt. Ltd.	278650	0.71	01-Apr-2014				
				20-Mar-2015	-50000	Sale	228650	0.58
		228650	0.58	31-Mar-2015			228650	0.58
11	Kusum Goenka	225590	0.57	01-Apr-2014				
				22-Aug-2014	-85	Sale	225505	0.57
				05-Sep-2014	+85	Purchase	225590	0.57
				13-Feb-2015	-11739	Sale	213851	0.54
				13-Mar-2015	-8000	Sale	205851	0.52
				20-Mar-2015	-750	Sale	205101	0.52
		205101	0.52	31-Mar-2015			205101	0.52
12	S Sathya	363490	0.92	01-Apr-2014				
				16-May-2014	-363490	Sale	0	0.0
		0	0	31-Mar-2015			0	0.0
13	Soyuz Trading Company Limited	308911	0.78	01-Apr-2014				
				28-Nov-2014	-8141	Sale	300770	0.76
				12-Dec-2014	-14898	Sale	285872	0.72
				31-Dec-2014	-85094	Sale	200778	0.51
				02-Jan-2015	-33997	Sale	166781	0.42
				09-Jan-2015	-32890	Sale	133891	0.34
				16-Jan-2015	-79680	Sale	54211	0.14
				23-Jan-2015	-54211	Sale	0	0.0
		0	0	31-Mar-2015			0	0.0

Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the Year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14) / end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
A Directors:								
1	Mr. Anil Kumar Jain	373511	1.05	1-Apr-14	0	Nil Holding/ movement during the year		
		373511	1.05	31-Mar-15				373511
2	Mr. R. N. Gupta	0	0.00	1-Apr-14		Purchase		
				11-Jul-14	+10		10	0.00
		10	0.00	31-Mar-15			10	0.00
3	Mr. Kailash R. Lalpuria	12669	0.03	1-Apr-14		Purchase	0	0.00
				2-Jun-14	+1000		13669	0.04
				3-Jun-14	+2000		15669	0.04
				1-Jul-14	+1000		16669	0.04
				2-Jul-14	+2000		18669	0.05
				4-Jul-14	+2000		20669	0.06
				8-Jul-14	+500		21169	0.06
		21169	0.06	31-Mar-15			21169	0.06
4	Mr. Kamal Mitra	0	0.00	1-Apr-14	0	Purchase	0	0.00
				14-Aug-14	+300		300	0.00
		300	0.00	31-Mar-15	-		300	0.00
5	Mr. P.N. Shah	0	0.00	1-Apr-14	0	Nil Holding/ movement during the year		
		0	0.00	31-Mar-15				0
6	Mr. Dilip Thakkar	0	0.00	1-Apr-14	0	Nil Holding/ movement during the year		
		0	0.00	31-Mar-15				0
7	Mr. R. Anand	0	0.00	1-Apr-14	0	Nil Holding/ movement during the year		
		0	0.00	31-Mar-15				0
8	Mr. Sushil Kumar Jiwrajka	0	0.00	1-Apr-14	0	Nil Holding/ movement during the year		
		0	0.00	31-Mar-15				0
9	Mr. Prem Malik	0	0.00	1-Apr-14	0	Nil Holding/ movement during the year		
		0	0.00	31-Mar-15				0
10	Dr. (Mrs.)Vaijayanti Pandit	0	0.00	1-Apr-14	0	Nil Holding/ movement during the year		
		0	0.00	31-Mar-15				0
B Key Managerial Personnel (KMP's)								
1	Mr. R Sundaram (Company Secretary CFO)	0	0.00	1-Apr-14	0	Nil Holding/ movement during the year		
		0	0.00	31-Mar-15				0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	404,10,00,979	-	-	404,10,00,979
i) Interest due but not paid	2,108,003	-	-	2,108,003
ii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	404,31,08,982	-	-	404,31,08,982
Change in Indebtedness during the financial year				
• Addition	252,225,190	-	-	252,225,190
• Reduction	(971,427,475)	-	-	(971,427,475)
Net Change	(719,202,285)	-	-	(719,202,285)
Indebtedness at the end of the financial year				
i) Principal Amount	330,15,39,001	-	-	330,15,39,001
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	22,367,696	-	-	22,367,696
Total (i+ii+iii)	332,39,06,697	-	-	332,39,06,697

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

No	Particulars of Remuneration	Name of MD/ WTD/ Manager				Total
		Mr. Anil Kumar Jain (Chairman and Managing Director)	Mr. R. N. Gupta (Joint 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	1,32,00,000	17,31,200	46,62,000	16,91,400	2,12,84,600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	- as % of profit	7,98,49,818	-	-	-	7,98,49,818
	- others, specify	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	9,30,49,818	17,31,200	46,62,000	16,91,400	10,11,34,418

Ceiling as per the Act ₹ 1776.40 Lac (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)

B. Remuneration to other directors:

Sl. No.	Particulars	Name of Directors							Total Amount
		Mr. P.N. Shah	Mr. R. Anand	Mr. Sushil Kumar Jiwrajka	Dr. (Mrs.) Vaijayanti Pandit	Mr. Dilip Thakkar	Mr. Prem Malik	Mr. Nadeem Panjetan	
1	Independent Directors								
	• Fee for attending board / committee meetings	1,00,000	1,00,000	40,000	1,00,000	50,000	90,000	40,000	5,20,000
	• Commission @	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	-	6,00,000
	• Others, please specify								
	Total (1)	2,00,000	2,00,000	1,40,000	2,00,000	1,50,000	1,90,000	50,000	11,20,000
2	Other Non-Executive Directors								
	• Fee for attending board / committee meetings	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	• Commission								
	• Others, please specify								
	Total (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	2,00,000	2,00,000	1,40,000	2,00,000	1,50,000	1,90,000	40,000	11,20,000
	Total Managerial Remuneration								
	Overall Ceiling as per the Act ₹ 177.64 lakhs (being 1 % of the net profit of the company, calculated as per section 198 of the Companies Act, 2013.)								

The Export-Import Bank of India by its letter dated 1st December, 2014, received by the Company on 10th December, 2015, withdrew its nomination of Mr. Nadeem Panjetan from Board of Directors of the Company.

@ Amount approved by the Board of directors for payment.

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		Mr. R. Sundaram (Company Secretary & CFO)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	44,83,920
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
		-
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	
	- as % of profit	Nil
	- others, specify	
5.	Others, please specify	-
	Total (A)	44,83,920

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	None				
Punishment	None				
Compounding	None				
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment	None				
Compounding	None				

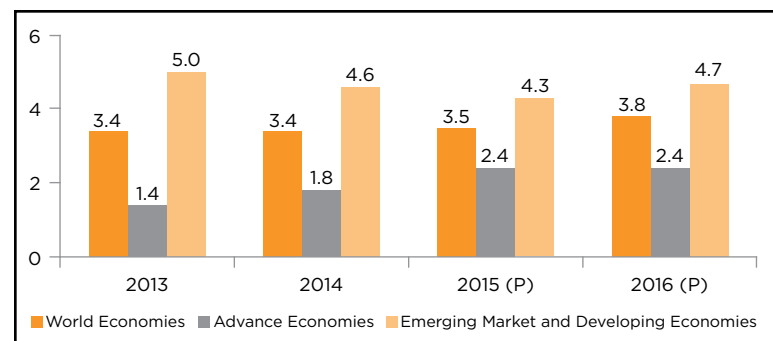
Management Discussion and Analysis

Economic Review:

Global Economy

As per IMF's World Economic outlook update released in April 2015, Global economy has remained steady on its recovery path. The global GDP growth as per the report is at 3.4 % in 2014 which is same as previous year's growth (Exhibit 1). Advanced economies are the major contributor to this growth, their growth in 2014 is 1.8% from 1.4% in 2013. Going forward the world's economic growth is expected to further improve and is projected to grow by 3.5% in 2015 and 3.8% in 2016. The growth in 2015 is expected to be majorly supported by advanced economies where the growth is projected to be 2.4%, backed by strong growth of 3.1% in the United States.

Exhibit 1: World GDP Growth



Source: IMF's World Economic Update, April 2015

Key Market Economies:

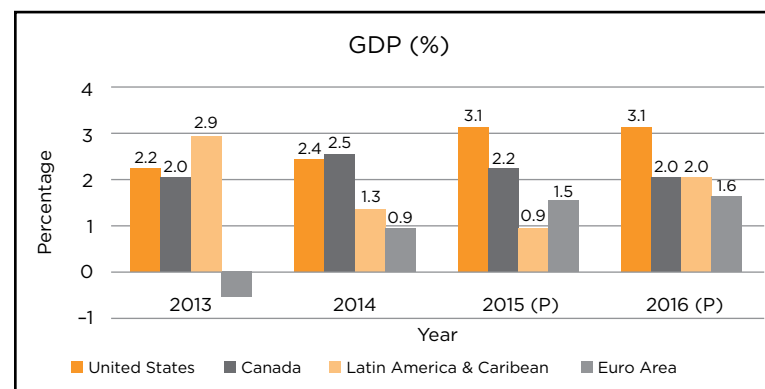
Indo Count is amongst the leading suppliers of bed linen to US. Apart from US, the Company also exports its product to Europe, UK, Japan, Latin American countries, Middle East, Canada and Australia.

During the year 2014, Euro region's growth has turned positive with 0.9% growth in 2014 from -0.5% growth in 2013. There has also been continuous improvement in the US economy which had grown at 2.4% in 2014 as against 2.2% in 2013.

United States has been moving steady on its growth trajectory and is the only major economy for which IMF has raised its GDP growth expectation. Recovery in US economy was supported by its quantitative easing (QE) program, facilitating gradual decline in the unemployment rate which now stands at 5.4% after hitting a hit of 10.2% in November 2009. However Fed

after considering the steady recovery for US has started to roll back its QE program. With US economy gradually gaining strength the US dollar has significantly appreciated against major currencies. With a strong US dollar and decline in oil prices, the inflation pressure in the US remained muted during the year. As a result Personal Consumption spending in United States increased substantially during the year (Exhibit 3).

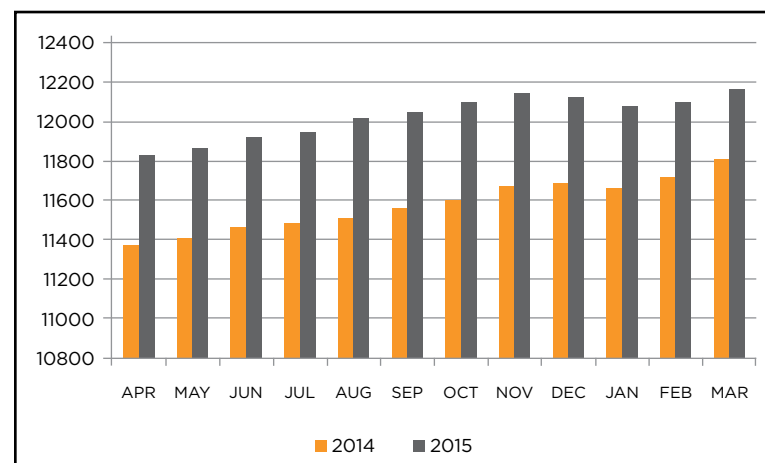
Exhibit 2: GDP Growth, Key markets



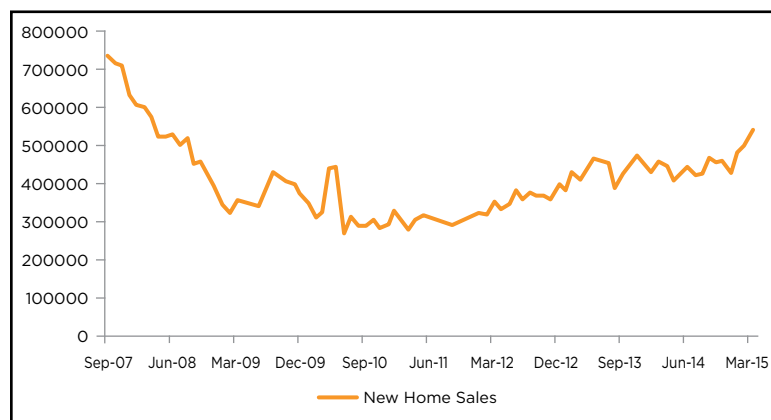
Source: IMF's World Economic Update, April 2015

United States:

Exhibit 3: US personal Consumption expenditure



Source: Bureau of Economic Analysis, US

Exhibit 4: US Monthly New Home Sales

Source: *fxstreet.com*

Also with the revival in the economy new home sales have been gradually picking up (Exhibit 4) leading to enhanced demand for Home textiles in the US.

Canada

During the year 2014, as per IMF's world economic outlook update the GDP growth for Canada is 2.5%, up by 40bps from 2.0% in 2013. With US posting strong recovery and depreciating Canadian Dollar there is increased growth prospects for Canada. However, the significant drop in the crude prices will have negative impact on investments in the oil sector in Canada. Hence IMF has projected that the growth in Canadian economy to slow down and would be 2.2% in 2015 and 2.0% in 2016. However, with the cut in policy rate by 25bps in January 2015 and lower inflation would act as a support to the economic growth leading to increased consumption.

Euro Region

The Euro region backed by robust recovery in Germany has posted a growth of 0.9% in 2014 as against a negative growth of -0.5% in 2013. Growth in the Euro region is expected to strengthen and IMF has projected a growth of 1.5% in 2015 which would further inch up to 1.6% in 2016. However, weak investment and moderating inflation remains a key downside risk. On the other hand the key support factors for the growth are significant fall in crude prices, monetary policy easing and the depreciation in the Euro currency.

Latin America and Caribbean

The economic growth in Latin America and Caribbean region has slowdown in 2014 to 1.3% as against 2.8% in 2013. However, investment demand is expected to recover from the current sharp slowdown, as large

public investment projects are expected to be implemented in countries such as Brazil, Chile and Mexico. Accommodative monetary policy is also expected to support economic activity in some countries. On the external front, a sustained recovery in the United States will continue to benefit the economies of Mexico and Central America through the trade, tourism and remittances channels. As per IMF's world economic outlook, the region is projected to stabilize at current levels in 2015 but is projected to grow at 2.0% in 2016.

Indian Economy

In accordance with the global recovery, the economic growth in India has also been on a continuous revival trajectory. From GDP growth of 6.9% (based on revised base to 2011-12) in 2013-14, as per CSO's estimates India GDP growth is expected to further inch higher to 7.4% in 2014-15. The key support factors for this growth are strong policy measures by the central government and slump in global crude prices. With global crude prices falling by almost 50%, India which was struggling with a sticky high inflation has now entered into deflation with WPI index growth falling to -2.7% in April 2015. This has enabled RBI to further cut down repo rate by 25 bps in March 2015 from 7.75% to 7.50% which would further add to the recovery. All the major economic factors in favor backed by continuous reformatory measures by the central government would act as a strong boost to India's economic growth.

Industry Overview:

India's Textile Scenario:

Textile is one of the key manufacturing sectors in India, contributing nearly 5% to the economy. It is also the second largest employer after agriculture, providing direct employment to 45 million people.

India's Total Textile export registered a 12.94% growth amounting to US\$ 39.45 billion in 2013-14 as against US\$ 34.93 billion in previous year. During the period 2014-15 (April- Jan) total textile export increased by 15% in US\$ terms against the same period previous year. Contribution of textile exports of overall export increased from 12.58% in 2013-14 to 13.46% in 2014-15 (April-Nov 2014).

The report of the Working Group constituted by the Planning Commission on boosting India's manufacturing exports during 12th Five Year Plan (2012-17), envisages India's exports of Textiles and Clothing at USD 64.41 billion by the end of March, 2017. India is majorly an exporting country as far as textile sector is concerned and not dependent on import. Majority of import in textile takes place for re-export or special requirement.

The USA and the EU, account for about two thirds of India's textiles exports and continues to remain primary markets for Indian textile and garment manufacturers. Hence the current improved economic scenario in US would assist growth of India's textile exports.

Over the last five years the textiles sector has witnessed an increase in investments and have attracted foreign direct investment (FDI) worth USD 1.52 billion during April 2000 to December 2014.

Cotton Scenario:

India accounts for a third of global cotton area. India is now the largest producer of cotton in the world. India's 2014-2015 cotton production is forecast at 29.60 million 480 lb. bales on 12.70 million acres. Cotton consumption is forecast higher over the current year as export demand for cotton yarn and cotton lint recovers and markets diversify. Exports are forecast at 5.5 million 480 lb. bales. Government procurement has reached 7 million 480 lb. India's closing stock inventory in 2014-15 is 2,529 thousand MT.

World Cotton Production

Million 480 lb. bales	2010-11	2011-12	2012-13	2013-14	2014-15
China	30.5	34.0	35.0	32.8	30.0
India	27.2	29.0	28.5	31.0	30.5
United States	18.1	15.6	17.3	12.9	16.1
Pakistan	8.6	10.6	9.3	9.5	10.5
Brazil	9.0	8.7	6.0	8.0	7.0
Uzbekistan	4.1	4.2	4.5	4.1	4.0
Turkey	2.1	3.4	2.7	2.3	3.2
Australia	4.2	5.5	4.6	4.1	2.2
Turkmenistan	1.8	1.4	1.6	1.5	1.5
Mexico	0.7	1.2	1.0	0.9	1.2
Burkina	0.6	0.8	1.2	1.2	1.3
Greece	0.9	1.3	1.2	1.4	1.2
Argentina	1.3	1.2	1.4	1.2	1.1
Rest of World	8.3	10.7	10.0	9.5	9.4
African Franc Zone	2.1	3.0	3.9	4.1	4.5
EU-27	1.2	1.6	1.5	1.6	1.5
World	117.6	127.5	123.6	120.4	119.2

The U.S. Department of Agriculture (USDA) has projected that world cotton consumption in 2015-16 would exceed production for the first time in six years but the global ending stocks will remain in excess. The increase in the World stocks more than doubled between 2010-11 to 2014-15,

mainly due to China's cotton policy, which supported domestic and world prices above market-clearing levels. For 2014-15, China's government has shifted from a price support to an income support program and intends to impose much stricter limits on imports. However it is projected that the world consumption would exceed production by 3 million bales in 2015-16, drawing world stocks down to about 107 million bales, the equivalent of 92 percent of projected global consumption. Most of the world's stock drawdown would occur in China whereas the ending stocks in other countries would reduce marginally.

