Indo Count
COMPLETE COMFORT

15th September, 2018

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

Scrip Code: **521016**

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051

Company Symbol: **ICIL**

Dear Sir,

Sub: Annual Report 2017-18

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of Indo Count Industries Limited ("**Company**") for the financial year 2017-18 duly adopted by the Members of the Company at the Annual General Meeting of the Company held on 11th September, 2018.

We are once again enclosing Notice of 29th Annual General Meeting.

This is for your information and record.

Thanking You,

Yours truly,

For **Indo Count Industries Limited**

INDO COUNT INDUSTRIES LIMITED MUMBAI

Amruta Avasare
Company Secretary

Encl : A/a

Indo Count
COMPLETE COMFORT



SHAPING THE FUTURE

ANNUAL REPORT 2017-18

CONTENTS

1 Shaping the future

2 A Snapshot

4 Our Business Model

5 Our Milestones

6 Message from the Chairman

8 Our Global Reach

9 Growing Scale and Scope

10 Financial Highlights of 2017-18

11 The Growing Home Textiles Opportunity

12 Positioned for Growth

13 Boutique Living – an exciting Indian Opportunity

14 Comprehensive Product Range

16 Our Brands

20 Passion to Market Wider and Deeper Across the World

22 Awards and Accolades

23 Every smile counts...

25 Corporate Information

26 Management Discussion and Analysis

40 Board's Report

70 Dividend Distribution Policy

72 Corporate Governance Report

90 Financials – Standalone

147 Financials – Consolidated

Cautionary statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Shaping the future

We, at Indo Count, always believe in constant evolution and have been steadfast in our pursuit to remain future-focussed and future-ready. In a world of business where the operating context keeps changing and where tomorrow is likely to be distinctly different from today, it is imperative for us to be pro-active, agile and adaptable to change.

We are further strengthening and expanding our global footprint, launching new brands, enhancing our efficiencies, while constantly improving, advancing, and rising...

***...We** are shaping the future*

A SNAPSHOT

"The future belongs to those who believe in the beauty of their dreams"
- Eleanor Roosevelt

"At the heart of our enduring success, we have always aimed higher and aspired to reach further. And it is this relentless pursuit of excellence that has made us today the highest manufacturer/ exporter of bedding from India."

Vision

To be one of the leading players in the global Home Textiles industry on the strengths of Technology, Experience and Innovation.

Mission

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

- Complete Comfort to Customers
- Focus on Customer Satisfaction
- Foster Stability and Sustainability growth principles

Background

Indo Count Industries Limited was promoted in 1988 by Mr Anil Kumar Jain. In 1991, the Company set up a 100% Export Oriented Cotton Spinning Unit for the manufacture of yarn. In 2007, the Company entered the home textile business by setting up a world class state-of-art Home Textiles division, fully integrated to manufacture bed linen at a global scale. Brick by brick, the Company expanded capacities and capabilities, thereby generating steady growth.

At present, Indo Count is one of India's largest manufacturers and exporters of bed linen, comforters, coverlets and quilts and among top 3 bed sheet importers in the USA. In just one decade, Indo Count has become the most trusted supplier of bed linen products to some of the world's top brands and amongst the leading players.

Business Divisions

The Company has two divisions viz. Home Textiles and Spinning. Nearly 90% of the Company's revenue is derived from Home Textiles and the rest of the revenue from spinning.

Manufacturing Facility

The Company's manufacturing plants are located at Kolhapur within Maharashtra.

Headquarters and Office

Indo Count's headquarters are located in Mumbai along with its office and showroom in Thane, Maharashtra.

Accreditation

Indo Count is a 4 Star Export House recognised by the Government of India based on total revenue and foreign exchange earned for the country.

ISO Certification

The Company is accredited with ISO 9001:2015 – Quality Management System, ISO 14001:2015 – Environmental Management System and OHSAS 18001:2007 - Occupational Health and Safety Management.

Capacity

The Company's capacity of 90 million meters per annum is amongst the largest in the home textiles segment in India and among the top five in the world.

International Subsidiaries and Global Coverage

The Company's products are marketed in more than 54 countries. Indo Count is present in USA, UK, Australia and UAE through its international subsidiaries. The US accounts for the Company's largest market, generating around 65-70% revenue in FY18.

Listing

The Company is among the top 500 listed companies in India. The Company's equity shares are listed on the BSE Limited (BSE) (A Group – Top 500) and National Stock Exchange of India Limited (NSE).

Gold Trophy from TEXPROCIL

Indo Count was awarded the Gold Trophy from TEXPROCIL for the highest export of bed sheets/bed linen and quilts in Category III for 2016-17.

Credit Rating

Being almost debt free Company, during the year under review, the Company's bank facilities have been given positive credit rating. During 2017-18, the Long term bank facilities are rated "AA" with Stable Outlook by CARE and "AA-" by ICRA with positive outlook. Further, short term bank facilities are assigned credit rating of "A1+" by CARE and ICRA which is highest rating.

In-house brands

BOUTIQUE LIVING | HEIRLOOMS of INDIA | atlas | BOUTIQUE LIVING Coastal | REVIVAL | THE PURE COLLECTION | HAVEN UTILITY BEDDING CO.

Licensed brands

HARLEQUIN | Sanderson | scion | THE ORIGINAL MORRIS & Co

Manufacturing Value Chain





Eton system

OUR BUSINESS MODEL

- At Indo Count, we have strengthened our business model through a culture of value-added integration.
- This integration has been reflected in the ability to manufacture products ranging from the intermediate stage to the finished product as well as the agility to respond to evolving client demands.
- The result is that the company possesses the ability to respond to diverse market cycles, customers and vendors with on-time and precise detailing.

Complete Comfort for the Best Sleep Experience with...
Innovation, Quality and Service

Innovation

Deep consumer insights represent the inspiration behind our overarching culture of innovation. From design to material and from finish to packing, we are constantly focused on improving products to meet the ever-evolving needs of our customers.

Quality

We specialise in the entire value chain of home textile production from product development and design to the sourcing of cotton, spinning, weaving, processing, cutting-n-sewing to branding and marketing. This has reinforced the overall culture of quality at every stage – from production to packaging to shipment – resulting in holistic customer delight.

Services

We back quality products with uncompromising customer service. We work collaboratively with customers in addressing their emerging needs around the best consistent value proposition.



Concept, Design and Sampling

Spinning





Weaving

Processing





Cut & Sew

Branding and Marketing



OUR MILESTONES

1990

- Initial Public Offering.

1991

- Commercial operations commenced of spinning

2007

- Foray into Home Textiles with 36 mn mtrs capacity at Kolhapur
- Acquisition of Pranavaditya Spinning Mills Ltd. (~74% subsidiary)

2011

- USA subsidiary established. Showroom and Design Studio at prestigious Fifth Avenue in New York

2012

- Capacity increased to 45 million meters per annum

2014

- UK and Australia subsidiary established. Showroom and Design studio launched in the UK and Australia as well

2015

- Capacity increased from 45 million meters to 68 million meters per annum

2016

- Indo Count Retail Ventures Pvt Ltd established in India
- Launch of brand 'Boutique Living' in India

2017-18

- Received Gold Trophy from Texcrocil for highest export
- Capacity increased from 68 million meters to 90 million meters per annum
- A wholly owned subsidiary incorporated in UAE
- New brands launched
- The presence in Indian market made more visible



Digital printing

MESSAGE FROM THE CHAIRMAN



I am happy to share with you that during this year, Indo Count was awarded the Gold Trophy by Texprocil for the highest export of Bed sheets/ Bed Linen/quilts in category III for 2016-17.

My Dear Shareholders,

I am pleased to present to you the highlights of the year 2017-18 and would like to share my thoughts about the global business environment and textile sector.

From the perspective of the textile industry, India continued to gain share in the US. India's contribution in the made-ups segment increased in 2017. US is a big market for home textiles accounting for a third of the global market. Indian imports of cotton bed sheets and terry towels in the US have been rising steadily in 2017. India is the third largest supplier of textile and apparel products to the US after China and Vietnam. India's textile and apparel exports to the US have risen in 2017 while exports from other competing nations such as Bangladesh and Indonesia have declined.