Exhibit 6: World Cotton production, consumption and closing stock

World Balance Sheet

Million metric tons	2010-11	2011-12	2012-13	2013-14	2014-15
Beginning Stocks	10.3	11.0	16.0	19.6	22.1
Production	25.6	27.7	26.9	26.2	26.0
Supply	35.9	38.8	42.9	45.8	48.1
Mill-Use	25.2	22.6	23.5	23.7	24.2
Ending Stocks	11.0	16.0	19.6	22.1	24.0
Stocks/Use Ratio	43.7%	70.8%	83.6%	93.4%	99.2%

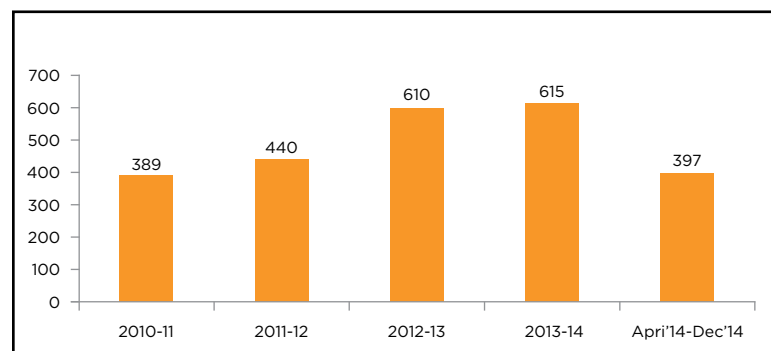
Source: USDA

Exhibit 8: India cotton production, consumption & stock

India Balance Sheet

Million metric tons	2010-11	2011-12	2012-13	2013-14	2014-15
Beginning Stocks	2.1	2.6	2.4	2.6	2.5
Production	5.9	6.3	6.2	6.7	6.6
Imports	0.1	0.1	0.3	0.1	0.2
Supply	8.1	9.0	8.8	9.5	9.4
Mill-Use	4.5	4.2	4.8	5.1	5.2
Exports	1.1	2.4	1.7	2.0	0.9
Demand	5.6	6.6	6.4	7.1	6.1
Ending Stocks	2.6	2.4	2.6	2.5	3.2
Stocks/Use Ratio	46.0%	36.0%	40.0%	35.0%	52.9%

Source: USDA

Exhibit 9: Cotton yarn export by India, million Kg

Source: *TEXPORIL*

The domestic demand of cotton yarn is primarily driven by the growth in consumption of readymade garments and home textiles. Consumption trend has been rising primarily because of better income levels, growing organized retail segment and rising consumer class. During the current period, 397 million kg of Cotton Yarn has been exported by India. During the period between 2010- 2014 cotton yarn production has increased at 12.13% CAGR.

India produces a comprehensive range of yarns for every conveyable end use and today, Indian yarn is widely accepted in International markets.

Operational Review:

The Company is 'One Stop Shop' for bedding products. As it moves ahead, its strategy will be to make in-roads in other bed linen products for all clients and penetrate new markets. It is a prominent player in manufacturing and supplying of bed linen. During the year it has not only made in-roads in new markets but also has diversified its client segment and product mix.

1. Capacity Expansion:

The Company has expanded its capacity by 50% from 45 million meters to 68 million meters p.a. As a result, capacity of bed sheet too has increased from 12 million bed sheet per annum to 17 million bed sheet per annum. Its CAPEX is in tune with its customer's growth to provide necessary flexibility as well as facilitate supply as per market growth.

2. New Markets:

To penetrate deeper into the markets with flexible production and wider product mix, the Company has set up a UK subsidiary and have formed a joint venture with an Australian Home Textile supplier

(established for the last 25 years). This will help in expanding in Europe and the oceanic countries like Australia and New Zealand. With office cum showroom in UK and Australia the Company is well placed to cater clients in these geographies.

3. Product Mix & Product Line:

The company during the year has enhanced its product mix by moving into fashion bedding, utility bedding and Institutional bedding. Compared to sheet sets, Utility bedding and Fashion bedding are expected to be generate improved margins.

4. Marketing: In-road in e-Commerce

Company has been actively marketing its product through e-Commerce route. Last year the Company initiated B2C strategy through supplying to the dot com businesses of the major retailers for which a separate distribution center was established in US. Subsequently, it was followed by supplying to the professionally managed e-platforms like Amazon.com, Wayfair, overstock.com and other websites. Company has also promoted a brand called Color Sense with its e-commerce customers, during the year.

Financial review:

Analysis of Consolidated financial statement:

Business Snapshot	2014-15	2013-14
Revenue	1782	1498
EBIDTA	314	189
Profit Before Tax	207	120
Net Profit for the year*	161	110
Cash Profit	179	115

Profitability Snapshot	2014-15	2013-14
EBIDTA margin (%)	17.60	12.60
PAT* margin (%)	9.10	7.40

Shareholders Return	2014-15	2013-14
Earnings Per Share (Rs)	38.95	30.96
Earnings Per Share* (Rs)	42.89	30.96

*Excluding exceptional item. All financial figures in the operational review section have been rounded up.

Segment Review:

Textile:

The Company has a state of the art vertically integrated facility in Kolhapur that caters to all processes right from spinning processing to cutting & sewing and final packaging. The Company is a leading exporter of bed linen in US.

Risk Factor:

(a) Economy Risk:

Majority of the Company's revenue is generated by exporting product to developed economies namely USA, UK and European Union. Demand crunch in these economies would impact the Company's order book in any given year.

Risk Mitigation:

The Company is in the process of enhancing its client base from retail to Institutional and fashion segment also. It holds a very strong relationship with its major clients in these countries. The Company is fast expanding its presence in new geographies

(b) Currency Risk:

There has been a major volatility in the global currency market where many currencies are significantly depreciating against the US dollar. Although INR has been stable over the last few quarters but it has also witnessed depreciation in the recent past. The volatility in currency could have bearing impact on the Company's profitability.

Risk Mitigation:

The Company uses foreign currency forward contract to hedge its risk associated with foreign currency fluctuations related to firm commitments.

(c) Raw material Price Risk:

Increase in cotton prices may have bearing impact on the Company's profitability.

Risk Mitigation

Yarn is the key raw material for bed linen product. As a result company has strategy for its raw material procurement policy by partnering with its raw material suppliers through extending better credit facility and buying the latter's production capacity. In order to sustain product quality, the company hires quality officers who monitor the manufacturing process and product quality at the supplier's end. With its effective material procurement policy, company has maintained seamless flow of raw material supply facilitating towards a lean working capital cycle.

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 may be '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 anticipated in the forward-looking statements.

Corporate Governance

1. Indo Count's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings and accountability to ensure efficient conduct of affairs of the Company. The Company is committed to achieve its goal of maximising value for all its stakeholders.

The Governance framework gives due importance to regulatory compliance under the guardianship of a strong Board of Directors and executed by committed management and employees.

2. Board of Directors

Composition

The Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with the requirements of,

Clause 49 of the Listing Agreement entered into with the stock exchanges on which Company's equity shares are listed and Section 152 of the Companies Act, 2013, in this regard.

The Board comprises 10 members – 4 Executive Directors and 6 Independent Non-Executive Directors. All Directors are competent and experienced personalities in their respective fields. Mr. Anil Kumar Jain is the Chairman and Managing Director of the Company.

The Company has a woman director on the Board, Dr. (Mrs.) Vaijayanti Pandit, as required under Section 149(3) of the Companies Act, 2013.

None of the Directors on the Board is a Member of more than 10 Board-level Committees, nor a Chairman of more than 5 such Committees, across all companies in which he/she is a Director. All Executive Directors, except the Chairman and Managing Director, are liable to retire by rotation.

Director	DIN	Category	No. of Board Meetings attended	No. of directorships held (including Indo Count) #	No. of Membership/ Chairmanship in Board Committees (including Indo Count) @	
					Member	Chairman
Mr. Anil Kumar Jain	00086106	Chairman & Managing Director	4	3	2	2
Mr. R. N. Gupta	00865491	Jt. Managing Director	4	1	2	-
Mr. Kailash R. Lalpuria	00059758	Executive Director	4	2	-	-
Mr. Kamal Mitra	01839261	Director (Works)	4	2	2	-
Mr. P.N. Shah	00096793	Independent Non-executive Director	4	6	2	4
Mr. Dilip Thakkar	00007339	Independent Non-executive Director	4	8	5	3
Mr. R. Anand	00040325	Independent Non-executive Director	4	4	3	-
Mr. Sushil Kumar Jiwarajka	00016680	Independent Non-executive Director	2	3	-	-
Mr. Prem Malik	00023051	Independent Non-executive Director	4	6	6	2
Mr. Nadeem Panjetan (up to 10th December 2014)	00686989	EXIM Bank Nominee Director	2	1	2	-
Dr. (Mrs.)Vaijayanti Pandit	06742237	Independent Non-executive Director	4	8	1	2

Note: The Export-Import Bank of India by its letter dated 1st December, 2014, received by the Company on 10th December, 2014, withdrew its nomination of Mr. Nadeem Panjetan from Board of Directors of the Company.

Directorship in companies registered under the Companies Act, 2013 (earlier Companies Act, 1956), excluding directorships in private companies, foreign companies, companies under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and alternate directorships.

@ Only covers Membership / Chairmanship of Audit Committee and Stakeholders' Relationship Committee of public limited companies.

Board Meetings

During the financial year 2014-15, four meetings of the Board of Directors were held. The maximum gap between any two meetings was less than four months. The Board was presented with all relevant information at its meetings including information as required under the listing agreement.

Details of attendance of Directors at the Board meetings and the Annual General Meeting held during the year are as under:

Director	Date of Board meeting				Attendance at AGM
	14th May, 2014	12th August, 2014	12th November, 2014	10th February, 2015	23rd August, 2014
Mr. Anil Kumar Jain	✓	✓	✓	✓	✓
Mr. R. N. Gupta	✓	✓	✓	✓	✓
Mr. Kailash R. Lalpuria	✓	✓	✓	✓	-
Mr. Kamal Mitra	✓	✓	✓	✓	✓
Mr. P.N. Shah	✓	✓	✓	✓	-
Mr. Dilip Thakkar	✓	✓	✓	✓	-
Mr. R. Anand	✓	✓	✓	✓	-
Mr. Sushil Kumar Jiwrajka	✓	Leave of absence	✓	Leave of absence	-
Mr. Prem Malik	✓	✓	✓	✓	-
Mr. Nadeem Panjetan (upto 10th Dec, 2014)	Leave of absence	✓	✓	Not applicable	-
Dr. (Mrs.) Vijjayanti Pandit	✓	✓	✓	✓	-

The Board periodically reviews items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, progress of major projects and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards the goals set and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items set out as guidelines in Clause 49 of the Listing Agreement to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

3. Committees of the Board

With a view to have a more focused attention on various facets of business and for better governance and accountability, the Board has constituted the following committees namely, Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Share Transfer Committee.

The terms of reference of these Committees are determined by the Board of Directors in accordance with the requirements of Securities Laws. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee. The minutes of the committee meetings are sent to all Directors individually and tabled at the Board Meetings.

A. Audit Committee

The Audit Committee acts as a link between the Statutory, Internal Auditors and the Board of Directors of the Company. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Some of the important functions performed by the Committee are:

Financial Reporting and Related Processes

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/ audited annual financial statements and Auditors' Report thereon before submission to the Board for approval.
- This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and/ or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

Internal Controls and Governance Processes

- Review the adequacy and effectiveness of the Company's internal control system. Review and discuss with management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a Vigil Mechanism and to review findings of investigation into cases of material nature and the actions taken in respect thereof.

Audit

- Review the scope of the Statutory Auditor, the annual audit plan and 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 / re-appointment of the Statutory Auditor, Internal Auditor and Cost Auditor considering their independence and effectiveness and their replacement and removal.
- Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.
- To recommend to the Board the remuneration of the Statutory Auditor / Cost Auditor.
- To discuss with the Statutory Auditor / Chief Internal Auditors any significant difficulties encountered during the course of the Audit.
- Review annual Cost Audit Report submitted by the Cost Auditor.

All the Members on the Audit Committee have requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls. The representatives of the Statutory Auditor are permanent invitees to the Audit Committee Meetings. The Cost Auditor is invited to attend the Meeting of the Audit Committee when the Cost Audit Report is tabled for discussion. The Chief Financial Officer (CFO) and the Internal Auditors also attend the Audit Committee Meetings.

The minutes of the Audit Committee meetings are placed before the Board of Directors in the subsequent Board Meeting. The Chairman of the Audit Committee was not present at the last Annual General Meeting and Mr. R. N. Gupta, as authorized by the Committee, represented the Audit Committee Chairman, at the said meeting and along with Mr. Anil Kumar Jain responded to the queries raised by the shareholders.

The composition of Audit Committee and details of attendance of the members during the year 2014-15 are as under:

Director	Category	Attendance at the Audit Committee Meeting held on			
		13th May, 2014	12th August, 2014	11th November, 2014	10th February, 2015
Mr. P. N. Shah (Chairman)	Non-executive Independent	✓	✓	✓	✓
Mr. R. Anand	Non-executive Independent	✓	✓	✓	✓
Mr. R. N. Gupta	Executive	✓	✓	✓	✓
Mr. Nadeem Panjetan (upto 10th Dec, 2014)	Nominee Director	Leave of absence	✓	✓	Not applicable
Mr. Prem Malik (appointed as member w.e.f. 13th May, 2014)	Non-executive Independent	Not applicable	✓	✓	✓

B. Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board dissolved the extant "Shareholders'/Investors' Grievance Committee" and constituted the "Stakeholders' Relationship Committee" on 25th April, 2014.

The terms of reference of the Committee are determined by the Board of Directors in accordance with Section 178 of the Companies Act, 2013 and Listing Agreement.

The composition of Stakeholders' Relationship Committee and details of attendance of the Members during the year 2014-15 is as under:

Director	Category	Attendance at the Committee Meeting held on		
		14th July, 2014	10th October, 2014	12th January, 2015
(Mrs.) Vaijayanti Pandit (Chairman)	Non-executive Independent	✓	✓	✓
Mr. Anil Kumar Jain	Executive	✓	✓	✓
Mr. R.N. Gupta	Executive	✓	✓	✓

C. Nomination and Remuneration Committee

In compliance with Section 178 of the Companies Act, 2013, the Board constituted the "Nomination and Remuneration Committee" on 25th April, 2014.

The terms of reference of the Committee are in compliance with Section 178 of the Companies Act, 2013 and, inter alia, include:

- ✓ Succession planning of the Board of Directors and Senior Management Employees;
- ✓ Lay down criteria for identifying and selection of candidates for appointment as Directors/ Independent Directors and Key Managerial Personnel and other Senior Management positions;
- ✓ Formulate and review the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration.

The composition of Nomination and Remuneration Committee and attendance of the Members during the year 2014-15 is as under:

Director	Category	Attendance at the Committee Meeting held on 13th May, 2014
Mr. Prem Malik (Chairman)	Non-executive Independent	✓
Mr. Shushil Kumar Jiwarajka	Non-executive Independent	✓
Dr. (Mrs.) Vaijayanti Pandit	Non-executive Independent	✓

D. Corporate Social Responsibility (CSR) Committee

In compliance with Section 135 of the Companies Act, 2013, the Board has constituted the "CSR Committee" on 22nd April, 2014. The terms of reference of the CSR Committee broadly comprises:

- ✓ To formulate CSR Policy and include activities that may be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- ✓ To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

Mr. Anil Kumar Jain, Mr. Kailash R. Lalpuria and Dr. (Mrs.) Vaijayanti Pandit are the members of the CSR Committee. During the year under review the CSR Committee met once on 13th March, 2015, where all the members were present.

E. Share Transfer Committee

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

4. Independent Directors' Meeting

During the year under review, the Independent Directors met on 26th March, 2015, inter alia, to discuss the roles and responsibilities of Independent Directors and assess the quality and flow of information from the Company to the directors, from time to time.

All Independent Directors were present at the Meeting, except Mr. R. Anand and Mr. Dilip Thakkar, who could not attend for other commitments.

5. Policy for selection and appointment of directors and their remuneration

The Nomination and Remuneration Committee (NRC) has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and Key Managerial Personnel and their remuneration.

A. Criteria of selection of Non Executive Directors

- a. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, NRC shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The NRC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The NRC shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:
 - I. Qualification, expertise and experience of the Directors in their respective fields;
 - II. Personal, Professional or business standing;
 - III. Diversity of the Board.
- e. In case of re-appointment of Directors, the NRC shall take into consideration the performance evaluation of the Director and his engagement level, for making its recommendation to the Board.

B. Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in Board / Committee meetings and commission as detailed hereunder:

- a. A Non Executive Director shall be entitled to receive sitting fees for each meeting of Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- b. A Non Executive Director will also be entitled to receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the NRC;
- c. The NRC may recommend to the Board, the payment of commission on uniform basis, to all the Independent Director;
- d. The NRC may recommend commission for the Executive Directors taking into consideration their overall responsibilities, terms of appointment and the Company performance;
- e. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

C. Remuneration of Managing Director and Key Managerial Personnel

The remuneration to Managing Director shall take into account the Company's overall performance, MD's contribution for the same and trends in the industry in general, in a manner which will ensure and support a high performance culture. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

At present, the Company has no stock options plans and hence, such instruments do not form part of remuneration package. The Remuneration for Senior Management employees shall be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate operational performance benchmarks.

6. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The views of Executive and non-executive directors were taken for evaluating the performance of the Chairman. The Directors expressed their satisfaction with the evaluation process.

7. Subsidiary Companies

Though the Company has adopted a policy on material subsidiaries, however, the Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year.

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings. Copies of the Minutes of the Board Meetings of Indian subsidiary Company are also tabled at the subsequent Board Meetings.

8. Related Party Transactions

All transactions entered into with Related Parties during the financial year were in compliance with the requirements laid down under the Companies Act, 2013 and Clause 49 of the Listing Agreement. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board has approved a policy for Related Party Transactions.

9. Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

10. MD & CFO Certification

The MD and the CFO have issued certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs.

The said certificate is annexed and forms part of the Annual Report.

11. Reconciliation of Share Capital Audit

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

12. 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 Clause 49 of the Listing Agreement.

The Code is based on three important principles of corporate behavior, those are, good corporate governance, good corporate citizenship and exemplary personal conduct.

This Code lays down general principles designed to guide the Senior Management in making ethical decisions.

13. Vigil Mechanism / Whistle Blower Policy

The Company believes that every employee is a trustee of its stakeholders and must adhere to the Company's Code of Conduct and conduct himself or herself at all times in a professional and ethical manner. The Company encourages and has provided a mechanism for directors and employees to communicate concerns about unethical behaviour, actual or suspected incidents of 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.

Provision has been made in the Policy for access to Chairman of the Audit Committee in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard. A quarterly status report on total number of complaints received, if any, during the period with summary of the findings and corrective steps taken is to be placed before the Audit Committee.

14. Code for Prevention of Insider Trading

The Company has adopted a code of conduct for Prevention of Insider Trading in the shares of the Company. The code, inter-alia, prohibits purchase / sale of shares of the Company by employees

while in possession of unpublished price sensitive information in relation to the Company. The Board Members and the Senior Officers have affirmed their compliance with the Code of Conduct for the year ended March 31, 2015 and a declaration signed by the Managing Director to this effect is attached and forms part of this Report.

The Code has been adopted with a view to regulate dealing in securities by the Directors and designated employees of the Company. The Code requires pre clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board Members and Senior Officers have affirmed their compliance with the Code of

Conduct for the year ended March 31, 2015 and a declaration signed by the Managing Director to this effect is attached and forms part of this Report.

15. Remuneration and terms of employment

The Company pays remuneration by way of salary, perquisites and allowances and commission to the Managing and Executive Directors. Commission is calculated with reference to net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year, subject to overall ceiling stipulated under Section 197 of the Companies Act, 2013. The remuneration is closely linked to the performance of the Company. Given below are the details of Remuneration and terms of employment of Executive directors:

Particulars				
Name	Mr. Anil Kumar Jain	Mr. R. N. Gupta	Mr. Kailash R. Lalpuria	Mr. Kamal Mitra
Designation	Chairman & Managing Director	Jt. Managing Director	Executive Director	Director (Works)
Period	01-10-2013 to 30-09-2016	01-10-2013 to 30-09-2016 (Liable to retire by rotation.)	01-01-2014 to 30-09-2016 (Liable to retire by rotation.)	01-10-2013 to 30-09-2016 (Liable to retire by rotation.)
A) Salary and Perquisite				
Basic Salary	₹ 500,000/- p.m. with an annual increment of ₹ 50,000/- p.m. in the Basic Salary. First increment payable on 01-01-2014 and thereafter on 1st January every year.	₹ 92,000/- p.m. with an annual increment upto ₹ 20,000/- p.m. in the Basic Salary. First increment will be on 01-01-2014, and thereafter 1st January every year.	₹ 153,332/- p.m. with an annual increment upto ₹ 30,000/- p.m. in the Basic Salary. First increment will be on 01-01-2014 and thereafter 1st January every year.	₹ 115,700/- p.m. with an annual increment upto ₹ 25,000/- p.m. in the Basic Salary. First increment will be on 01-01-2014 and thereafter on 1st January every year.
House Rent Allowance	Up to 60% of Basic Salary	Up to 50% of Basic Salary	Up to 50% of Basic Salary	Up to 50% of Basic Salary
Other Perquisites and Allowances:-	Other Perquisites and Allowances: a) Leave Travel Assistance b) Servant Allowance c) Soft Furnishing Allowance d) Medical Expenses e) Special Allowance f) Any other allowance as may be decided by the Board up to 40% of Basic Salary.	a) Medical Reimbursement: ₹ 1250 p.m. b) Leave Travel Assistance: ₹ 1500/- p.m. c) Bonus/ Ex-Gratia: As applicable to Senior Executives of the Company from time to time	a) Special Allowance: ₹ 97950/- p.m. b) Medical Allowance: ₹ 1250/- p.m. c) Conveyance allowance: ₹ 800/- p.m. d) Leave Travel Assistance: 10,000/- p.m. e) Bonus/ Ex-Gratia: ₹ 10,000/- p.m. f) Servant Allowance: ₹ 3500/- p.m.	a) Medical Reimbursement: ₹ 1,250 p.m. b) Bonus/ Ex-Gratia: As applicable to Senior Executives of the company. c) Company's Contribution to the Recognized Provident Fund & Superannuation Fund: As per Company Rules.

Particulars				
B) Other Benefits:				
Earned/privilege Leave	As per Rules of the Company	As per Rules of the Company	As per Rules of the Company	As per Rules of the Company
Gratuity	At a rate not exceeding half month's salary for each completed year of service	At a rate not exceeding half month's salary for each completed year of service	At a rate not exceeding half month's salary for each completed year of service	At a rate not exceeding half month's salary for each completed year of service
Encashment of Leave	As per Rules of the Company	As per Rules of the Company	As per Rules of the Company	As per Rules of the Company
Chauffer Driven Company Car, Telephone & Other communication facilities for official purposes	As per Rules of the Company	As per Rules of the Company	-	As per Rules of the Company
Personal Accident Insurance	Premium not exceeding ₹ 20,000/- per annum.	Premium not exceeding ₹ 5,000/- per annum	-	-

As part of Managerial remuneration, Mr. Anil Kumar Jain is also entitled to receive Commission as may be approved by the Board (or a Committee thereof). Total remuneration may exceed 5% of the Net Profits as calculated under section 198 of the Act, subject however to, the overall remuneration of all executive directors is within 10% of the Net Profits, as prescribed under section 197 read with Schedule V of the Act.

The Independent Directors are paid sitting fees for attending the Board Meetings and Committee Meetings and Commission on net profits of the Company, as recommended by the Nomination and Remuneration Committee and approved by the Board, within the overall limits approved by the Members of the Company. Details of remuneration of Independent Directors:

Name	Remuneration		Total
	Sitting Fees	Commission #	
Mr. P. N. Shah	1,00,000/-	1,00,000/-	2,00,000/-
Mr. Dilip Thakkar	50,000/-	1,00,000/-	1,50,000/-
Mr. R. Anand	1,00,000/-	1,00,000/-	2,00,000/-
Mr. Sushil Kumar Jiwrajka	40,000/-	1,00,000/-	1,40,000/-
Mr. Prem Malik	90,000/-	1,00,000/-	1,90,000/-
Dr. (Mrs.) Vaijayanti Pandit	1,00,000/-	1,00,000/-	2,00,000/-
Mr. Nadeem Panjetan	40,000/-	-	40,000/-
Total	5,20,000/-	6,00,000/-	11,20,000/-

Amount approved by the Board of Directors.

16. Communication with Members

The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges.

The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are thereafter published within forty-eight hours in leading English and Marathi daily newspapers. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.

The Company also informs by way of intimation to BSE and NSE all price sensitive or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Release in regard to the same.

The Annual Report of the Company, the quarterly / half yearly and the annual results and the press releases of the Company are also placed on the Company's website and can be downloaded.

In compliance with Clause 52 of the Listing Agreement, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically on BSE's on-line portal and through Corporate Filing

and Dissemination System (CFDS) website www.corpfilings.co.in. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal. The Company has complied with filing submissions through BSE's BSE Online Portal.

The Company has designated 'icilinvestors@indocount.com' as the designated exclusive email- id, for redressal of investor grievances. 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.

17. General Meetings

a.) Annual General Meetings:

The details of previous three Annual General Meeting of the Company are as follows:

AGM	Date	Time	Venue	No. of special Resolutions passed
23rd	25-08-2012	12.00 Noon	Plot No. 266, Village Alte, Kumbhoj	3
24th	20-07-2013	11.30 a.m.	road, Taluka Hatakanagale, District Kolhapur, Maharashtra 416 109.	5
25th	23-08-2014	12.00 p.m.		6

b.) Extra-Ordinary General Meeting: No Extra-ordinary General Meeting held during the year under review.

c.) Postal Ballot

A Special Resolution was passed by Postal Ballot authorizing the Board of directors to create charge on Company's assets.

18. Compliance

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

19. Compliance Officer

The name and designation of the Compliance Officer of the Company is:- Mr. R. Sundaram - Chief Financial Officer & Company Secretary, Contact details are: Tel: 022-43419500, Fax: 022-22823098, E-mail Id: rsundaram@indocount.com

20. Disclosures

a) Disclosure of Accounting Treatment

There is no deviation in following the treatments prescribed in any Accounting Standard in preparation of financial statements for the year 2014-15.

b) Board Disclosures-Risk Management

The risk assessment and minimization procedures are in place and the Board is regularly informed about the business risks and the steps taken to mitigate the same.

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

21. Statutory Compliance, Penalties and Strictures

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

22. General Shareholders' information

Corporate

Indo Count Industries Limited was incorporated in the State of Delhi on 7th November, 1988. The Corporate Identity Number (CIN) of the Company is L72200PN1988PLC068972.

The address of our Registered office is: # 1, Village: Alte, Taluka: Hatkanangale, Dist. Kolhapur - 416 109.

Plant Location:

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

(2) T - 3, Five Star MIDC Area, Kagal- Hathkanangle, At Post:
Talandge Kolhapur - 416 216. Maharashtra.

Listing on Stock Exchanges	BSE Limited Stock Exchange Code: 521016 The National Stock Exchange of India Limited Stock Exchange Code: ICIL
Listing Fees	Paid till 2015-16 for all the above stock exchanges
Dividend	No dividend has been recommended by the Board during the year.
Custodial Fees	The Company has paid the Custodial Fee both to, Central Depository Services (India) Ltd. and National Securities Depository Limited for the year 2015-16.
Demat ISIN:	INE483B01018

Investor Information

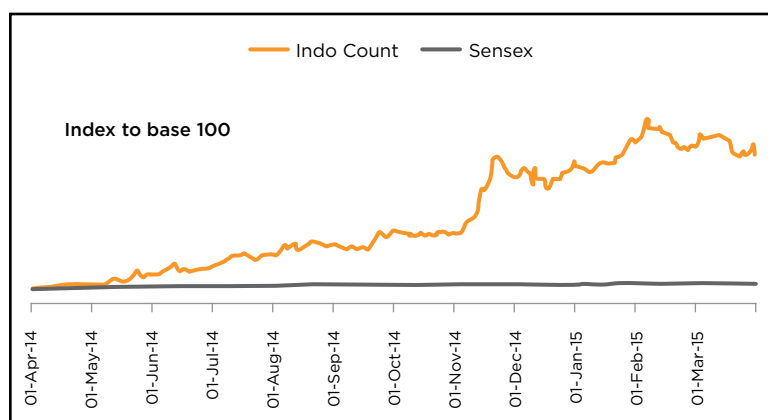
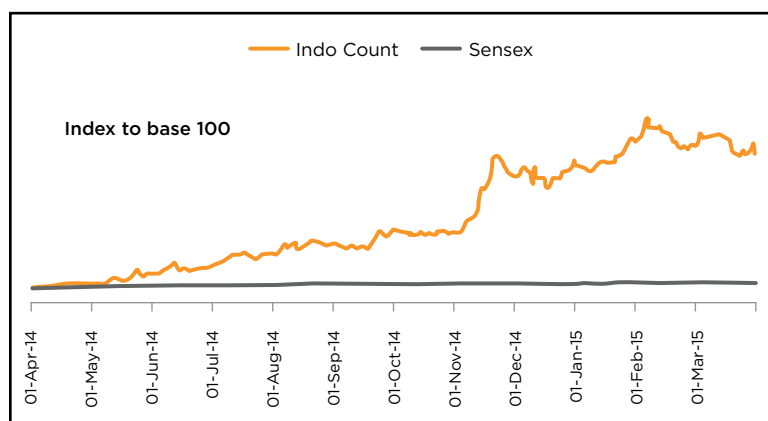
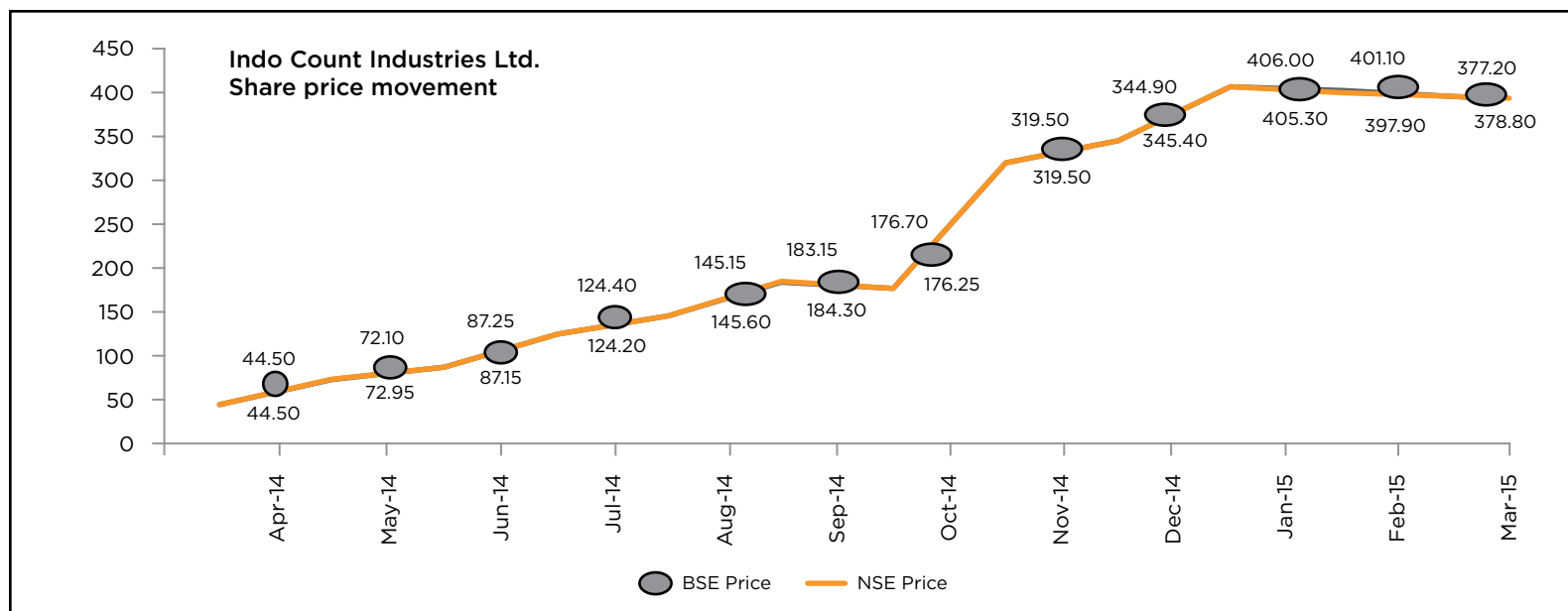
Annual General Meeting	At the registered office of the Company.
Date of AGM	As specified in the notice for AGM.
Financial year	01st April to 31st March
Tentative Financial Calendar (for Financial Year 2015-16) for approval of :	
Financial Results for 1st Quarter 2015-16 (unaudited)	On or before 14-08-2015
Financial Results for 2nd Quarter 2015-16 (unaudited)	On or before 14-11-2015
Financial Results for 3rd Quarter 2015-16 (unaudited)	On or before 14-02-2016
Financial Results for 4th Quarter and year 2015-16 (Audited)	On or before 30-05-2016

Date of Book Closure: As specified in the Notice to the Annual General Meeting.

Market Price Data

The monthly high and low quotations of the closing price and volume of shares traded at BSE Limited and National Stock Exchange Limited from April, 2014 to March, 2015 are as under:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr-14	48.5	38.6	4,97,177	48.90	38.55	2,79,312
May-14	83.0	43.1	13,38,860	82.95	42.40	11,24,244
Jun-14	97.5	69.6	7,98,059	97.85	69.70	4,48,645
Jul-14	130.2	86.7	12,45,928	129.90	86.70	10,36,976
Aug-14	162.0	121.0	6,81,469	162.45	121.00	8,01,165
Sep-14	193.0	130.5	6,43,278	192.90	129.80	10,83,292
Oct-14	197.0	165.8	3,21,288	190.00	165.50	7,84,903
Nov-14	390.1	174.0	15,37,642	390.65	173.50	31,18,878
Dec-14	368.2	255.8	7,70,219	368.00	254.95	17,60,087
Jan-15	431.9	318.0	4,68,237	432.00	317.00	11,26,265
Feb-15	483.0	383.4	4,85,511	482.95	381.90	8,38,122
Mar-15	435.0	353.8	3,21,516	435.00	359.00	4,77,227



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

Link Intime India Private Limited

44, Community Centre,
Phase-I, Near PVR,
Naraina Industrial Area, New Delhi - 110 028.
Phone: +91 11 4141 0592,
Fax: +91 11 4141 0591
Email id: sunil.mishra@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 are registered and returned within a period of 10/15 days from the date of receipt if the documents are in order. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with stock Exchanges and files a copy of the certificate with the Stock Exchanges.

Complaints received from Investors during the year 2014-15

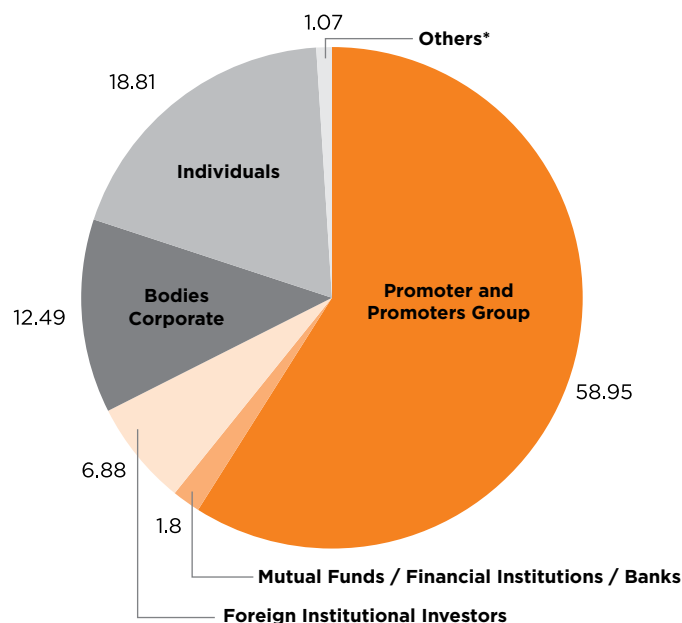
Particulars	No. of Complaints
Beginning	Nil
Received	19
Resolved	19
Pending	Nil

The Company attended to most of the investors' grievances / correspondence within seven days from the date of receipt of the same during the year 2014-15. As on 31st March, 2015 there were no outstanding complaints.

Distribution of shareholding as on 31st March 2015

No. of equity shares	No. of Shareholders	% of Shareholders	No. of shares held	% of shareholding
Up to - 500	21924	93.14	2461531	6.23
501 - 1000	821	3.49	630013	1.60
1001 - 2000	344	1.46	513877	1.30
2001 - 3000	107	0.45	277969	0.71
3001 - 4000	63	0.27	222577	0.56
4001 - 5000	52	0.22	248511	0.63
5001 - 10000	106	0.45	785062	1.99
Above 10001	123	0.52	34340394	86.98
Total	23540	100	39479934	100

Shareholding Pattern as on 31st March 2015 (%):



Dematerialisation of shares and liquidity

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

Shares held in demat and physical mode as on March 31, 2015:

Category	Number of		% to total equity
	Shareholders	Shares	
Demat Mode			
NSDL	7128	35326066	89.48%
CDSL	2977	2452584	6.21%
Total	10105	37778650	95.69%
Physical Mode			
	13434	1701284	4.31%
Grand Total	23540	39479934	100%

Service of documents through electronic mode

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

Mandatory / Non Mandatory Requirements

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

DECLARATION

As required under Clause 49 of the Listing Agreement with the Stock Exchange (s), it is hereby declared that all the Board members and Senior Management Personnel of Indo Count Industries Limited have affirmed compliance with the Code Conduct for the year ended 31st March, 2015.

ANIL KUMAR JAIN

Place: Mumbai
Dated: 30th June, 2015

Chairman & Managing Director
DIN: 00086106

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

To
The Members,
Indo Count Industries Limited

We have examined the compliance of conditions of Corporate Governance by Indo Count Industries Limited, for the financial year ended on 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of the 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 compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

Place: Mumbai
Date: 30th June, 2015

For **B.K.Shroff & Co.**
Chartered Accountants
Reg. No. : 302166E
Partner
Membership Number 6329

Independent Auditors' Report

To
The Members of
Indo Count Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Indo Count Industries Limited ("the Company") which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that

we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory requirements

As required by the Companies (Auditor's Report) Order, 2015 ("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 purposes 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) In our opinion, the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls are adequate.
- g) 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 financial statements – Refer Note 22 to the financial statements;
- ii. The Company has long-term contracts including derivative contracts, but there is no Mark to Market losses as on balance sheet date;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Partner

Membership Number: 6329

Mumbai, 9th May, 2015

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

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the management according to a regular program, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- (c) During the year, the company has not disposed off any substantial part of its fixed assets. Therefore, it has not affected the going concern concept of the company.
- (ii) (a) Physical verification of inventory (except material in transit) has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were not material.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act and as such clauses (iii) (a) and (b) of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v) According to the information and explanation given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of the Order are 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 have not made a detailed examination of such accounts and records.
- (vii)(a) The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, sales tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it.