The US economy sustained its impressive momentum, propelled by moderated tax rates, improved employment numbers and growing consumer confidence. In the UK and Europe, the uncertainty around Brexit negotiations is getting settled. In other developed nations too, the global trade is showing positive trends.

The Indian home textile market is growing rapidly which is encouraging domestic textile players to diversify into home textiles. The domestic home textile market is estimated to grow from US$4.7 billion in FY14 to around US$8.2 billion by FY21.

Performance

The textile environment continued to be challenging in FY 2017-18 on account of multiple headwinds viz. de-stocking of inventories by US retailers, rising input cost, as well as volatility in foreign currency. While these headwinds impacted revenues, our overall performance was satisfactory. Our H2FY18 sales volumes were better than H1FY18, indicating a positive divergence that we expect will sustain going forward.

On a standalone basis, your Company achieved total revenue of ₹1808 crores (previous year ₹2085 crores). Net Profit and EPS for the year ended 31st March 2018 stood at ₹131.08 lakhs and ₹6.64 respectively.

At a consolidated level, the total revenue was ₹1,958 crores against ₹2,258 crores in the previous year. Net Profit was ₹125 crores against ₹232 crores in the previous year and Earning Per Share was ₹6.38 against ₹11.76 in the previous year.

Continuing the trend of dividend distribution of the past two years, the Board of Directors recommended a payment of final

dividend @20% i.e. ₹0.40 per equity share of Face Value of ₹2 each for the Year ended 31st March 2018, which, together with the interim dividend paid at 20% i.e. ₹0.40 per equity share, aggregates @40% i.e. ₹0.80 per equity share for the current year.

During the year under review, for Long-term Bank Facilities of your Company, CARE upgraded the credit rating to CARE "AA" (Double A) with Stable outlook from CARE AA-(Double A minus). Further, ICRA reaffirmed the credit rating of "ICRA AA-" (Double A Minus) with outlook revised to 'Positive' from 'Stable'. For short term non-fund based facilities, CARE and ICRA have assigned credit rating of CARE A1+ and ICRA A1+ (A one plus) which is highest rating.

I am happy to share with you that during this year, Your Company was awarded the Gold Trophy by Texprocil for the highest export of Bed sheets/ Bed Linen/quilts in category III for 2016-17. Our focus in the Home Textiles segment backed by strong Innovation skills and design capabilities was widely appreciated by our customers and this trophy is a testament. I thank all of you for the trust and confidence that you have reposed in us.

Strengths and preparedness for future

While challenges prevail, we at Indo Count continue to remain positive and confident. Our brand is trusted for quality, innovation and technology. I would like to update you on some of the steps being taken towards next phase of Indo Count's growth.

Your Company increased its capacity from 68 to 90 million meters per annum. Global scale capacity will improve our competitiveness and provide flexibility to deliver better service to our customers.

At Indo Count, we are constantly focusing on innovation and continue to widen the company's portfolio of proprietary and licensed brands. During the year under review, your Company added four brands in its brand portfolio and product basket out of which three proprietary brands were launched in the US – Heirlooms of India, Boutique Living Coastal and Atlas, in addition to a licensed brand Morris & Co.

We are expanding our footprint to cover new and untapped geographies. During the year, your Company incorporated a wholly-owned subsidiary in UAE; the incorporation of a subsidiary in Germany is under process to broaden customer base.

At Indo Count, we had foreseen a growing demand for home textiles in the Indian market, when we launched our aspirational brand 'Boutique Living' in the Indian market in 2016. I am pleased to state that we have scaled the presence of 'Boutique Living' across 21 states and 96 cities; besides, 'Boutique Living' is also available online: www.boutiquelivingindia.com and on Amazon.

Sharing success – Every Smile Counts....

Indo Count is a responsible and responsive corporate citizen. Our CSR initiatives have focused on some of society's most pressing needs of education, healthcare, water and sanitation and women empowerment, touching almost 100,000 beneficiaries in and around Kolhapur. I am happy to inform you that we have covered 100 schools in E-learning benefitting around 39000 students. In the health care area, we deployed four full-fledged mobile medical vans providing treatment to more than 85,000 villagers across 96 distant villages in Kolhapur.