- (b) According to the records of the company, dues of income-tax, wealth-tax, sales tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute are as under:-

S. No	Name of the statute	Nature of the dues	Amount (₹ In lac)	Forum where dispute is pending
1.	Central Excise Act	Cenvat Credit availed on excise duty paid.	40.30	Commissioner of Central Excise (A), Pune.
2.	Central Excise Act	Cenvat Credit availed on excise duty paid.	34.24	CESTAT (Tribunal)
3.	Central Excise Act	Excise Duty	1.40	Commissioner of Central Excise (A)
4.	Central Excise Act	Service Tax credit availed on GTA	0.49	Commissioner of Central Excise (A)
5.	Central Excise Act	Custom Duty /Countervailing Duty.	27.17	Commissioner of Central Excise (A)
6.	Central Excise Act	Service Tax credit availed on Commission	29.15	Commissioner of Central Excise (A)
7.	Bombay Electricity Duty Act, 1958	Electricity Duty	292.07	Supreme Court

- (c) No amount was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under.
- (viii) The Company has no accumulated losses as at 31st March, 2015. The company has not incurred any cash loss during the financial year.
- (ix) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (x) The Company has given guarantees for loans taken by others from banks and financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
- (xi) In our opinion, the term loans have been applied for the purposes for which they were obtained.
- (xii) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Mumbai, 9th May, 2015

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

Partner
Membership Number: 6329

Balance Sheet

as at 31st March, 2015

₹ in lac

Particulars	Note No.	As at 31-03-2015		As at 31-03-2014	
I. EQUITY AND LIABILITIES					
1. SHAREHOLDERS' FUND					
(a) Share capital	2		4,197.99		3,798.16
(b) Reserves and surplus	3		36,086.23		23,204.16
2. Share Application Money Pending Allotment	4		-		110.00
3. Warrant Application Money Pending Allotment - (Optionally fully convertible warrants)	4		-		125.00
4. NON - CURRENT LIABILITIES					
(a) Long Term Borrowings	5	6,715.47		9,723.31	
(b) Deferred Tax Liabilities (Net)	6	4,011.90		-	
(c) Long Term Provisions	7	138.33	10,865.70	0.71	9,724.02
5. CURRENT LIABILITIES					
(a) Short Term Borrowings	8	22,275.50		26,862.60	
(b) Trade Payables	9	18,282.96		18,918.55	
(c) Other Current Liabilities	10	16,810.47		8,673.37	
(d) Short Term Provisions	11	6,819.98	64,188.91	2,675.96	57,130.48
			1,15,338.83		94,091.82
II. ASSETS					
1. NON CURRENT ASSETS					
(a) FIXED ASSETS					
(i) Tangible	12	35,872.56		31,549.37	
(ii) Intangible	13	159.28		205.58	
(iii) Capital Work in Progress	14	1,443.89	37,475.73	32.62	31,787.57
(b) Non - Current Investments	15		1,880.32		1,880.32
(c) Deferred Tax Assets (Net)	6		-		978.67
(d) Long Term Loans and Advances	16		1,020.46		468.53
2. CURRENT ASSETS, LOANS & ADVANCES					
(a) Inventories	17	26,412.63		25,712.42	
(b) Trade Receivables	18	20,803.98		16,691.97	
(c) Cash and Cash Equivalents	19	1,626.73		1,179.60	
(d) Short Term Loans & Advances	20	12,543.04		7,522.66	
(e) Other Current Assets	21	13,575.94	74,962.32	7,870.08	58,976.73
			1,15,338.83		94,091.82
See accompanying notes to the financial statements					

As per our report of even date

For **B.K. SHROFF & CO.**

Chartered Accountants

Reg. No. 302166E

O. P. SHROFF

Partner

Membership No. 6329

ANIL KUMAR JAIN

Chairman & Managing Director

R. N. GUPTA

Joint Managing Director

R. SUNDARAM

Chief Financial Officer & Company Secretary

Mumbai, 9th May, 2015

Profit & Loss Account

for the year ended 31st March, 2015

₹ in lac

Particulars	Note No.	Year Ended 31-03-2015	Year Ended 31-03-2014
I Revenue from operations	23	1,61,556.28	1,41,033.14
II Other Income	24	6,438.43	3,016.19
TOTAL REVENUE		1,67,994.71	1,44,049.33
III EXPENSES			
Cost of materials consumed	25	96,477.27	89,673.36
Purchase of stock in Trade		37.84	878.86
Changes in Inventories of finished goods, Work in Process and Stock in Trade	26	(3,144.39)	(1,646.38)
Employee Benefits	27	7,277.99	5,833.42
Finance Charges	28	6,252.60	4,897.14
Depreciation and amortisation expense	29	1,540.01	1,882.90
Other Expenses	30	37,218.64	31,323.25
TOTAL EXPENSES		1,45,659.96	1,32,842.55
IV Profit before Exceptional and Extraordinary items and Taxation		22,334.75	11,206.78
V Exceptional Items	31	2,574.36	-
Profit Before extraordinary items and tax		19,760.39	11,206.78
VI Tax expense:			
Income Tax for current year		4,143.85	2,244.14
Deferred Tax Asset (Net)		5,033.08	712.62
MAT Credit Entitlement		(3,270.77)	(2,244.14)
MAT Credit Entitlement of earlier years		(49.97)	-
Profit for the year		13,904.20	10,494.16
VII EARNING PER SHARE	35		
Basic and dilutive		37.18	29.54
See accompanying notes to the financial statements			

As per our report of even date

For **B.K. SHROFF & CO.**

Chartered Accountants

Reg. No. 302166E

O. P. SHROFF

Partner

ANIL KUMAR JAIN

Chairman & Managing Director

R. N. GUPTA

Joint Managing Director

R. SUNDARAM

Chief Financial Officer & Company Secretary

Mumbai, 9th May, 2015

Cash Flow Statement

for the year ended 31st March, 2015

₹ in lac

Particulars	For the Year Ended 31-03-2015	For the Year Ended 31-03-2014
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before extraordinary item and tax	19,760.39	11,206.78
Adjustments for:-		
Depreciation and amortisation	1,540.01	1,882.90
(Profit)/Loss on sale /write off of assets	(20.48)	(61.23)
Finance Cost	6,252.59	4,897.14
Interest income	(3.36)	(8.12)
VAT Refund under IPS	(794.58)	(2,159.22)
Rental Income from operating lease	-	(13.62)
Loss on sale of long term investments	1.00	217.72
Loss on Sale of Assets	0.76	24.45
Exceptional Items	2,574.36	-
Operating profit before working capital changes	29,310.69	15,986.80
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets		
Inventories	(700.21)	(6,112.04)
Trade Receivables	(4,112.01)	(3,931.15)
Short term loans and advances	(334.47)	(309.41)
Long term loans and advances	(551.93)	(277.20)
Other current assets	(2,385.11)	160.73
Adjustment for increase /(decrease) in operating liabilities		
Trade payables	(635.59)	657.82
Other current liabilities	8,137.10	559.32
Other long term liabilities	137.62	(138.80)
Short-term provisions	0.16	0.05
Net taxes (paid)/refund received	(4,685.91)	(2,064.51)
Net Cash flow from /(used in) operating activities (A)	24,180.34	4,531.60
B) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(8,524.77)	(1,620.74)
Proceeds from sale of fixed assets	53.66	118.68
Proceeds from sale of long term investments	(1.00)	152.29
Purchase of long term investments	-	(303.39)
VAT Refund under IPS	794.58	2,159.22
Interest Received	3.36	8.12
Rental Income from operating lease	-	13.62
Cash Flow from Exceptional items	(2,574.36)	-
Net Cash flow from/(used in) investing activities (B)	(10,248.53)	527.80

Cash Flow Statement

for the year ended 31st March, 2015

₹ in lac

Particulars	For the Year Ended 31-03-2015	For the Year Ended 31-03-2014
C) CASH FLOW FROM FINANCING ACTIVITIES.		
Addition / (reduction) in share application money	(110.00)	-
Addition / (reduction) in share warrant application money	(125.00)	125.00
Proceeds from issue of equity shares	399.83	-
Increase in share premium	210.13	-
Net increase/(decrease) in long term borrowings	(3,007.84)	(3,862.97)
Net increase/(decrease) in short term borrowings	(4,587.10)	4,009.58
Finance Cost	(6,252.59)	(4,897.14)
Preference Dividend	(10.00)	(10.00)
Tax on dividend	(2.11)	(1.62)
Net Cash flow from / (used in) financing activities (C)	(13,484.68)	(4,637.15)
Net Increase / (decrease) in cash and cash equivalents (A+B+C)	447.13	422.25
Cash and cash equivalents at the beginning of the year	1,179.60	757.35
Cash and cash equivalents at the end of the year	1,626.73	1,179.60
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and cash equivalents as per Balance sheet	1,626.73	1,179.60
Cash and cash equivalents at the end of the year Comprises of:		
(a) cash on hand	23.30	14.24
(b) foreign currency on hand	-	4.17
(c) balance with banks:		
i) In Current accounts	1,568.49	1,123.12
ii) In EEFC accounts	-	-
iii) In Earmarked Accounts	34.94	38.07

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

As per our report of even date

For **B.K. SHROFF & CO.**

Chartered Accountants

Reg. No. 302166E

O. P. SHROFF

Partner

Membership No. 6329

ANIL KUMAR JAIN

Chairman & Managing Director

R. N. GUPTA

Joint Managing Director

R. SUNDARAM

Chief Financial Officer & Company Secretary

Mumbai, 9th May, 2015

Notes on Financial Statements for the year ended 31st March, 2015

1. Significant Accounting Policies :

(a) Method of Accounting

- i) The accounts are prepared under the historical cost convention using the accrual method of accounting unless otherwise stated hereinafter.
- ii) Accounting policies not significantly referred to are consistent with generally accepted accounting principles.

(b) Use of Estimates

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

(c) Fixed Assets

Fixed assets are stated at cost except for land, plant & machinery (other than of electronics division) and buildings which have been shown at revalued amount. Cost is inclusive of inward freight, duties & taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational, start-up and trial run expenses form part of the value of the assets capitalised. As per practice, expenses incurred on modernisation / debottlenecking / relocation / relining of plant & equipment are capitalised. Fixed assets, other than leasehold land, acquired on lease are not treated as assets of the company and lease rentals are charged off as revenue expenses. Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

(d) Capital Work-in Progress

All expenditure including interest cost incurred during the project construction period are accumulated and disclosed as capital work-in-progress until the assets are ready for commercial use. Assets under construction are not depreciated. Income earned from investment

of surplus borrowed funds during construction/trial run period is reduced from capital work-in-progress. Expenditure/ income arising during trial run is added to/ reduced from capital work-in-progress.

(e) Investments

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

(f) Inventories

Inventories are valued at lower of cost or net realizable value except for waste. Cost of raw materials, stores and spares, and dyes and chemicals are determined at weighted average method. Finished goods and stock in process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Wastage and rejections are valued at estimated realizable value. Obsolete, defective and unserviceable stocks are duly provided for.

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

(g) Borrowing Costs

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

(h) Excise Duty

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

(i) Retirement and other employee related benefits

i) Short term Employee Benefits

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

Notes on Financial Statements for the year ended 31st March, 2015

ii) Post employment Benefits

a) Defined Contribution Plans

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

b) Defined Benefit Plans

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

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

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

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

(j) Research and Development

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

(k) Depreciation

Depreciation is calculated on fixed assets on straight-line method in accordance with Schedule II to the Companies Act 2013. Leasehold assets are depreciated over the lease period. Software system is amortized over a period of five years. Depreciation on amount of additions made to cost of fixed assets on account of foreign exchange fluctuation is provided prospectively over the residual life of the fixed assets.

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

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

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

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

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

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

(m) Revenue Recognition

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

Notes on Financial Statements for the year ended 31st March, 2015

(n) Claims & Benefits

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

(o) Subsidy

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

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

(p) Income from Investment / Deposits

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

(q) Taxation

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

(r) Earnings per share

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

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

(s) Segment Information

The company is currently organized into two business-operating segments viz: Textile and consumer durable / electronic goods. In line with the global trend, the company has viewed yarn, fabrics and textiles as one integrated business. Therefore, all these products have been considered as part of a single business segment. Yarn,

covers production of basic cotton yarn over a wide range of counts, which besides being primarily exported, is also used for further value addition in fabrics and textiles. While, fabrics cover value added activity relating to knitting and weaving, textiles cover value added activity relating to processed fabrics. The company also manufactures electronic / consumer durable goods.

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

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

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

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

(t) Operating Leases

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

(u) Events occurring after balance date

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

(v) Contingent Liabilities

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

Notes on Financial Statements for the year ended 31st March, 2015

2. SHARE CAPITAL

Particulars		No. of Share		₹ in lac	
		As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
a) Authorised					
Equity Shares of ₹ 10 each					
At the beginning of the period		55,000,000	55,000,000	5,500.00	5,500.00
At the end of the period	A	55,000,000	55,000,000	5,500.00	5,500.00
Preference Shares of ₹ 10 each					
At the beginning of the period		5,000,000	5,000,000	500.00	500.00
At the end of the period	B	5,000,000	5,000,000	500.00	500.00
TOTAL	A+B	60,000,000	60,000,000	6,000.00	6,000.00
b) Issued, Subscribed and Paid up					
Equity Shares of ₹ 10 each					
At the beginning of the period		35,481,634	35,481,634	3,548.16	3,548.16
Add: Additions during the period *		3,998,300	-	399.83	-
At the end of the period	A	39,479,934	35,481,634	3,947.99	3,548.16
4% Preference Shares of ₹ 10 each fully paid up**					
At the beginning of the period		2,500,000	2,500,000	250.00	250.00
At the end of the period	B	2,500,000	2,500,000	250.00	250.00
TOTAL	A+B	41,979,934	37,981,634	4,197.99	3,798.16

* (i) The Shareholders of the Company in their Extra Ordinary General Meeting held on 17-11-2012 accorded their approval for issue and allotment of 11,00,000 equity shares of ₹10/- each on preferential basis to promoter group companies. The allotment has been made on 10-04-2014.

(ii) The Shareholders of the Company in their Extra Ordinary General Meeting held on 11-09-2013 accorded their approval for issue and allotment of 28,98,300 equity share warrants at ₹17.25 each (including premium of ₹ 7.25 each) on preferential basis to promoter group . The Company allotted 28,98,300 equity shares at a premium of ₹7.25 each on 20-12-2014 and shall be subject to a lock-in period as specified under Regulation 78 of Chapter VII of the SEBI ICDR Regulations, 2009.

** 4 % Cumulative Preference shares redeemable on or before 12-09-2021 at par.

Terms / rights attached to equity shares

- (i) The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share, The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the Shareholder	No. of Share			
	As at 31.03.2015	percentage	As at 31.03.2014	percentage
Indocount Securities Limited	5,270,777	13.35%	5,270,777	14.85%
Sandridge Investments Limited	12,400,491	31.41%	12,400,491	34.95%
Elm Park Fund Ltd.	2,717,161	6.88%	2,717,161	7.66%

Notes on Financial Statements for the year ended 31st March, 2015

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

Name of the Shareholder	No. of Share			
	As at 31.03.2015	percentage	As at 31.03.2014	percentage
Tozai Enterprises Pvt. Ltd.	2,500,000	100%	2,500,000	100%

3 RESERVES & SURPLUS

₹ in lac

Particulars		As at 31.03.2015	As at 31.03.2014
Capital Reserve			
At the beginning of the period		198.81	198.81
At the end of the period	A	198.81	198.81
Share Premium			
At the beginning of the period		1,443.59	1,443.59
Add: Additions during the period		210.13	-
At the end of the period	B	1,653.72	1,443.59
Debenture Redemption Reserve			
At the beginning of the period		750.00	750.00
At the end of the period	C	750.00	750.00
Revaluation Reserve			
At the beginning of the period		10,141.46	11,419.29
Less: Reduction during the period		1,131.62	1,277.83
At the end of the period	D	9,009.84	10,141.46
Profit & Loss Account			
At the beginning of the period		10,670.30	187.76
Add: Profit for the period		13,904.20	10,494.16
Less: Adjustment on account of depreciation (net of deferred tax asset of ₹ 42.52 lac)		(88.53)	-
Less: Dividend on preference shares		(10.00)	(10.00)
Less: Dividend distribution Tax		(2.11)	(1.62)
At the end of the period	E	24,473.86	10,670.30
TOTAL (A + B + C + D + E)		36,086.23	23,204.16

4. (i) The Shareholders of the Company in their Extra Ordinary General Meeting held on 17-11-2012 accorded their approval for issue and allotment of 11,00,000 equity shares of ₹10/- each on preferential basis to promoter group companies. The allotment has been made on 10-04-2014.
- (ii) The Shareholders of the Company in their Extra Ordinary General Meeting held on 11-09-2013 accorded their approval for issue and allotment of 28,98,300 equity share warrants at ₹17.25 each (including premium of ₹ 7.25 each) on preferential basis to promoter group . The Company allotted 28,98,300 equity shares at a premium of ₹7.25 each on 20-12-2014 and shall be subject to a lock-in period as specified under Regulation 78 of Chapter VII of the SEBI ICDR Regulations, 2009.

Notes on Financial Statements for the year ended 31st March, 2015

5 LONG TERM BORROWINGS (Secured)

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
1) DEBENTURES (a)		
10 % 300 Secured redeemable non convertible debentures of ₹ 10.00 lac each (reduced by instalments paid till date ₹ 1,866.00 lac (previous year ₹ 1,416.00 lac) including current maturities))	744.00	1,134.00
2) TERM LOAN		
Rupee loans:	-	-
From Banks (a)	3,071.84	4,681.79
From Financial Institutions (a)	961.16	1,464.91
3) Working Capital Term Loan (a)	-	1,134.00
4) Demand Term Loan (b)	-	1,290.87
5) Hire Purchase Finance (c)	76.08	17.74
6) Foreign Currency Loan:		
Buyer's Credit (d)	1,862.39	-
TOTAL	6,715.47	9,723.31

- a) Secured inter se on pari-passu basis by way of mortgage of all immovable properties and hypothecation of all movable properties (save and except stocks and book debts and moveables of electronic division) both present and future. Loans (including current maturities of long term debts) of ₹ 7,238.95 lac (previous year ₹ 11,736.29 lac) are additionally secured by personal guarantee of the Managing Director. The facilities are further secured by way of first charge on the existing fixed assets of Indian Subsidiary Company.
- b) Secured against third charge on the fixed assets of the company. Loans (including current maturities of long term debts) of ₹ NIL (previous year ₹ 1,802.99 lac) are additionally secured by personal guarantee of the Managing Director. The facilities are further secured by way of second charge on the existing fixed assets of Indian Subsidiary Company.
- c) Secured against hypothecation of Vehicles acquired under Auto Loan Schemes.
- d) Buyer's credit includes liabilities for capital goods amounting to ₹ 2,303.61 lac (previous year ₹ Nil)

Long Term Loans Repayment Schedule

₹ in lac

Particulars	Maturity Profile				
	1-2 Years	2-3 Years	3-4 Years	4-5 Years	5-6 Years
10 % Secured redeemable non convertible Debentures	390.00	354.00	-	-	-
TERM LOAN					
Rupee loans:					
From Banks	1,609.95	1,461.90	-	-	-
From Financial Institutions	503.75	457.41	-	-	-
Hire Purchase Finance	26.73	22.43	22.32	4.60	-
Foreign currency loan:					
Buyer's Credit	441.23	441.23	441.23	441.23	97.48
TOTAL	2,971.66	2,736.97	463.55	445.83	97.48

Notes on Financial Statements for the year ended 31st March, 2015

6. DEFERRED TAX ASSETS / (LIABILITY)

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

₹ in lac

Particulars		As at 01.04.2014	Tax effect for the period	As at 31.03.2015
Deferred Tax liability				
Fixed Assets		(3,525.41)	(615.80)	(4,141.21)
	A	(3,525.41)	(615.80)	(4,141.21)
Deferred Tax Assets				
Losses *		4,440.58	(4,440.58)	-
Others		63.50	65.81	129.31
	B	4,504.08	(4,374.77)	129.31
Net Deferred Tax Assets/(Liability)	A-B	978.67	(4,990.57)	(4,011.90)

* Includes addition in accumulated losses for the assessment year 2011-12 by ₹2,859.44 lac due to additional claim filed before the learned assessing officer for certain incomes claimed as exempted during the assessment proceedings by the company. Effectively deferred tax assets has been increased by ₹927.74 lac.