Besides, Your Company is also committed to the responsible use of natural resources and constantly seeking sustainable solutions protecting the environment. Your Company has won the prestigious "VASUNDHARA AWARD" from Maharashtra Pollution Control Board in recognition of the company's contribution towards the commitment & promotion of Environment, Energy Conservation / Natural Resources & Social / Welfare Activities and was adjudged as the 2nd Best Company in the entire state of Maharashtra among all the large units.

Outlook

Your Company possesses the complement of the right products, processes and perspective, which would leverage its position to achieve new milestones.

In continuity towards shaping a strong future and achieving the next phase of growth, we are taking appropriate steps such as expanding our global reach by tapping new geographies, broadening our customer base, exploring new channels of businesses, product designing and innovation set-up, helping company capture additional market share in existing and new products.

I take this opportunity to extend my sincere gratitude and thank all employees, customers, bankers, government and all other stakeholders for their support and confidence, which continues to inspire us to achieve the vision of your Company.

Anil Kumar Jain,
Executive Chairman

OUR GLOBAL REACH

We export products to more than 54 countries across six continents.

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

We are also present through international subsidiaries in USA, UK, Australia and UAE.

USA

A wholly owned subsidiary Indo Count Global Inc

Showroom and Design studio at Fifth Avenue, New York

Warehouse for retail and e-commerce

United Kingdom

A wholly owned subsidiary Indo Count UK Limited

Showroom, Design studio at Manchester

Australia

A wholly owned subsidiary Indo Count Australia Pty Ltd

Showroom in Melbourne

UAE

A wholly owned subsidiary Hometex Global DMCC



New York showroom

GROWING SCALE AND SCOPE

- At Indo Count, we believe that success is derived from 'commitment to service'.
- Over the years, Indo Count progressively invested in scaling manufacturing capabilities while expanding its global presence.
- This combination - manufacturing and marketing – has helped the Company enhance various efficiencies – procurement, distribution, relationships and brand – leading to robust growth.
- The progressive reinvestment has helped the Company create a foundation of sustainable long-term growth.

Scale

The Company has selected to invest in scale considered adequate in line with the downstream marketing and sales capacity. The Company possesses 80,000 spindles, providing adequate flexibility to spin yarn within the Company. In stages, the Company increased its capacity from an initial 36 million mtrs to 90 million mtrs per annum

Manufacturing Location



The Company selected to centralise operations at Kolhapur in Maharashtra through state-of-the-art manufacturing facilities - at Kagal, Gokul-Shirgaon located in Kolhapur.

The advantage of the location is the access to abundant cotton; the Company derives its majority cotton requirement from within the state, moderating logistic costs on the one hand and enhancing access to quality raw material on the other.



Kolhapur plant

FINANCIAL HIGHLIGHTS OF 2017-18

CONSOLIDATED

1,958 Revenue (₹ Crores)	262 EBITDA (₹ Crores)	125 PAT (₹ Crores)	176 Cash PAT (₹ Crores)
6.38 EPS (per share)	13% ROE	17% ROCE	40% Dividend

STANDALONE

1,808 Revenue (₹ Crores)	265 EBITDA (₹ Crores)	131 PAT (₹ Crores)	182 Cash PAT (₹ Crores)
6.64 EPS (per share)	14% ROE	18% ROCE	40% Dividend

THE GROWING HOME TEXTILES OPPORTUNITY



- The global home textiles industry continues to present attractive growth opportunities.
- This opportunity is being catalysed by growing home interiors on one side and relatively low penetration of the product in this space on the other.
- The rising economic growth in emerging markets will also boost demand in the home textiles area.

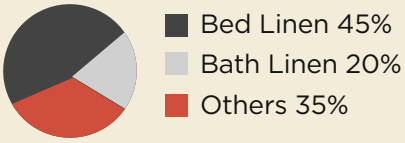
Overview

The global home textile market opportunity is expected to burgeon to almost US$ 130 billion by 2021. The Bed Linen and Bed Spread segments are projected to grow at a CAGR of 4.4% to reach US$ 60 billion by 2021.