- Deferred tax asset in respect of long term capital losses of ₹67.49 lac (previous year ₹63.85 lac) has not been recognised in view of uncertainty of its realisation.
- Deferred tax asset of ₹ 42.52 lac (previous year ₹Nil) has been adjusted against opening balance of retained earnings.

7. LONG TERM PROVISIONS

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
Employee Benefits	138.33	0.71
TOTAL	138.33	0.71

8. SHORT TERM BORROWINGS (Secured)

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
Loans repayable on Demand		
From Banks (a)		
- In Rupees	21,025.50	26,862.60
- In Foreign Currency	1,250.00	-
TOTAL	22,275.50	26,862.60

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

Notes on Financial Statements for the year ended 31st March, 2015

9. TRADE PAYABLES

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
Total outstanding dues of Micro Enterprises and Small Enterprises (a)	-	-
Others	18,282.96	18,918.55
TOTAL	18,282.96	18,918.55

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

10. OTHER CURRENT LIABILITIES

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
Current Maturities of Long Term Debts	4,024.42	3,824.11
Interest accrued and due on borrowings	223.68	21.08
Acceptances	6,009.99	669.07
Security deposit	46.61	38.44
Advance from Customers	113.96	17.80
Other Payables *	6,391.81	4,102.87
TOTAL	16,810.47	8,673.37

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

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
a) Unpaid Dividend	-	-
b) Unpaid application money received for allotment of securities and due for refund	-	-
c) Unpaid matured deposits	-	-
d) Unpaid matured debentures	-	-
e) Interest accrued on (a) to (d) above	-	-

11. SHORT TERM PROVISIONS

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
Provision for Income Tax	6,807.94	2,664.09
Provision for Wealth Tax	-	0.25
Dividend on Preference Shares	10.00	10.00
Tax on Dividend	2.04	1.62
TOTAL	6,819.98	2,675.96

Notes on Financial Statements for the year ended 31st March, 2015

12. FIXED ASSETS - TANGIBLE

₹ in lac

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01-04-2014	Additions	Sales / Adjustment	As at 31.03.2015	As at 01-04-2014	Additions**	Sales / Adjustment	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014	
a) At cost											
Land - Leasehold	52.66	-	-	52.66	9.99	0.50	-	10.49	42.17	42.67	
Land - Freehold	220.45	-	-	220.45	-	-	-	-	220.45	220.45	
Buildings *	6,555.38	70.96	-	6,626.34	2,181.02	207.10	-	2,388.12	4,238.22	4,374.36	
Plant & Machinery	33,638.96	6,760.58	272.70	40,126.84	17,438.25	1,204.45	239.11	18,403.59	21,723.25	16,200.71	
Furniture & Fixtures	359.82	51.06	-	410.88	141.83	46.32	-	188.15	222.73	217.99	
Factory & Office Equipments	536.49	98.58	0.35	634.72	255.99	137.34	0.01	393.32	241.40	280.50	
Vehicles	156.20	128.81	-	285.01	84.97	25.54	-	110.51	174.50	71.23	
b) At revalued cost											
Land - Leasehold	774.72	-	-	774.72	19.67	3.58	-	23.25	751.47	755.05	
Buildings	1,489.46	-	-	1,489.46	238.59	43.86	-	282.45	1,207.01	1,250.87	
Plant & Machinery	13,740.77	-	236.66	13,504.11	5,605.23	965.59	118.07	6,452.75	7,051.36	8,135.54	
TOTAL	57,524.91	7,109.99	509.71	64,125.19	25,975.54	2,634.28	357.19	28,252.63	35,872.56	31,549.37	
Previous Year	56,625.52	1,689.61	790.22	57,524.91	23,571.59	2,923.83	519.89	25,975.52			

Includes

- a) * 10 shares of ₹ 50 each of Arcadia Premises Co-operative Society Ltd.
- b) The company revalued its land, buildings and plant & machinery (except for electronics division and 2 D.G. sets of spinning division) as on 01-10-2008 based on the valuation made by an approved valuer. Accordingly, the original cost of such assets resulted in gross increase in the value of assets over their original cost by ₹ 14,530.22 lac (excluding the assets sold till 31-03-2015), increase in depreciation upto 31-03-2015 on revaluation by ₹ 6,139.67 lac and thereby net revaluation reserve as at 31-03-2015 is ₹ 8,390.56 lac.
- c) Revaluation of 2 D.G. sets of spinning division was carried out on 01-04-2009 by an approved valuer. The revaluation resulted in a gross increase in the value of assets over their original cost by ₹1,238.07 lac (excluding the assets sold till 31-03-2015), increase in depreciation up to 31-03-2015 on revaluation by ₹ 618.78 lac and thereby net revaluation reserve as at 31-03-2015 is ₹ 619.28 lac.

** Refer Note no. 36

13. FIXED ASSETS - INTANGIBLE

₹ in lac

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01-04-2014	Additions	Sales / Adjustment	As at 31.03.2015	As at 01-04-2014	Additions	Sales / Adjustment	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014	
Software	239.31	3.51	-	242.82	57.57	45.04	-	102.61	140.21	181.74	
Patents	24.45	-	-	24.45	0.61	4.77	-	5.38	19.07	23.84	
TOTAL	263.76	3.51	-	267.27	58.18	49.81	-	107.99	159.28	205.58	
Previous Year	188.60	75.16	-	263.76	9.71	48.47	-	58.18			

Notes on Financial Statements for the year ended 31st March, 2015

14. CAPITAL WORK IN PROGRESS

Capital work in progress does not include capital advances ₹ 884.53 lac (previous year ₹ 381.97 lac).

15. NON CURRENT INVESTMENTS

Particulars		No. of Share		₹ in lac	
		As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
- Quoted					
Non - Trade Investments - Long Term					
In fully paid up equity shares of ₹ 10 each					
Subsidiary Company					
Pranavaditya Spinning Mills Limited		14341280	14341280	1,434.13	1,434.13
SUB TOTAL	A			1,434.13	1,434.13
- Unquoted					
Non - Trade Investments - Long Term					
Subsidiary Company					
Indocount Global Inc, USA		800	800	446.19	446.19
Others					
Shiva Services Limited		-	10,000	-	1.00
Less : Provision for Diminution				-	1.00
SUB TOTAL	B			446.19	446.19
TOTAL	A+B			1,880.32	1,880.32
Aggregate value of :					
Quoted investments				1,434.13	1,434.13
Unquoted investments				446.19	446.19
Market value of Quoted investments				3,771.76	1,720.95

16. LONG TERM LOANS & ADVANCES

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
(Unsecured-considered good)		
Capital Advances	884.53	381.97
Security Deposits	135.93	86.56
TOTAL	1,020.46	468.53

Notes on Financial Statements for the year ended 31st March, 2015

17. INVENTORIES

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
Stores & Spares *	1,565.31	1,062.97
Raw Materials ** (a)	7,532.65	10,649.67
Dyes and Chemicals ***	461.78	291.28
Waste	19.14	48.88
Work in Progress	10,725.91	7,992.87
Finished Goods	6,107.84	5,666.75
TOTAL	26,412.63	25,712.42

* includes goods in transit ₹ 69.20 lac (previous year ₹ 42.29 lac)

** includes goods in transit ₹ 1,131.78 lac (previous year ₹ 1,099.95 lac)

*** includes goods in transit ₹ 7.95 lac (previous year ₹ 20.42 lac)

(a) 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.

18. TRADE RECEIVABLES

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
Exceeding Six Months	-	54.46
Others *	20,803.98	16,637.51
TOTAL	20,803.98	16,691.97

*a) Includes amount receivable from Foreign Subsidiary Company ₹ 10,243.91 lac (previous year ₹ 8,885.80 lac)

b) Includes amount receivable from Indian Subsidiary Company ₹ NIL (previous year ₹ 105.51 lac)

19. INVENTORIES

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
Cash in hand	23.30	14.24
Foreign currency in hand	-	4.17
Balances with Banks		
In Current Accounts *	1,568.49	1,123.12
Held as margin / Fixed deposits **	34.94	38.07
TOTAL	1,626.73	1,179.60

* Includes balance in current account with The Kolhapur Urban Co-operative Bank Ltd. ₹ 1.64 lac (previous year ₹ 0.91 lac) maximum amount outstanding anytime during the year ₹ 6.05 lac (previous year ₹ 5.89 lac) and The Shamrao Vittal Co-operative Bank ₹ 1.57 lac (previous year ₹ 0.97 lac), maximum amount outstanding anytime during the year ₹ 2.71 lac (previous year ₹ 3.13 lac)

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

** Fixed deposits with maturity within 12 months is ₹ 34.52 lac (previous year ₹ 27.16 lac)

Notes on Financial Statements for the year ended 31st March, 2015

20. SHORT TERM LOANS & ADVANCES

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
Advance Income Tax (including tax deducted at source)	7,002.33	2,316.42
Advances to related parties	-	0.10
Loans to Subsidiary Company	-	110.28
Advance to Subsidiary	-	26.69
Others (considered good)	5,540.71	5,069.17
TOTAL	12,543.04	7,522.66

21. OTHER CURRENT ASSETS (Unsecured-considered good)

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
MAT Credit entitlement	6,076.37	2,755.63
Export Incentives / Claims recoverable	7,498.57	5,113.67
Interest accrued on Loans & Deposits	1.00	0.78
TOTAL	13,575.94	7,870.08

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

A. Contingent Liabilities

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
i) Amount outstanding in respect of export bills discounted under Export Letters of Credit (Since realised ₹ 1,427.53 lac, previous year ₹ 3,300.88 lac)	3,328.93	4,999.82
ii) Bank Guarantees *	699.74	427.59
iii) Claims against the company not acknowledged as debts against which payments made ₹34.22 lac (previous year ₹34.22 lac)	180.96	384.80
iv) CSR Expenses	76.84	-
v) Corporate guarantee given to a bank for securing financial assistance to: - Foreign Subsidiary	5,312.50	3,597.09

*(a) The Company has given bank guarantee for ₹ 0.42 lac to DGFT on behalf of Pranavaditya Spinning Mills Limited, subsidiary company for duty free import of machines.

Notes on Financial Statements for the year ended 31st March, 2015

- (b) In terms of EPCG Licence issued, the company has undertaken an export obligation for ₹ 42,042.03 lac, which is to be fulfilled over a period of 8 years. The company has completed the export obligation to the extent of ₹ 40,756.98 lac till the year end, of which licenses of ₹ 36,102.25 lac redeemed by the DGFT and the application for redemption of license submitted for ₹ 4,654.73 lac. The balance export obligation for ₹ 1,285.22 lac is to be fulfilled over a period of 8 years.
- (c) In terms of advance license obtained for import of raw materials the company has undertaken an export obligation for USD 12.156 Mn. which is to be fulfilled over a period of 2 years. The company has completed the obligation to the extent of USD 11.942 Mn. The license redeemed by the DGFT amounting to USD 3.537 Mn. and application for redemption of license submitted for USD 8.405 Mn. The balance obligation of USD 0.214 Mn. is to be fulfilled over a period of 1 year.
- (d) Under the package scheme of incentives of Government of Maharashtra for Mega Projects, the company is eligible for VAT and Electricity duty refund benefits for its home textiles and consumer durable goods divisions. However, if it contravenes any of the conditions of the scheme or eligibility certificate or certificate of entitlement or agreement, it shall repay forthwith the entire benefits drawn / availed along with interest thereon together with costs, charges and expenses thereon.
- (e) 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 lac (previous year ₹292.07 lac) 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 Jurisdiction at Bombay whereby it was decided that no such duty is payable. MSEDCL has taken up this matter before 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 lac

Particulars	As at 31.03.2015	As at 31.03.2014
a) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	3,181.27	2,066.10
b) Letter of credits opened for which the material has not yet been shipped	453.72	1,715.55

23. REVENUE FROM OPERATIONS

₹ in lac

Particulars	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Gross Sales of Products (a), (b)	1,49,609.46	1,34,589.53
Less: Excise Duty	725.85	2,328.02
Net Sales	1,48,883.61	1,32,261.51
Sale of Services	7.36	0.72
Export Incentives / Benefits	12,665.31	8,770.91
TOTAL	1,61,556.28	1,41,033.14

- a) Includes sale to Foreign subsidiary ₹ 20,950.06 lac (previous year ₹ 14,257.51 lac)
 b) Includes sale to Indian subsidiary ₹ 17.50 lac (previous year Nil)

Notes on Financial Statements for the year ended 31st March, 2015

24. OTHER INCOME

₹ in lac

Particulars	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Interest Bank*	3.10	2.35
Interest Others**	0.26	5.77
VAT Refund under IPS	794.58	2,159.22
TUFS Subsidy received	382.38	501.78
Lease rent income (a)	-	13.62
Miscellaneous Receipts and Incomes	12.44	57.84
Insurance claim received	25.83	68.34
Provision for doubtful debts/advances written back	-	33.08
Profit on sale of assets	20.48	61.23
Exchange rate difference	5,007.67	-
Rent received	0.24	0.48
Provisions for diminution in value of investments / written back	1.00	-
Sundry balances / Excess provision written back (Net)	16.59	41.71
Liability no longer payable written back	173.86	70.77
TOTAL	6,438.43	3,016.19

* Includes tax deducted at source ₹ 0.28 lac (previous year ₹ 0.17 lac)

**a) Includes tax deducted at source ₹ 0.04 lac (previous year ₹ 0.59 lac)

b) Includes interest earned from subsidiary company ₹ Nil (previous year ₹ 5.54 lac)

(a) Includes operating lease:

- The company has entered into lease arrangements , for renting specified machinery at a rent of ₹ Nil per month for a period of 120 months and are renewable at the option of the lessee after the end of the term.
- Disclosure in respect of assets given on operating lease:

₹ in lac

Particulars	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Gross Carrying amount of assets *	-	-
Accumulated Depreciation *	-	-
Depreciation for the period (excluding amortisation of revaluation)	-	5.73

* Includes revalued figures.

The assets given on lease were sold by the Company on 01.10.2013, hence gross carrying amount of assets and accumulated depreciation as on 31-03-2014 is ₹ Nil

Notes on Financial Statements for the year ended 31st March, 2015

25. COST OF MATERIALS CONSUMED

₹ in lac

Particulars	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Raw material & Components consumed		
Opening Stock	10,649.67	5,078.97
Add : Purchases *	93,360.25	95,244.06
SUB-TOTAL	1,04,009.92	1,00,323.03
Less : Closing Stock	7,532.65	10,649.67
TOTAL	96,477.27	89,673.36

* Includes purchases from a Indian Subsidiary Company ₹ 46.54 lac (previous year ₹ 887.81 lac)

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

₹ in lac

Particulars	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Closing Stock		
Finished Goods	6,107.84	5,666.75
Stock in Process	10,725.91	7,992.87
Waste	19.14	48.88
SUB - TOTAL	A 16,852.89	13,708.50
Less : Opening Stock		
Finished Goods	5,666.75	5,205.31
Stock in Process	7,992.87	6,810.59
Waste	48.88	46.22
SUB - TOTAL	B 13,708.50	12,062.12
(Increase) / Decrease in stock	B-A (3,144.39)	(1,646.38)

27. EMPLOYEE BENEFITS EXPENSE

₹ in lac

Particulars	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Salaries & Wages	5,510.31	4,637.54
Director's Remuneration	1,011.34	649.77
Contribution to Provident & Other Funds	396.56	312.78
Gratuity	134.14	70.67
Staff Welfare Expenses	175.80	149.33
Recruitment & Training expenses	49.84	13.33
TOTAL	7,277.99	5,833.42

Notes on Financial Statements for the year ended 31st March, 2015

EMPLOYEE POST RETIREMENT BENEFITS

₹ in lac

Particulars	For the period 01.04.2014 to 31.03.2015		For the period 01.04.2013 to 31.03.2014	
	Gratuity	Leave Benefit	Gratuity	Leave Benefit
During the year, the following contribution have been made under defined contribution plans:-				
Employer's Contribution to Provident Fund		210.95		188.28
Employer's Contribution to Employees Pension Scheme		89.88		71.63
Employer's Contribution to Employees State Insurance		2.14		3.76
Defined Benefit Plans	Gratuity	Leave Benefit	Gratuity	Leave Benefit
i) Assumptions				
Discount Rate	8%	8%	8%	8%
Salary Escalation	4%	4%	4%	4%
ii) Table showing changes in present value of obligations				
Present value of obligation as at beginning of the year	665.52	140.71	526.97	138.19
Interest cost	53.24	11.26	42.16	11.06
Current Service Cost	54.46	23.55	48.88	22.89
Benefits Paid	(38.26)	(14.63)	(22.41)	(13.89)
Actuarial (gain)/loss on obligation	72.83	87.26	69.92	(17.53)
Present value of obligations as at end of year	807.79	248.15	665.52	140.71
iii) Table showing changes in the present value of planned assets				
Fair value of plan ned assets at the beginning of year	672.08	147.23	423.28	102.36
Expected return on planned assets	59.25	14.29	45.91	10.09
Contributions	50.58	27.07	225.30	48.66
Benefits paid	(38.26)	(14.63)	(22.41)	(13.89)
Actuarial gain / (Loss) on planned assets	-	-	-	-
Fair value of planned assets at the end of year	743.65	173.96	672.08	147.23
iv) Table showing fair value of planned assets				
Fair value of planned assets at the beginning of year	672.08	147.23	423.28	102.36
Actual return on planned assets	59.25	14.29	45.91	10.09
Contributions	50.58	27.07	225.30	48.66
Benefits paid	(38.26)	(14.63)	(22.41)	(13.89)
Actuarial (gain)/loss on planned asset	-	-	-	-
Fair value of planned assets at the end of year	743.65	173.96	672.08	147.23
Funded status	(64.14)	(74.19)	6.56	6.51
v) Actuarial Gain / Loss recognized				
Actuarial (gain) / Loss for the year - obligation	(72.83)	(87.26)	(69.92)	17.53
Actuarial (gain)/Loss for the year - planned assets	-	-	-	-
Total (gain) / Loss for the year	72.83	87.26	69.92	(17.53)
Actuarial (gain) / Loss recognized in the year	72.83	87.26	69.92	(17.53)