Global home textile market (US$ bn)



Global home textile market



Regional overview

US Home Textiles market	Asia Pacific Home Textiles market
The US continues to be the largest Home Textiles market in the world. USA accounts for 33% of the total cotton made-up sales. The product categories where India has remarkably grown its presence comprise cotton sheets, pillow cases and cotton bed spreads/towels.	The Asia-Pacific region is the largest Home Textiles market in the world, driven the rapid growth in China and India. The Asia-Pacific constitutes almost 44% of the global Home Textiles market. Within Asia-Pacific, China is the largest manufacturer and consumer accounting with a market size of almost US$ 30 billion. India is the third largest Home Textiles market in Asia-Pacific, projected to grow at a CAGR of 7.2% to reach an opportunity size of US$ 5.6 billion by 2020.

India's competitive raw-material advantage

India's global competitive advantage is derived from an abundant supply of quality cotton. As the world's largest producer of cotton, India is assured of consistent raw material supply. Complementing this raw material advantage is the availability of skilled and cost-effective labour.

These advantages are complemented by favourable government policies, ongoing capacity and technology investments as well as a focus on value-addition.

The result is that India has gradually emerged as a leading player in the global home textiles industry.

Indo Count is leveraging the India advantage

At Indo Count, we have built on the India advantage with unique competencies. The result is a distinctive competitive edge that is attractively placed to address diverse and emerging Home Textile opportunities.

POSITIONED FOR GROWTH

At Indo Count, we are convinced about the opportunities. We are confident about our strengths.

OUR STRENGTHS AND CAPABILITIES	Made-to-order approach	State-of-the-art equipments	Brand prominence
Global reach to more than 54 countries	Comprehensive product portfolio	Products across functional, lifestyle and aspirational categories	Strong complement of own lifestyle in-house and licensed brands
Strong positioning of products	Research and Innovation	Low gearing and high credit rating	Customer relationship management

Augmenting our strengths and capabilities

PRODUCTS	Focus on Bed Linen in the Home Textiles sphere
	Innovation and value-added products through R&D
	Strengthening the Design department to service ever demanding fashion needs
PROCESSES	Overall sustainability
	Skill development
	Operational efficiency
	Financial prudence and strength
PRESENCE	Widen presence to emerging non-US markets
	Footprint in Australia, MENA, Japan, The UK and Europe markets
	Enlarge relationships with marquee global clients
	Strengthen branding, distribution and online presence
	Larger Indian participation with premium Bed Linen products

BOUTIQUE LIVING – AN EXCITING INDIAN OPPORTUNITY



Boutique Living product categories

HIGHLIFE
- Sophisticated
- Timeless
- Elegant

YOUNG@HEART
- Spirited
- Worldly
- Personal

TRENDSETTER and MOMENTS
- Simple
- Elementary
- Modern
- Contemporary



Heimtextil Exhibition

Foreseeing the growing demand in the Indian market, Indo Count entered the domestic market in 2016 through Indo Count Retail Ventures Pvt Ltd.

Following the successful launch of Boutique Living in 2016, over the past one year, Boutique Living has grown its presence in India, gaining visibility and acceptance.

The Company participated in various trade fairs and exhibitions including Heimtextil exhibition wherein the response for Boutique Living was overwhelming.

The Company has widened its distribution network and its retail presence across 21 States covering almost 96 cities. This presence has been created through multi-brand outlets and large format stores. Besides, Boutique Living products are available online through our website www.boutiquelivingindia.com and on Amazon. The Company is continuously increasing distribution reach so that Boutique Living can reach a large proportion of the Indian population. The Company has in place an experienced team of designers, artists, creative heads, marketing personnel headed by Mr. Asim Dalal, Managing Director of Indo Count Retail Ventures Pvt Ltd.

COMPREHENSIVE PRODUCT RANGE

BED SHEETS

Flat sheet | Fitted sheet | Pillow cases



Our range encompasses better to premium quality sheets and serves mid to high range.

FASHION BEDDING

Comforters | Duvets | Shams | Quilts | Coverlets | Decorative pillows



Perfect blend of look and style.

UTILITY BEDDING

Mattress pads | Mattress protectors | Pillow shells



- We use contemporary technologies and incorporate anti-static, waterproof, and antimicrobial qualities to develop best sleep accessories.
- Our Product with True Grip® technology comes under utility bedding. This technology maintains a smooth fit on mattresses.