Notes on Financial Statements for the year ended 31st March, 2015

EMPLOYEE POST RETIREMENT BENEFITS

₹ in lac

Particulars	For the period 01.04.2014 to 31.03.2015		For the period 01.04.2013 to 31.03.2014	
vi) The amounts to be recognized in the balance sheet and statements of Profit & loss				
Present value of obligations as at the end of year	807.79	248.15	665.52	140.71
Fair value of planned assets as at the end of the year	743.65	173.96	672.08	147.23
Funded status	64.14	74.19	6.56	65.41
Net Asset / (Liability) recognized in balance sheet	(64.14)	(74.19)	6.56	(6.51)
vii) Expenses recognized in statement of Profit & Loss				
Current services cost	54.46	23.55	48.88	22.89
Interest cost	53.24	11.26	42.16	11.06
Expected return on planned assets	(59.25)	(14.29)	(45.91)	(10.09)
Net Actuarial (gain)/Loss recognized in the year	72.83	87.26	69.92	(17.53)
Expenses recognized in statement of P&L	121.28	107.78	115.05	6.32

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

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

28. FINANCE COSTS

₹ in lac

Particulars	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Interest Expense		
- On Debentures	168.12	191.84
- On Term Loans	1,257.19	1,262.32
- On Working Capital Term Loans	172.91	186.06
- Banks	3,613.66	2,160.58
- Others	88.36	118.70
Bank Charges	794.50	885.67
Finance procurement charges	157.86	91.97
TOTAL	6,252.60	4,897.14

Notes on Financial Statements for the year ended 31st March, 2015

29. DEPRECIATION & AMORTISATION EXPENSE

₹ in lac

Particulars	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Depreciation	2,671.63	3,160.73
Less : Transfer to Revaluation Reserve	1,131.62	1,277.83
TOTAL	1,540.01	1,882.90

30. OTHER EXPENSES

₹ in lac

Particulars	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Consumption of Stores/Dyes and Packing Materials	11,424.97	9,629.44
Jobwork Charges	8,249.99	6,384.41
Power & Fuel	6,088.72	5,785.50
Rent (a)	220.61	154.61
Rates, Taxes & Fees	50.05	51.19
Insurance	411.78	367.90
Repairs to Machinery	326.69	218.83
Repairs to Buildings	149.19	42.81
Commission & Brokerage	2,587.26	2,202.80
Freight Outward	2,953.17	2,235.77
Other Selling expenses	1,964.52	1,200.98
Loss on Sale of Assets	0.76	24.45
Loss on sale of Investments	1.00	217.72
Bad debts/advances written off	-	109.82
Exchange rate difference (Net)	-	670.68
Previous year's expenses	24.48	7.43
Miscellaneous expenses (b)	2,765.45	2,018.91
TOTAL	37,218.64	31,323.25

Notes on Financial Statements for the year ended 31st March, 2015

(a) Including operating lease

₹ in lac

Particulars	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
A) The total of future minimum lease payments under non-cancellable operating leases for each of the following years:		
i) Not latter than one year,	98.28	85.00
ii) Later than one year and not later than five years,	110.87	138.43
iii) Later than five years,	-	-
B) The total of future minimum sub-lease payments expected to be received under non cancellable sub leases at the balance sheet date,	-	-
C) Lease payments recognized in the statement of profit & loss	94.94	75.69

b) Includes payment to auditors

Details of Auditor's remuneration

₹ in lac

Particulars	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
As Statutory Audit Fees	10.00	10.00
As Quarterly Audit / Limited Review Fees	7.50	7.50
As Tax Audit Fees	2.50	2.50
For Tax Representations	1.00	1.00
For Certification Work	0.58	0.15
In Other Capacity	1.15	0.95
For Reimbursement of Expenses	1.13	1.46
TOTAL	23.86	23.56

31. Based on reference of Union Bank Of India, the Lead Bank, a financial restructuring package was approved by Empowered Group of Corporate Debt Restructuring (CDR-EG) on July 01, 2008 being the COD of CDR.

The CDR-EG approved the exit of the Company from CDR Mechanism w.e.f. April 01, 2014 in their meeting held on March 26, 2015. Therein, the CDR-EG has accepted total recompense amount of ₹ 2,446.23 lac (net of concessions) as certified by the Concurrent Auditor appointed by the CDR lenders vide their certificate dated February 21, 2015 for nine lenders. In addition, for two lenders, Company settled their dues in January 2015 by paying ₹ 128.13 lac.

The Company has paid recompense amount (net of concessions agreed by the lenders) shown under Exceptional items. Consequently, the Company is out of CDR mechanism.

Notes on Financial Statements for the year ended 31st March, 2015

32. FORWARD CONTRACTS

Foreign currency exposures recognised by the Company that have not been hedged as at 31-03-2015 are as under :-

Currency	Number of Contracts	Amount in Foreign Currency	Amount ₹ in lac	Buy / Sell
US \$ / INR	539	US \$ 213.53 Mn	1,40,198.84	Sell
Previous Year US \$ / INR	473	US \$ 132.37 Mn	85,221.17	Sell

33. Related Party Disclosure:

Related party disclosures as required by AS - 18 "Related Party Disclosures" are given below:-

A. Relationship

i) Key management personnel

- Shri Anil Kumar Jain - Chairman and Managing Director
- Shri R. N. Gupta - Joint Managing Director
- Shri K. R. Lalpuria - Executive Director
- Shri Kamal Mitra - Director (Works)

ii) Relatives of key management personnel

- Smt. G.D. Jain
- Smt. Shikha Jain
- Smt. Neha Singhvi
- Shri Mohit Jain

iii) Parties where control exists

A. Subsidiary

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

B. Associates

- Margo Finance Ltd.
- Unic Consultants
- A.K. Jain HUF

Notes on Financial Statements for the year ended 31st March, 2015

₹ in lac

Particulars	Associates / Subsidiary		Relatives of Key Management Personnel		Key Management Personnel		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Remuneration paid	-	-	38.38	31.73	1,011.34	649.77	1,049.72	681.50
Commission paid	339.31	211.84	-	-	-	-	339.31	211.84
Commission received	9.52	3.08	-	-	-	-	9.52	3.08
Rent Received	0.24	0.48	-	-	-	-	0.24	0.48
Rent Paid	2.67	2.67	-	-	-	-	2.67	2.67
Sales	20,967.56	14,257.51	-	-	-	-	20,967.56	14,257.51
Interest Income	-	4.99	-	-	-	-	-	4.99
Lease Rental Income	-	13.62	-	-	-	-	-	13.62
Lease Rent Paid	67.75	63.05	-	-	-	-	67.75	63.05
Purchase of Goods	46.54	887.81	-	-	-	-	46.54	887.81
Sale of Machinery	1.13	120.15	-	-	-	-	1.13	120.15
Balance outstanding at the end of year:-								
a) Investments	1,880.32	1,880.32	-	-	-	-	1,880.32	1,880.32
b) Loan to Subsidiary	-	110.00	-	-	-	-	-	110.00
c) Sundry Debtors	10,243.91	8,991.31	-	-	-	-	10,243.91	8,991.31
d) Other Payables *	9.61	(4.71)	-	-	-	-	9.61	(4.71)

Other information :

* Refer Note no. 37

Related parties enlisted above are those having transactions with the company.

34. Segment data :-

A. Primary segment

₹ in lac

Particulars	Textiles		Consumer Durable Goods		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment revenue	156,652.90	128,002.75	4,903.38	13,030.39	161,556.28	141,033.14
Other income	5,643.26	820.79	795.17	2,195.40	6,438.43	3,016.19
Total income	162,296.16	128,823.54	5,698.55	15,225.79	167,994.71	144,049.33
Operating profit	28,478.87	15,687.07	108.46	416.84	28,587.33	16,103.91
Financial costs	6,252.59	4,897.10	-	0.03	6,252.59	4,897.13
Taxes	5,856.19	712.62	-	-	5,856.19	712.62
Net profit	13,795.74	10,077.36	108.46	416.81	13,904.20	10,494.17
Segment Assets	113,199.91	88,915.93	2,138.92	5,175.89	115,338.83	94,091.82
Segment Liabilities	65,905.73	55,596.45	(1,578.50)	1,534.75	64,327.23	57,131.20
Capital employed	34,272.45	23,209.06	3,717.41	3,610.11	37,989.86	26,819.17
Capital expenditure	8,524.77	1,620.74	-	-	8,524.77	1,620.74
Depreciation	1,518.68	1,864.15	21.34	18.75	1,540.02	1,882.90
Exceptional Items	25.74	-	-	-	25.74	-
NonCash expenditure	5,033.08	712.62	-	-	5,033.08	712.62

Notes on Financial Statements for the year ended 31st March, 2015

B. Secondary Segment - Geographical -

The company's operating facilities are located in India

₹ in lac

Particulars	Current Year	Previous Year
Domestic revenues	15,861.18	21,405.53
Export revenues	1,45,695.10	1,19,627.61
Total	1,61,556.28	1,41,033.14

35. EARNING PER SHARE (EPS)

Particulars	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Basic Earnings Per Share		
Profit after tax as per profit & loss account (₹ in Lac)	13,904.20	10,494.16
Less: Dividend on preference shares (₹ in lac)	(10.00)	(10.00)
Less: Dividend distribution Tax (₹ in lac)	(2.11)	(1.62)
Profit available for shareholders (₹ in lac)	A 13,892.09	10,482.54
No. of equity shares	B 39,479,934	35,481,634
No. of weighted average equity shares	C 37,364,447	35,481,634
Basic / dilutive earning Per Share (₹)	(A/B) 37.18	29.54

36. 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 period ended 31st March, 2015 is lower by ₹434.93 lac and the effect relating to the period prior to 1st April, 2014 is ₹ 88.52 lac (net of deferred tax asset of ₹ 42.52 lac) which has been adjusted against opening balance of retained earnings.
37. The Company has not recovered ₹ 158.54 lac (net of ₹ 30.00 lac) for the year 2013-14 from M/S Unic Consultants against excess commission disallowed by the Company Law Board vide their order dated 13th August, 2014. The Company has made fresh application on 23rd March, 2015 for review of their earlier order for allowability of the excess amount paid. Out of current year's commission, the Company has retained the above excess amount, pending review by Ministry of Corporate Affairs.
38. Figures for the previous year have been regrouped / rearranged wherever considered necessary.
39. In the opinion of the management, the current assets, loans and advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities has been adequately made in the accounts.
40. Figures have been rounded off to the nearest ₹ in lac.

Notes on Financial Statements for the year ended 31st March, 2015

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

Class of Goods	For the period 01.04.2014 to 31.03.2015		For the period 01.04.2013 to 31.03.2014	
	Percentage	₹ in lac	Percentage	₹ in lac
Raw Materials				
Imported	0.45%	429.52	1.90%	3,502.75
Indigenous	99.55%	96,047.75	98.10%	86,170.61
	100.00%	96,477.27	100.00%	89,673.36
Stores/ Dyes and Packing Materials				
Imported	10.38%	1,185.68	9.45%	1,290.31
Indigenous	89.62%	10,239.29	90.55%	8,339.13
	100.00%	11,424.97	100.00%	9,629.44

42. Other Information's

Particulars	₹ in lac	
	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
CIF value of Imports		
Capital goods	5,080.83	289.71
Raw materials	113.06	3,624.32
Stores/ Dyes and Packing Materials	1,390.41	1,484.22
Expenditure in Foreign Currency		
Travelling	71.18	75.78
Selling Commission / Claims	2,333.02	1,932.78
Others	919.45	970.42
Earnings in Foreign Currency		
FOB value of exports	132,492.19	110,480.33

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

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

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

O. P. SHROFF
Partner
Membership No. 6329

Mumbai, 9th May, 2015

ANIL KUMAR JAIN
Chairman & Managing Director

R. N. GUPTA
Joint Managing Director

R. SUNDARAM
Chief Financial Officer & Company Secretary

Consolidated Financial Statements

Independent Auditor's Report

To
**The Board of Directors of
Indo Count Industries Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Indo Count Industries Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to

obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Other Matters

- a) Financial statements of an Indian Subsidiary which reflects total assets of ₹4,863.52 lac as at March 31, 2015 total revenue of ₹6,584.82 lac and net cash flows amounting to ₹(175.75) lac for the year ended, have been audited by us.
- b) We did not audit the financial statements of a Foreign Subsidiary, whose financial statements reflect total assets of ₹17,024.44 lac as at March 31, 2015, total revenues of ₹24,614.31 lac and net cash flows amounting to ₹16,76.32 lac for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, is based solely on the reports of other auditors.

Our opinion is not qualified in respect of other matters.

Report on Other Legal and Regulatory requirements

As required by the Companies (Auditor's Report) Order, 2015 ("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 purposes 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) In our opinion, the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls are adequate.
 - g) 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 financial statements - Refer Note 22 to the financial statements;
 - ii. The Company has long-term contracts including derivative contracts, but there is no Mark to Market losses as on balance sheet date;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

O. P. SHROFF
Partner

Membership Number 6329

Mumbai, 9th May, 2015

Consolidated Balance Sheet

As at 31st March, 2015

₹ in lac

Particulars	Note No.	As at 31-03-2015		As at 31-03-2014	
I. EQUITY AND LIABILITIES					
1. SHAREHOLDERS' FUNDS					
(a) Share capital	2		4,197.99		3,798.16
(b) Reserves and surplus	3		38,189.53		25,133.39
2. Share application money pending allotment	4		-		110.00
3. Warrant Application Money Pending Allotment -(Optionally fully convertible warrants)	4		-		125.00
4. MINORITY INTEREST			566.44		545.34
5. NON - CURRENT LIABILITIES					
(a) Long Term Borrowings	5	6,715.47		9,724.33	
(b) Deferred Tax Liabilities (Net)	6	3,704.58		-	
(c) Long Term Provisions	7	222.95	10643.00	65.01	9,789.34
6. CURRENT LIABILITIES					
(a) Short Term Borrowings	8	27,588.00		29,854.88	
(b) Trade Payables	9	18,884.21		19,980.46	
(c) Other Current Liabilities	10	17,036.63		8,915.57	
(d) Short Term Provisions	11	7,083.70	70,592.54	2,835.31	61,586.22
			1,24,189.50		1,01,087.45
II. ASSETS					
1. NON-CURRENT ASSETS					
(a) Fixed assets					
(i) Tangible assets	12	38,624.40		34,372.63	
(ii) Intangible assets	13	216.39		262.69	
(iii) Capital work-in-progress	14	1,457.26	40,298.05	32.60	34,667.92
(b) Non-current investments	15		0.16		0.16
(c) Deferred tax assets (Net)	6		-		1,312.89
(d) Long-term loans and advances	16		1,162.79		574.45
2. CURRENT ASSETS					
(a) Inventories	17	38,303.16		34,567.69	
(b) Trade receivables	18	12,701.82		10,865.81	
(c) Cash and cash equivalents	19	5,080.68		3,132.98	
(d) Short-term loans and advances	20	12,889.28		7,897.61	
(e) Other current assets	21	13,753.56	82,728.50	8,067.94	64,532.03
			1,24,189.50		1,01,087.45
See accompanying notes to the financial statements					

As per our report of even date annexed

For **B.K. SHROFF & CO.**

Chartered Accountants

Reg. No. 302166E

O. P. SHROFF

Partner

ANIL KUMAR JAIN

Chairman & Managing Director

R. N. GUPTA

Joint Managing Director

Membership No. 6329

Mumbai, 9th May, 2015

R. SUNDARAM

Chief Financial Officer & Company Secretary

Consolidated Profit & Loss Account for the year ended 31st March, 2015

₹ in lac

Particulars	Note No.	Year Ended 31-03-2015	Year Ended 31-03-2014
I Revenue from operations	23	1,71,689.20	1,46,763.11
II Other Income	24	6,490.54	3,027.44
TOTAL REVENUE		1,78,179.74	1,49,790.55
III EXPENSES			
Cost of materials consumed	25	1,00,873.49	93,744.07
Purchase of stock in Trade		61.56	887.38
Changes in Inventories of finished goods, Work in Process and Stock in Trade	26	(6,275.92)	(5,600.65)
Employee Benefits	27	7,987.25	6,448.43
Finance Charges	28	6,502.26	4,989.34
Depreciation and amortisation expense	29	1,596.62	1,955.60
Manufacturing & Other Expenses	30	44,167.54	35,401.52
TOTAL EXPENSES		1,54,912.80	1,37,825.69
IV Profit before Exceptional and Extraordinary items and Taxation		23,266.94	11,964.86
V Exceptional Items	31	2,574.36	-
Profit Before extraordinary items and tax		20,692.58	11,964.86
VI Tax expense:			
Income Tax for current year		4,387.11	2,433.41
Income Tax for earlier years		-	-
Deferred Tax Asset (Net)		5,062.36	812.83
MAT Credit Entitlement		(3,294.33)	(2,320.32)
MAT Credit Entitlement for earlier years		(49.97)	-
Profit for the year		14,587.41	11,038.94
Share of Profit transferred to Minority Interest		21.11	43.16
Profit for the year (after adjustment for Minority Interest)		14,566.30	10,995.78
VII EARNING PER SHARE	33		
Basic and dilutive (₹)		38.95	30.96
See accompanying notes to the financial statements			

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

O. P. SHROFF
Partner

Membership No. 6329
Mumbai, 9th May, 2015

ANIL KUMAR JAIN
Chairman & Managing Director

R. N. GUPTA
Joint Managing Director

R. SUNDARAM
Chief Financial Officer & Company Secretary

Consolidated Cash Flow Statement

For the year ended 31 March, 2015

₹ in lac

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before extraordinary item and tax	20,692.58	11,964.86
Less: Transitional Reserve of Profit & Loss items	421.28	179.67
Less: Share of Profit of Minority	21.10	43.16
Adjusted Net Profit before extraordinary item and tax	20,250.20	11,742.03
Adjustments for:-		
Depreciation and amortisation	1,596.62	1,955.61
(Profit)/Loss on sale /write off of assets	(42.70)	(64.43)
Finance Cost	6,502.26	4,989.34
Interest income	(15.40)	(14.78)
VAT Refund under IPS	(794.58)	(2,159.22)
Loss on sale of long term investments	1.00	217.72
Loss on sale of assets	2.34	24.45
Exceptional Items	2,574.36	-
Operating profit before working capital changes	30,074.10	16,690.72
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets		
Inventories	(3,735.46)	(9,987.16)
Trade Receivables	(1,836.01)	(2,073.52)
Short term loans and advances	(257.78)	(480.63)
Long term loans and advances	(589.40)	(292.57)
Other current assets	(2,341.33)	134.93
	(8,759.98)	(12,698.95)
Adjustment for increase /(decrease) in operating liabilities		
Trade payables	(1,096.26)	1,225.21
Other current liabilities	8,121.07	648.00
Other long term liabilities	157.94	(133.61)
Short-term provisions	1.19	0.05
Net taxes (paid)/refund received	(4,873.81)	(2,314.09)
Net Cash flow from /(used in) operating activities (A)	23,624.25	3,417.33
B) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(8,623.31)	(1,925.05)
Proceeds from sale of fixed assets	94.98	123.93
Proceeds from sale of long term investments	(1.00)	(217.71)
Transitional reserve of Balance Sheet Items	(410.06)	(152.58)
Transitional reserve of Profit & Loss Items	421.29	179.67
VAT Refund under IPS	794.58	2,159.22
Interest Received	15.40	14.78
Cash Flow from Exceptional items	(2,574.36)	-
Net Cash flow from/(used in) investing activities(B)	(10,282.48)	182.26