INSTITUTIONAL BEDDING

Basic white sheets | Shams & Pillows | Bed skirts | Duvet covers



We have a proven track record of manufacturing bedding for renowned hotels, resorts, and other institutions. Our institutional grade bedding is durable and innovative, weaving comfort and luxury.

OUR BRANDS

In-house lifestyle brands

BOUTIQUE LIVING

- Boutique Living is influenced by the decorators' point of view and is stylish, aspirational and modern.
- This brand specially caters to customers who are passionate about decor and decorating the home.



REVIVAL



- This brand has a vintage spirit with a perfect blend of classic designs and urban styles.
- Revival audience follows classic detailing with a modern outlook.

PURE COLLECTION

- The Pure Collection is inspired by a natural and environment-friendly way of living.
- It is targeted to customers who aspire to live a clean, uncluttered and a sophisticated life.



BOUTIQUE LIVING COASTAL

- Boutique Living Coastal keeps with the same modern classic foundation of design with coastal influences of colour and motifs that can be found in an around coastal shore lines.
- For Boutique Living, we have taken inspiration from coastal cottage decor to California coastlines of Malibu.



ATLAS



- On a fashion side, Indo Count has launched a new brand called 'Atlas'. The gender-neutral label reflects modern aesthetics through the use of sophisticated colours in woven, prints and embroidered fabric that are layered together to complete each collection within the brand. Atlas is targeted to the 35 to 50 year-old demographic profile embracing mid-century décor.

HEIRLOOMS OF INDIA

- 'Heirlooms of India' is inspired by John Robshaw's collection, which is based on Indian hand block print motifs.
- The look and feel are hand-crafted around a modernised twist. This makes the brand an interesting mix of timeless beauty coupled with trend-right appeal.



Licensed lifestyle brands

HARLEQUIN

- Harlequin derives its name from the dictionary definition, meaning "varied in colour or decoration".
- The brand uses inspirational designs, innovative textures and ingenious use of colour in its products.
- Harlequin's appealing designs and styles offer a comprehensive range of fabrics, prints, weaves and wall coverings.



SANDERSON



- Sanderson is a heritage English brand symbolising integrity and featuring designs that reflect quality and value-for-money.
- This brand's designs reflect contemporary styling with a mix of modern tastes.
- It houses one of the largest collections of fabrics, wallpapers and printing blocks.

SCION

- The brand Scion, which means 'descendent of a notable family', is produced under the auspices of the Harlequin Group.
- Scion offers an extended range of fun and funky home accessories, inspired by some of Scion's bestselling designs, including bed-linen, towels, rugs, mugs and bathroom accessories.



Morris & Co.

- Founded by William Morris in 1861, Morris & Co. is the most recognised global brand.
- Owned by UK-based international luxury interior furnishing groups, Walker Greenbank plc, Morris & Co. is a global lifestyle brand offering authentic versions of William Morris designs along with new interpretations.



INNOVATIONS / TECHNOLOGIES

color sense

AllerCot™ EVER FRESH

The Complete Sheet

DryMax™ COMPLETE COMFORT

TRUE GRIP™ STAYS IN PLACE

Dura Shine

INFINITY Cotton

THERMAL BALANCE™

Dermalux

ProShield™ SHIELD & CLEAR

NATURAL SHEETS

PASSION TO MARKET WIDER AND DEEPER ACROSS THE WORLD

How preferences evolved in the bed linen market – and how Indo Count adapted

2006-09
Organic and eco-friendly bed linen

2009-11
Functional (wrinkle-free, quick dry and safe bleach)

2011-14
Wellness (anti-microbial, anti-bacterial, anti-bug, anti-dust, anti-mite, anti-static)

2014-18
Comfort (better sleep, coolness and soft touch)

Overview

We have selected to specialise in the merchant sale of bed linen, which resides at the apex of our value-addition pyramid. This has made it possible for us to seek attractive value-addition through processing, cut-and-sew and marketing, sales repeatability and long-term purchase commitments – the basis of our sustainability.

We do not merely market products to our customers; but they play an on-going role in product design and delivery. In view of this, the vendor-customer equation has been blurred where we have evolved our role into a responsible extension of the customer's personality.

Singular focus

At Indo Count, we believe that serious retail brands need to work with specialists, convinced that specialists take a forward-looking view of the business and invest in best practices. In view of this, we have positioned ourselves as one with a singular bedding focus. We are positioned a 'Global Bed Linen Company', which captures this product focus and geographic footprint. We believe that this recall has helped generate enquiries that have translated into business and repeat engagement.

One-stop solution

At Indo Count, we are convinced that customers do not wish to seek different vendors for diverse categories of the same product line; they would wish to buy everything from the same vendor. In view of this, the Company widened its bed linen product mix across the complete chain and has ventured into value-added products in the last three years. We believe that this has strengthened our recall as a one-stop bedding provider the world over.

Value proposition

The Company provides a superior value proposition to customers – the ability to innovate products that strengthens the business of its customers, combined with product superiority (derived from superior resource, equipment and manufacturing practices) and service (adjusting and adapting to consumer needs).

Research and Innovation

At Indo Count, we feel that product innovation and development are our core strengths. We study consumer reviews in depth to understand exactly what they want and meet their expectations through our quality products. This strong customer focus and stress on innovation have helped in the development of products in line with evolving market demand. Our efficient team initiates consistent product development, enabling constant innovation.

Sales model

The Company's customer engagements have been built around the make-to-replenish / make to order model.

Customer range

At Indo Count, we directly market a significant quantity of high-end bed linen to large retail brands in the world's largest market (US). These customers are not merely large buyers; due to their scale of consumer engagement across regions and stores, they also influence purchase patterns. Marketing to these customers provides Indo Count with an excellent opportunity to be working at the cutting-edge of consumer needs. Besides, the Company markets mid-end products to mass merchants, importers and e-commerce portals.

Proactive investments

At Indo Count, we take the business of our customers ahead through an anytime products availability that makes it possible for them to address demand spikes and capture market share. This anytime order fulfilment capability comes from two initiatives – the ability to stock products in the geography where the customer is located and an order book visibility of what the customer will need across the foreseeable future. Whenever a customer has a need, Indo Count has had material on hand to address the requirement.

AWARDS AND ACCOLADES

Gold Trophy for the highest exports of cotton made-ups (bed linen / bed sheets / quilts) for 2016-2017.



Mr. Anil Kumar Jain, Executive Chairman, Mr. Mohit Jain, Managing Director, and Mr. Kailash R. Lalpuria, jointly received the Gold Trophy from Dr. Kavita Gupta, Textile Commissioner, at a glittering function held in Mumbai on December 14, 2017. Those who attended the function included Mr. Ujjwal Lahoti, Dr. K.V. Srinivasan, and Dr. Siddhartha Rajagopal, Chairman, Vice Chairman, and Executive Director respectively of TEXPROCIL.

"VASUNDHARA AWARD" from Maharashtra Pollution Control Board in recognition of the companies' contribution towards the commitment & promotion of Environment, Energy Conservation / Natural Resources & Social / Welfare Activities. The Company is adjudged as the 2nd Best Company in the entire state of Maharashtra among all the large units..

Leadership Awards	Bestowed By
Mr. Anil Kumar Jain, Executive Chairman - Best CEO (Textiles & Apparel) Award - 2016 and Top 100 Best CEO 2016	Business Today
Mr. Mohit Jain, Managing Director, was honoured with "India's Most Trusted CEO's 2017"	World Consulting & Research Corporation (WCRC)
Mr. Mohit Jain, Managing Director coveted with 40 under 40 - India's hottest Young Business Leaders 2017 Award	Economic Times

EVERY SMILE COUNTS...