Consolidated Cash Flow Statement

For the year ended 31 March, 2015

₹ in lac

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
C) CASH FLOW FROM FINANCING ACTIVITIES.		
Addition / (reduction) in share application money	(110.00)	-
Addition / (reduction) in share warrant application money	(125.00)	125.00
Proceeds from issue of equity shares	399.83	-
Increase in share premium	210.13	-
Changes in Minority Interest	21.10	413.16
Net increase/(Decrease) in long term borrowings	(3,008.88)	(3,866.86)
Net increase/(Decrease) in short term borrowings	(2,266.88)	7,001.86
Finance Cost	(6,502.26)	(4,989.34)
Preference Dividend	(10.00)	(10.00)
Tax on dividend	(2.11)	(1.62)
Net Cash flow from / (used in) financing activities (C)	(11,394.07)	(1,327.80)
Net Increase in cash and cash equivalents (A+B+C)	1,947.70	2,271.79
Cash and cash equivalents at the beginning of the year	3,132.98	861.19
Cash and cash equivalents at the end of the year	5,080.68	3,132.98
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and cash equivalents as per Balance sheet	5,080.68	3,132.98
Cash and cash equivalents at the end of the year comprises of:		
(a) cash on hand	25.31	16.44
(b) foreign currency on hand	-	4.17
(c) balance with banks:		
i) In Current accounts	3,948.87	2,408.11
ii) In EEFC accounts	-	-
iii) In Earmarked Accounts	1,106.50	704.26

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

As per our report of even date annexed

For **B.K. SHROFF & CO.**

Chartered Accountants

Reg. No. 302166E

O. P. SHROFF

Partner

Membership No. 6329

Mumbai, 9th May, 2015

ANIL KUMAR JAIN

Chairman & Managing Director

R. N. GUPTA

Joint Managing Director

R. SUNDARAM

Chief Financial Officer & Company Secretary

Notes on Financial Statements for the year ended 31st March, 2015

1. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of consolidation

- (i) The accounts have been prepared to comply with all material aspects applicable to accounting policies of Indo Count Industries Limited. Goodwill arising on investments made in subsidiary companies has been treated as intangible asset and capital reserve arising on investments made in subsidiary company has been treated as reserve and surplus.
- (ii) The consolidated accounts have been prepared based on a line by line consolidation of the profit & loss account and balance sheet of Indo Count Industries Limited and its subsidiaries. For the purpose of consolidation, adjustments have been made in respect of shareholdings in subsidiary companies, amounts owed from/to company within group and in respect of intra group transactions, as per Accounting Standard (AS-21) "Consolidated Financial Accounts".
- (iii) The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the holding company.
- (iv) Indo Count Industries Limited holds 74.53 % shareholding in Pranavaditya Spinning Mills Limited (PSML) . PSML is incorporated in India and is engaged in the business of manufacture of cotton yarn.
- (v) Indo Count Industries Limited holds 100 % shareholding in Indo Count Global Inc USA.(ICG).ICG is incorporated in USA and is engaged in the business of selling Home Textile Products.

2. Significant Accounting Policies:

(a) Method of Accounting

- i) The accounts are prepared under the historical cost convention using the accrual method of accounting unless otherwise stated hereinafter.
- ii) Accounting policies not significantly referred to are consistent with generally accepted accounting principles.

(b) Use of Estimates

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

(c) Fixed Assets

Fixed assets are stated at cost except for land, plant & machinery (other than of electronics division) and buildings which have been shown at revalued amount. Cost is inclusive of

inward freight, duties & taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational, start-up and trial run expenses form part of the value of the assets capitalised. As per practice, expenses incurred on modernisation / debottlenecking / relocation / relining of plant & equipment are capitalised. Fixed assets, other than leasehold land, acquired on lease are not treated as assets of the company and lease rentals are charged off as revenue expenses.

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

(d) Capital Work-in Progress

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

(e) Investments

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

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

(f) Inventories

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

Cost of raw materials, stores and spares, and dyes and chemicals are determined at weighted average method. Finished goods and stock in process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Wastage and rejections are valued at estimated realizable value. Obsolete, defective and unserviceable stocks are duly provided for.

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

Notes on Financial Statements for the year ended 31st March, 2015

(g) Borrowing Costs

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

(h) Excise Duty

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

(i) Retirement and other employee related benefits

i) Short term Employee Benefits

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

ii) Post employment Benefits

a) Defined Contribution Plans

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

b) Defined Benefit Plans

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

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

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

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

(j) Research and Development

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

(k) Depreciation

Depreciation is calculated on fixed assets on straight-line method in accordance with Schedule II to the Companies Act 2013. Leasehold assets are depreciated over the lease period. Software system is amortized over a period of five years. Depreciation on amount of additions made to cost of fixed assets on account of foreign exchange fluctuation is provided prospectively over the residual life of the fixed assets.

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

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

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

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

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

Hedging instruments are initially measured at fair value. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. If a hedge transaction is no

Notes on Financial Statements for the year ended 31st March, 2015

longer expected to occur, the net cumulative gain or loss is recognized in profit and loss account for the year.

(m) Revenue Recognition

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

(n) Claims & Benefits

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

(o) Subsidy

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

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

(p) Income from Investment / Deposits

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

(q) Taxation

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

(r) Earnings per share

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

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

(s) Segment Information

The company is currently organized into two business-operating segments viz: Textile and consumer durable /

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

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

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

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

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

(t) Operating Leases

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

(u) Events occurring after balance date

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

(v) Contingent Liabilities

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

Notes on Financial Statements for the year ended 31st March, 2015

2. SHARE CAPITAL

Particulars		No. of Shares		₹ in lac	
		As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
a) Authorised					
Equity Shares of ₹ 10 each					
At the beginning of the period		55,000,000	55,000,000	5,500.00	5,500.00
At the end of the period	A	55,000,000	55,000,000	5,500.00	5,500.00
Preference Shares of ₹ 10 each					
At the beginning of the period		5,000,000	5,000,000	500.00	500.00
At the end of the period	B	5,000,000	5,000,000	500.00	500.00
TOTAL	A+B	60,000,000	60,000,000	6,000.00	6,000.00
b) Issued, Subscribed and Paid up					
Equity Shares of ₹ 10 each					
At the beginning of the period		35,481,634	35,481,634	3,548.16	3,548.16
Add: Additions during the period *		3,998,300	-	399.83	-
At the end of the period	A	39,479,934	35,481,634	3,947.99	3,548.16
4% Preference Shares of ₹ 10 each fully paid up **					
At the beginning of the period		2,500,000	2,500,000	250.00	250.00
At the end of the period	B	2,500,000	2,500,000	250.00	250.00
TOTAL	A+B	41,979,934	37,981,634	4,197.99	3,798.16

* (i) The Shareholders of the Company in their Extra Ordinary General Meeting held on 17-11-2012 accorded their approval for issue and allotment of 11,00,000 equity shares of ₹10/- each on preferential basis to promoter group companies. The allotment has been made on 10-04-2014.

(ii) The Shareholders of the Company in their Extra Ordinary General Meeting held on 11-09-2013 accorded their approval for issue and allotment of 28,98,300 equity share warrants at ₹17.25 each (including premium of ₹ 7.25 each) on preferential basis to promoter group . The Company allotted 28,98,300 equity shares at a premium of ₹7.25 each on 20-12-2014 and shall be subject to a lock-in period as specified under Regulation 78 of Chapter VII of the SEBI ICDR Regulations, 2009.

** 4 % Cumulative Preference shares redeemable on or before 12-09-2021 at par.

Terms / rights attached to equity shares

- The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share, The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the Shareholder	No. of Share			
	As at 31.03.2015	percentage	As at 31.03.2014	percentage
Indocount Securities Limited	5,270,777	13.35%	5,270,777	14.85%
Sandridge Investments Limited	12,400,491	31.41%	12,400,491	34.95%
Elm Park Fund Ltd.	2,717,161	6.88%	2,717,161	7.66%

Notes on Financial Statements for the year ended 31st March, 2015

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

Name of the Shareholder	No. of Share			
	As at 31.03.2015	percentage	As at 31.03.2014	percentage
Tozai Enterprises Pvt. Ltd.	2,500,000	100%	2,500,000	100%

3 RESERVES & SURPLUS

₹ in lac

Particulars		As at 31.03.2015	As at 31.03.2014
Capital Reserve			
At the beginning of the period		198.81	198.81
At the end of the period	A	198.81	198.81
Share Premium			
At the beginning of the period		1,443.59	1,443.59
Add: Additions during the period		210.13	-
At the end of the period	B	1,653.72	1,443.59
Debenture Redemption Reserve			
At the beginning of the period		750.00	750.00
At the end of the period	C	750.00	750.00
Revaluation Reserve			
At the beginning of the period		11,821.85	13,172.82
Less: Reduction during the period		1,206.88	1,350.97
At the end of the period	D	10,614.97	11,821.85
Transitional Reserve			
At the beginning of the period		42.59	15.46
Add: Creation during the period for Balance Sheet items		(410.06)	(152.58)
Add: Creation during the period for Profit and Loss items		421.28	179.71
At the end of the period	E	53.81	42.59
Profit & Loss Account			
At the beginning of the period		10,876.55	72.06
Add: Profit for the period		14,566.30	10,995.82
Less: Adjustment on account of depreciation (net of deferred tax asset of ₹43.82 lac)		(91.23)	-
Less: Transferred to Transitional Reserve		(421.29)	(179.71)
Less: Dividend on preference shares		(10.00)	(10.00)
Less: Dividend distribution Tax		(2.11)	(1.62)
At the end of the period	F	24,918.22	10,876.55
TOTAL (A + B + C + D + E + F)		38,189.53	25,133.39

Notes on Financial Statements for the year ended 31st March, 2015

4. (i) The Shareholders of the Company in their Extra Ordinary General Meeting held on 17-11-2012 accorded their approval for issue and allotment of 11,00,000 equity shares of ₹10/- each on preferential basis to promoter group companies. The allotment has been made on 10-04-2014.
- (ii) The Shareholders of the Company in their Extra Ordinary General Meeting held on 11-09-2013 accorded their approval for issue and allotment of 28,98,300 equity share warrants at ₹17.25 each (including premium of ₹ 7.25 each) on preferential basis to promoter group . The Company allotted 28,98,300 equity shares at a premium of ₹7.25 each on 20-12-2014 and shall be subject to a lock-in period as specified under Regulation 78 of Chapter VII of the SEBI ICDR Regulations, 2009.

5 LONG TERM BORROWINGS (Secured)

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
1) DEBENTURES (a)		
10 % 300 Secured redeemable non convertible debentures of ₹ 10.00 lac each	744.00	1,134.00
(reduced by instalments paid till date ₹ 1,866.00 lac (previous year ₹ 1,416.00 lac) including current maturities)		
2) TERM LOAN		
Rupee Loans:		
From Banks (a)	3,071.84	4,681.79
From Financial Institutions (a)	961.16	1,464.91
3) Working Capital Term Loan (a)	-	1,134.00
4) Demand Term Loan (b)	-	1,290.87
5) Hire Purchase Finance (c)	76.08	18.76
6) Foreign Currency Loan:		
Buyer's Credit (d)	1,862.39	-
TOTAL	6,715.47	9,724.33

- a) Secured inter se on pari-passu basis by way of mortgage of all immovable properties and hypothecation of all movable properties (save and except stocks and book debts and moveables of electronic division) both present and future. Loans (including current maturities of long term debts) of ₹ 7,238.95 lac (previous year ₹ 11,736.29 lac) are additionally secured by personal guarantee of the Managing Director. The facilities are further secured by way of first charge on the existing fixed assets of Indian Subsidiary Company.
- b) Secured against third charge on the fixed assets of the company. Loans (including current maturities of long term debts) of ₹ NIL (previous year ₹1,802.99 lac) are additionally secured by personal guarantee of the Managing Director. The facilities are further secured by way of second charge on the existing fixed assets of Indian Subsidiary Company.
- c) Secured against hypothecation of Vehicles acquired under Auto Loan Schemes.
- d) Buyer's credit includes liabilities for capital goods amounting to ₹ 2,303.61 lac (previous year ₹Nil)

Notes on Financial Statements for the year ended 31st March, 2015

Long Term Loans Repayment Schedule

₹ in lac

Particulars	Maturity Profile				
	1-2 Years	2-3 Years	3-4 Years	4-5 Years	5-6 Years
10 % Secured redeemable non convertible Debentures	390.00	354.00	-	-	-
TERM LOAN					
Rupee loans:					
From Banks	1,609.95	1,461.90	-	-	-
From Financial Institutions	503.75	457.41	-	-	-
Hire Purchase Finance	26.73	22.43	22.32	4.60	-
Foreign Currency Loan:					
Buyer's Credit	441.23	441.23	441.23	441.23	97.48
TOTAL	2,971.66	2,736.97	463.55	445.83	97.48

6. DEFERRED TAX ASSETS

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

₹ in lac

Particulars		As at 31.03.2014	Tax effect for the period	As at 31.03.2015
Deferred Tax liability				
Fixed Assets		(3,682.02)	(642.53)	(4,324.55)
	A	(3,682.02)	(642.53)	(4,324.55)
Deferred Tax Assets				
Loss *		4,873.78	(4,454.10)	419.68
Others		121.13	79.16	200.29
	B	4,994.91	(4,374.94)	619.97
Net Deferred Tax Assets/(Liability)	A-B	1,312.89	(5,017.47)	(3,704.58)

* Includes addition in accumulated losses for the assessment year 2011-12 by ₹2,859.44 lac due to additional claim filed before the learned assessing officer for certain incomes claimed as exempted during the assessment proceedings by the company. Effectively deferred tax assets has been increased by ₹927.74 lac.

- Deferred tax asset in respect of long term capital losses of ₹67.49 lac (previous year ₹63.85 lac) has not been recognised in view of uncertainty of its realisation.
- Deferred tax asset of ₹43.82 lac (previous year ₹Nil) has been adjusted against opening balance of retained earnings.

7. LONG TERM PROVISIONS

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
Employee Benefits	222.95	65.01
TOTAL	222.95	65.01

Notes on Financial Statements for the year ended 31st March, 2015

8. SHORT TERM BORROWINGS (Secured)

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
Loans repayable on Demand		
From Banks		
- In Rupees (a) , (b)	21,025.50	26,862.60
- In Foreign Currency (c)	6,562.50	2,992.28
TOTAL	27,588.00	29,854.88

- (a) Secured by hypothecation of Raw materials, Semi finished goods, Finished goods, Stores and Spares, Goods in transit and Book Debts of Spinning and Home textile divisions, and further secured by second charge on Fixed Assets both present and future and personally guaranteed by the Managing Director.
- (b) Loan of a subsidiary company is secured against pledge of stock of cotton bales together with corporate guarantee of the holding company.
- (c) Loan of foreign subsidiary company is secured by hypothecation of Inventories and Current Assets together with corporate guarantee of the holding company.

9. TRADE PAYABLES

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
Total outstanding dues of Micro Enterprises and Small Enterprises (a)	-	-
Others	18,884.21	19,980.46
TOTAL	18,884.21	19,980.46

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

10. OTHER CURRENT LIABILITIES

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
Current Maturities of Long Term Debts	4,025.45	3,827.99
Interest accrued and due on borrowings	265.11	68.98
Acceptances	6,009.99	669.07
Security deposit	46.95	38.79
Advance from Customers	115.31	21.73
Other Payables *	6,573.82	4,289.01
TOTAL	17,036.63	8,915.57

Notes on Financial Statements for the year ended 31st March, 2015

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

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
a) Unpaid Dividend	-	-
b) Unpaid application money received for allotment of securities and due for refund	-	-
c) Unpaid matured deposits	-	-
d) Unpaid matured debentures	-	-
e) Interest accrued on (a) to (d) above	-	-

11. SHORT TERM PROVISIONS

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
Provision for Income Tax	7,067.38	2,820.19
Provision for Wealth Tax	-	0.25
Provision for Employees Benefits	4.28	3.25
Dividend on Preference Shares	10.00	10.00
Tax on Dividend	2.04	1.62
TOTAL	7,083.70	2,835.31

Notes on Financial Statements for the year ended 31st March, 2015

12. FIXED ASSETS - TANGIBLE

₹ in lac

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01-04-2014	Additions	Sales / Adjustment	As at 31.03.2015	As at 01-04-2014	Additions**	Sales / Adjustment	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014	
a) At cost											
Land - Freehold	28.75	-	-	28.75	-	-	-	-	28.75	28.75	
Land - Leasehold	273.11	-	-	273.11	9.99	0.50	-	10.49	262.62	263.12	
Buildings *	7,023.30	70.96	-	7,094.26	2,312.05	221.73	-	2,533.78	4,560.48	4,711.25	
Plant & Machinery	37,264.34	6,843.35	506.31	43,601.38	20,289.81	1,242.40	452.04	21,080.17	22,521.21	16,974.53	
Furniture & Fixtures	491.92	51.06	-	542.98	340.96	46.38	-	387.34	155.64	150.96	
Factory & Office Equipments	585.33	100.94	0.35	685.92	352.13	141.12	0.01	493.24	192.68	233.20	
Vehicles	188.62	128.81	-	317.43	101.02	29.74	-	130.76	186.67	87.60	
b) At revalued cost											
Land - Freehold	817.46	-	-	817.46	-	-	-	-	817.46	817.46	
Land - Leasehold	774.72	-	-	774.72	19.67	3.58	-	23.25	751.47	755.05	
Buildings	2,029.93	-	-	2,029.93	282.64	52.67	-	335.31	1,694.62	1,747.29	
Plant & Machinery	14,406.33	-	256.48	14,149.85	5,810.86	1,020.37	127.37	6,703.86	7,445.99	8,595.47	
Factory & Office Equipments	13.63	-	-	13.63	5.68	1.14	-	6.82	6.81	7.95	
TOTAL	63,897.44	7,195.12	763.14	70,329.42	29,524.81	2,759.63	579.42	31,705.02	38,624.40	34,372.63	
Previous Year	62,752.82	1,993.92	849.30	63,897.44	27,046.79	3,044.29	566.27	29,524.81			

Includes

- * 10 shares of ₹ 50/- each of Arcadia Premises Co-operative Society Ltd.
- The holding company revalued its land, buildings and plant & machinery (except for electronics division and 2 D.G. sets of spinning division) as on 01-10-2008 based on the valuation made by an approved valuer. Accordingly, the original cost of such assets resulted in gross increase in the value of assets over their original cost by ₹ 14,530.22 lac (excluding the assets sold till 31-03-2015), increase in depreciation upto 31-03-2015 on revaluation by ₹ 6,139.67 lac and thereby net revaluation reserve as at 31-03-2015 is ₹ 8,390.56 lac.
- Revaluation of 2 D.G. sets of spinning division of holding company was carried out on 01-04-2009 by an approved valuer. The revaluation resulted in a gross increase in the value of assets over their original cost by ₹1,238.07 lac (excluding the assets sold till 31-03-2015), increase in depreciation up to 31-03-2015 on revaluation by ₹ 618.78 lac and thereby net revaluation reserve as at 31-03-2015 is ₹ 619.28 lac.
- The Indian subsidiary company revalued its land, buildings and plant & machinery as on 01-04-2009 based on the valuation made by an approved valuer. Accordingly, the original cost of such assets resulted in gross increase in the value of assets over their original cost by ₹ 2,017.30 lac (excluding the assets sold till 31-03-2015), increase in depreciation upto 31-03-2015 on revaluation by ₹ 412.16 lac and thereby net revaluation reserve as at 31-03-2014 is ₹ 1,605.14 lac.

** Refer Note no. 34

Notes on Financial Statements for the year ended 31st March, 2015

13. FIXED ASSETS - INTANGIBLE

₹ in lac

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01-04-2014	Additions	Sales / Adjustment	As at 31.03.2015	As at 01-04-2014	Additions	Sales / Adjustment	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Goodwill	57.11	-	-	57.11	-	-	-	-	57.11	57.11
Software	239.31	3.51	-	242.82	57.57	45.04	-	102.61	140.21	181.74
Patents	24.45	-	-	24.45	0.61	4.77	-	5.38	19.07	23.84
TOTAL	320.87	3.51	-	324.38	58.18	49.81	-	107.99	216.39	262.69
Previous Year	260.44	75.16	14.73	320.87	9.71	48.47	-	58.18		

14. CAPITAL WORK IN PROGRESS

Capital work in progress does not include capital advances ₹ 1,004.87 lac (previous year ₹ 381.97 lac).

15. NON CURRENT INVESTMENTS

Particulars	No. of Share		₹ in lac	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
- Unquoted				
Non - Trade Investments - Long Term				
Others				
Shiva Services Limited	-	10,000	-	1.00
Shri Datta Nagari Sahakari Pat Sanstha Ltd.	1,050	1,050	0.11	0.11
Choudeshwari Co-op Bank Ltd.	200	200	0.05	0.05
Less : Provision for Diminution			-	1.00
TOTAL			0.16	0.16
Aggregate value of :				
Unquoted investments			0.16	0.16

16. LONG TERM LOANS & ADVANCES

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
(Unsecured-considered good)		
Capital Advances	1,004.87	381.97
Security Deposits	157.92	192.48
TOTAL	1,162.79	574.45

Notes on Financial Statements for the year ended 31st March, 2015

17. INVENTORIES

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
Stores & Spares *	1,586.39	1,091.36
Raw Materials **	7,794.96	11,000.94
Dyes and Chemicals ***	461.78	291.28
Waste	26.50	60.81
Work in Progress	10,930.66	8,154.71
Finished Goods ****	17,502.87	13,968.59
TOTAL	38,303.16	34,567.69

* includes goods in transit ₹ 69.98 lac (previous year ₹ 45.86 lac).

** includes goods in transit ₹ 1,167.67 lac (previous year ₹ 1,099.95 lac).

*** includes goods in transit ₹ 7.95 lac (previous year ₹ 20.42 lac).

**** includes goods in transit ₹ 5,593.22 lac (previous year ₹ 4,188.84 lac).

18. TRADE RECEIVABLES

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
Exceeding Six Months	-	54.46
Others	12,701.82	10,811.35
TOTAL	12,701.82	10,865.81

19. CASH & CASH EQUIVALENTS

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
Cash in hand	25.31	16.44
Foreign currency in hand	-	4.17
Balances with Banks		
In Current Accounts *	3,948.87	2,408.11
Held as margin / Fixed deposits **	1,106.50	704.26
TOTAL	5,080.68	3,132.98

* Includes balance in current account with The Kolhapur Urban Co-operative Bank Ltd. ₹ 1.64 lac (previous year ₹ 0.91 lac) maximum amount outstanding anytime during the year ₹ 6.05 lac (previous year ₹ 5.89 lac) and The Shamrao Vittal Co-operative Bank ₹ 1.57 lac (previous year ₹ 0.97 lac), maximum amount outstanding anytime during the year ₹ 2.71 lac (previous year ₹ 3.13 lac)

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

** Fixed deposits with maturity within 12 months is ₹ 34.52 lac (previous year ₹ 693.36 lac)

Notes on Financial Statements for the year ended 31st March, 2015

20. SHORT TERM LOANS & ADVANCES

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
Advance Income Tax (including tax deducted at source)	7,158.60	2,424.70
Loan to related parties	-	0.10
Others (considered good)	5,730.68	5,472.81
TOTAL	12,889.28	7,897.61

21. OTHER CURRENT ASSETS (Unsecured-considered good)

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
MAT Credit entitlement	6,230.55	2,886.25
Export Incentives / Claims recoverable	7,522.01	5,180.91
Interest accrued on Loans & Deposits	1.00	0.78
TOTAL	13,753.56	8,067.94

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

A. Contingent Liabilities

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
i) Amount outstanding in respect of export bills discounted under Export Letters of Credit (Since realised ₹ 1,427.53 lac, previous year ₹ 3,300.88 lac)	3,328.93	4,999.82
ii) Bank Guarantees *	788.85	431.71
iii) Claims against the company not acknowledged as debts	181.96	385.80
iv) CSR Expenses	76.84	-

* The Company has given bank guarantee for ₹ 0.42 lac to DGFT on behalf of Pranavadiya Spinning Mills Limited, subsidiary company for duty free import of machines.

(b) In terms of EPCG Licence issued, the company has undertaken an export obligation for ₹ 42,042.03 lac, which is to be fulfilled over a period of 8 years. The company has completed the export obligation to the extent of ₹ 40,756.98 lac till the year end, of which licenses of ₹ 36,102.25 lac redeemed by the DGFT and the application for redemption of license submitted for ₹ 4,654.73 lac. The balance export obligation for ₹ 1,285.22 lac is to be fulfilled over a period of 8 years.

(c) In terms of advance license obtained for import of raw materials the company has undertaken an export obligation for USD 12.156 Mn. which is to be fulfilled over a period of 2 years. The company has completed the obligation to the extent of USD 11.942 Mn. The license redeemed by the DGFT amounting to USD 3.537 Mn. and application for redemption of license submitted for USD 8.405 Mn.. The balance obligation of USD 0.214 Mn. is to be fulfilled over a period of 1 year.

Notes on Financial Statements for the year ended 31st March, 2015

- (d) Under the package scheme of incentives of Government of Maharashtra for Mega Projects, the company is eligible for VAT and Electricity duty refund benefits for its home textiles and consumer durable goods divisions. However, if it contravenes any of the conditions of the scheme or eligibility certificate or certificate of entitlement or agreement, it shall repay forthwith the entire benefits drawn / availed along with interest thereon together with costs, charges and expenses thereon.
- (e) i) The Board for Industrial and Financial Reconstruction (BIFR) in its order dated 16-09-2010 has directed that the Indian subsidiary company ceases to be a sick industrial company within the meaning of section 3 (1) (o) of the SICA as its net worth has turned positive for the year ended 31-03-2010 and its revival is sustainable. It is therefore discharged from the purview of SICA/BIFR.
- ii) The unimplemented provisions of SS-07 as may be these would be implemented by the Indian subsidiary company/ promoters and the concerned agencies and implementation would be monitored by the Board of Directors of the Indian subsidiary company.
- iii) The Indian subsidiary company would complete necessary formalities with the concerned Registrar of Companies as may be required.
- iv) Aggrieved with the impugned order of BIFR directed to implement the unimplemented provisions of SS-07, The Director General of Income Tax (DGIT) has filed an appeal with the Appellate Authority of Industrial and Financial reconstruction (AAIFR) requesting to set aside the BIFR order dated 16-09-2010.
- (f) The Indian subsidiary company has not made any provision of MAT/ Income Tax on the basis of scheme of rehabilitation sanctioned by the BIFR. In their order dated 16-09-2010, the “ Board” has stated that the un implemented provisions of SS-07 would be implemented by the company/ promoters and concerned agencies. Against this order DGIT had filed an appeal before AAIFR challenging the validity of the order. The Indian subsidiary company is confident that the directions of BIFR will be upheld and no liability towards MAT/ Income Tax will arise. In case any liability arises, the same will be accounted for as and when arises/ determined.

b Commitments

₹ in lac

Particulars	As at 31.03.2015	As at 31.03.2014
a) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	3,199.49	2,066.10
b) Letter of credits opened for which the material has not yet been shipped	453.72	1,715.55

23. REVENUE FROM OPERATIONS

₹ in lac

Particulars	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Gross Sales of Products	1,59,708.78	1,40,228.57
Less: Excise Duty	725.85	2,328.03
Net Sales	1,58,982.93	1,37,900.54
Sale of Services	7.36	0.72
Export Incentives / Benefits	12,698.91	8,861.85
TOTAL	1,71,689.20	1,46,763.11

Notes on Financial Statements for the year ended 31st March, 2015

24. OTHER INCOME

₹ in lac

Particulars	For the period 01.04.14 to 31.03.2015	For the period 01.04.13 to 31.03.2014
Interest Bank*	12.72	7.25
Interest Others**	2.68	7.54
Interest Received on VAT Refund	6.17	-
VAT Refund under IPS	794.58	2,159.22
TUFS Subsidy received	382.38	501.78
Miscellaneous Receipts and Incomes	12.67	55.72
Insurance claim received	25.83	68.34
Provision for diminution in value of investments / written back	1.00	-
Exchange rate difference	5,009.79	-
Provision for doubtful debts/advances written back	-	33.08
Profit on sale of assets	42.70	64.43
Rent received	0.24	0.48
Previous year's income	-	-
Sundry balances / Excess provision written back (Net)	16.59	41.71
Liability no longer payable written back	183.19	87.89
TOTAL	6,490.54	3,027.44

* Includes tax deducted at source ₹ 0.75 lac (previous year ₹ 0.42 lac)

** Includes tax deducted at source ₹ 0.28 lac (previous year ₹ 1.32 lac)

Includes operating lease:

In respect of the Parent Company :

- The company has entered into lease arrangements , for renting specified machinery at a rent of ₹2.83 lac per month for a period of 120 months and are renewable at the option of the lessee after the end of the term.
- Disclosure in respect of assets given on operating lease:

₹ in lac

Particulars	2014-15	2013-14
Gross Carrying amount of assets *	-	-
Accumulated Depreciation *	-	-
Depreciation for the period (excluding amortisation of revaluation)	-	5.73

* Includes revalued figures.

The assets given on lease were sold by the Company on 01.10.2013, hence gross carrying amount of assets and accumulated depreciation as on 31-03-2015 is ₹ Nil.

Notes on Financial Statements for the year ended 31st March, 2015

25. COST OF MATERIALS CONSUMED

₹ in lac

Particulars	For the period 01.04.14 to 31.03.2015	For the period 01.04.13 to 31.03.2014
Raw material & Components consumed		
Opening Stock	11,000.94	5,514.12
Add : Purchases	97,667.51	99,230.89
SUB TOTAL	1,08,668.45	1,04,745.01
Less : Closing Stock	7,794.96	11,000.94
TOTAL	1,00,873.49	93,744.07

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

₹ in lac

Particulars		For the period 01.04.14 to 31.03.2015	For the period 01.04.13 to 31.03.2014
Closing Stock			
Finished Goods		17,502.88	13,968.59
Stock in Process		10,930.65	8,154.71
Waste		26.50	60.81
SUB - TOTAL	A	28,460.03	22,184.11
Less : Opening Stock			
Finished Goods		13,968.59	9,544.18
Stock in Process		8,154.71	6,982.92
Waste		60.81	56.36
SUB - TOTAL	B	22,184.11	16,583.46
(Increase)/ Decrease in Stock	B-A	(6,275.92)	(5,600.65)

Notes on Financial Statements for the year ended 31st March, 2015

27. EMPLOYEE BENEFITS EXPENSE

₹ in lac

Particulars	For the period 01.04.14 to 31.03.2015	For the period 01.04.13 to 31.03.2014
Salaries & Wages	6,151.95	5,196.89
Director's Remuneration	1,011.34	649.77
Contribution to Provident & Other Funds	433.05	344.82
Gratuity	156.88	87.17
Staff Welfare Expenses	184.19	156.45
Recruitment & Training expenses	49.84	13.33
TOTAL	7,987.25	6,448.43

28. FINANCE COSTS

₹ in lac

Particulars	For the period 01.04.14 to 31.03.2015	For the period 01.04.13 to 31.03.2014
Interest Expense		
- On Debentures	168.12	191.84
- On Term Loans	1,257.19	1,262.32
- On Working Capital Term Loans	172.91	186.06
- Banks	3,808.96	2,209.96
- Others	88.44	121.93
Bank Charges	848.79	925.26
Finance procurement charges	157.85	91.97
TOTAL	6,502.26	4,989.34

29. DEPRECIATION & AMORTISATION EXPENSE

₹ in lac

Particulars	For the period 01.04.14 to 31.03.2015	For the period 01.04.13 to 31.03.2014
Amortisation of Goodwill	-	14.73
Depreciation	2,792.97	3,092.77
Less : Transfer to Revaluation Reserve	1,196.35	1,151.90
TOTAL	1,596.62	1,955.60

Notes on Financial Statements for the year ended 31st March, 2015

30. OTHER EXPENSES

₹ in lac

Particulars	For the period 01.04.14 to 31.03.2015	For the period 01.04.13 to 31.03.2014
Consumption of Stores/Dyes and Packing Materials	11,625.04	9,835.90
Jobwork Charges	8,249.99	6,384.41
Power & Fuel	6,968.84	6,622.72
Rent (a)	758.89	565.62
Rates, Taxes & Fees	59.40	60.48
Insurance	440.17	384.16
Repairs to Machinery	334.58	223.63
Repairs to Buildings	153.99	44.69
Commission & Brokerage	3,063.99	2,566.27
Freight Outward	2,976.53	2,047.23
Other Selling expenses	6,273.40	3,226.35
Loss on Sale of Assets	2.34	24.45
Loss on sale of Investments	1.00	217.72
Bad debts/advances written off	-	109.82
Exchange rate difference (Net)	-	670.68
Miscellaneous expenses (b)	3,259.38	2,417.39
TOTAL	44,167.54	35,401.52

(a) Including operating lease

(i) In respect of the Parent Company

₹ in lac

Particulars	For the period 01.04.14 to 31.03.2015	For the period 01.04.13 to 31.03.2014
A) The total of future minimum lease payments under non-cancelable operating leases for each of the following years:		
i) Not latter than one year	98.28	85.00
ii) Later than one year and not later than five years,	110.87	138.43
iii) Later than five years,	-	-
B) The total of future minimum sub-lease payments expected to be received under non cancelable sub leases at the balance sheet date	-	-
C) Lease payments recognized in the statement of profit & loss	94.94	75.69

Notes on Financial Statements for the year ended 31st March, 2015

(ii) In respect of the Subsidiary Company

₹ in lac

Particulars	2014-15	2013-14
A) The total of future minimum lease payments under non-cancelable operating leases for each of the following years:		
i) Not later than one year	-	-
ii) Later than one year and not later than five years,	-	-
iii) Later than five years,	-	-
B) The total of future minimum sub-lease payments expected to be received under non cancelable sub leases at the balance sheet date	-	-
C) Lease payments recognized in the statement of profit & loss	-	13.62

(b) Includes payment to auditors

Details of Auditor's remuneration

₹ in lac

Particulars	For the period 01.04.14 to 31.03.2015	For the period 01.04.13 to 31.03.2014
As Statutory Audit Fees	12.00	12.00
As Quarterly Audit / Limited Review Fees	9.00	9.00
As Tax Audit Fees	3.00	3.00
For Tax Representations	1.00	1.00
For Certification Work	0.60	0.20
In Other Capacity	1.30	1.10
For Reimbursement of Expenses	1.14	1.46
TOTAL	28.04	27.76

31. Based on reference of Union Bank Of India, the Lead Bank, a financial restructuring package was approved by Empowered Group of Corporate Debt Restructuring(CDR-EG) on July 01, 2008 being the COD of CDR.

The CDR-EG approved the exit of the Company from CDR Mechanism w.e.f. April 01, 2014 in their meeting held on March 26, 2015. Therein, the CDR-EG has accepted total recompense amount of ₹ 2,446.23 lac (net of concessions) as certified by the Concurrent Auditor appointed by the CDR lenders vide their certificate dated February 21, 2015 for nine lenders. In addition, for two lenders, Company settled their dues in January 2015 by paying ₹ 128.13 lac.

The Company has paid recompense amount (net of concessions agreed by the lenders) shown under Exceptional items. Consequently, the Company is out of CDR mechanism.

Notes on Financial Statements for the year ended 31st March, 2015

32. FORWARD CONTRACTS

Foreign currency exposures recognised by the Company that have not been hedged as at 31-03-2015 are as under :-

Currency	Number of Contracts	Amount in Foreign Currency	Amount	Buy / Sell
US \$ / INR	539	US \$ 213.53 Mn	1,40,198.84	Sell
Previous Year	473	US \$ 132.37 Mn	85,221.17	Sell

33. EARNING PER SHARE (EPS)

Particulars		For the period 01.04.14 to 31.03.2015	For the period 01.04.13 to 31.03.2014
Basic Earnings Per Share			
Profit after tax as per profit & loss account (₹ in lac)		14,566.30	10,995.81
Less: Dividend on preference shares (₹ in lac)		(10.00)	(10.00)
Less: Dividend distribution Tax (₹ in lac)		(2.11)	(1.62)
Profit available for shareholders (₹ in lac)	A	14,554.19	10,984.19
No. of equity shares	B	39,479,934	35,481,634
No. of weighted average equity shares	C	37,364,446	35,481,634
Basic / dilutive earning Per Share (₹)	(A/B)	38.95	30.96

34. 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 period ended 31st March, 2015 is lower by ₹434.87 lac and the effect relating to the period prior to 1st April, 2014 is ₹ 91.23 lac (net of deferred tax asset of ₹ 43.82 lac) which has been adjusted against opening balance of retained earnings.
35. The Company has not recovered ₹ 158.54 lac (net of ₹ 30.00 lac) for the year 2013-14 from M/S Unic Consultants against excess commission disallowed by the Company Law Board vide their order dated 13th August, 2014. The Company has made fresh application on 23rd March, 2015 for review of their earlier order for allowability of the excess amount paid. Out of current year's commission, the Company has retained the above excess amount, pending review by Ministry of Corporate Affairs.
36. Figures for the previous year have been regrouped / rearranged wherever considered necessary.
37. In the opinion of the management, the current assets, loans and advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities has been adequately made in the accounts.
38. Figures have been rounded off to the nearest ₹ in lac.

As per our report of even date annexed

For **B.K. SHROFF & CO.**

Chartered Accountants

Reg. No. 302166E

O. P. SHROFF

Partner

ANIL KUMAR JAIN

Chairman & Managing Director

R. N. GUPTA

Joint Managing Director

Membership No. 6329

Mumbai, 9th May, 2015

R. SUNDARAM

Chief Financial Officer & Company Secretary



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