At Indo Count, we believe that no corporate success will be complete without holistic responsibility. We are committed to community growth through timely engagement that makes it possible for the under-privileged to enter the national mainstream

Our CSR activities are focussed around four priority areas:

Education

- E-learning
- ~39,000 Students
- 100 Schools







Healthcare

- ~96 Villages
- 4 mobile medical vans
- ~85,000 Patients

Water and sanitation

~46 water purifiers

3 RO system

Women's Empowerment

Skill Development Centres (with IL & FS)

Women trained in stiching

CSR Accolades



1. Certificate of appreciation from Mr. Devendraji Fadanvis, Chief Minister of Maharashtra.
2. Certificate of appreciation from Mr. Chandrakant (Dada) Patil, PWD Minister of Maharashtra.
3. Certificate of appreciation from Mr. Vinodji Tawade, Education Minister, Maharashtra.
4. Certificate of appreciation from Mr. Mahavir Mane, Director of Education, Primary Division, Maharashtra.
5. Certificate of appreciation from Mr. M. K. Gondhali, Divisional Director of Education, Kolhapur.

Statutory Section

Corporate Information

Board of Directors

Mr. Anil Kumar Jain – *Executive Chairman*
Mr. Mohit Jain – *Vice Chairman (wef 1st July, 2018)*
Mr. Kailash R. Lalpuria – *Executive Director*
Mr. Kamal Mitra – *Director (Works)*
Mr. P. N. Shah
Mr. R. Anand
Mr. Dilip J. Thakkar
Mr. Prem Malik
Dr. (Mrs.) Vaijayanti Pandit
Mr. Sushil Kumar Jiwarajka
Dr. Sanjay Kumar Panda *(wef 3rd August, 2018)*
Mr. Siddharth Mehta *(wef 3rd August, 2018)*

Chief Financial Officer

Mr. Dilip Kumar Ghorawat

Company Secretary

Mrs. Amruta Avasare

Auditors

Suresh Kumar Mittal & Co.

Registrar & Share Transfer Agent

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

Registered Office

Office No. 1, Plot No. 266, Village Alte,
Kumbhoj Road, Taluka Hatkanangale,
District Kolhapur – 416109, Maharashtra, India.

Corporate Office

301, 3rd Floor, "Arcadia", Nariman Point,
Mumbai – 400021, Maharashtra, India.

Plant Locations

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

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

Subsidiaries

United States of America
Indo Count Global Inc.
295, Fifth Avenue, Suite # 621
New York, NY 10016

United Kingdom
Indo Count UK Ltd
1, Doughty Street, London, WC1N2PH
United Kingdom

Australia
Indo Australia Pty Ltd
289-311 Bayswater Road, Bayswater North,
Victoria 3153, Australia

United Arab Emirates
Hometex Global DMCC
Unit No. 3142, DMCC Business Centre,
Level No. 1, Jewellery & Gemplex 3, Dubai, UAE.

India
Pranavaditya Spinning Mills Limited
Office No. 2, Plot No. 266, Village Alte
Kumbhoj Road Taluka Hatkanangale
Kolhapur – 416109, Maharashtra

Indo Count Retail Ventures Private Limited,
Office No.4, G.No.280/2, At Post Alte,
Plot No.266, Taluka Hatkanangale,
Dist. Kolhapur- 416112, Maharashtra

Bankers

Union Bank of India
State Bank of India
HDFC Bank Ltd
Bank of Baroda
CITI Bank
HSBC
Export-Import Bank of India

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

Global Economy

The global economy is experiencing a broad based cyclical recovery, reflecting a bounce back in investment, manufacturing activity and trade. This improvement comes against the backdrop of benign global financing conditions, generally accommodative policies, rising confidence, and firming commodity prices. Global output has grown by 3.8% in 2017 as against 3.2% in 2016, which is the fastest since 2011. World trade has grown strongly led by the rebound in global investments supported by favorable financing costs, rising profits, and improved business sentiment across both advanced economies and emerging market and developing economies (EMDEs). This synchronous investment-led recovery is providing a substantial boost to the global exports and imports.

The stronger momentum experienced in 2017 is expected to carry into 2018 and 2019 as well, with expected global growth revised up to 3.9% in both years mainly led by advanced economies. Advanced economies like the USA, UK, Europe, Japan and others grew 2.3% in 2017 as against 1.7% in 2016. Favorable global financial conditions and strong sentiments helped acceleration in demand and pick up in investments. These factors supported significant growth in export based economies. Emerging markets grew by 4.7% in 2017 higher than 4.4% in 2016 against a favorable backdrop of robust economic growth, increased asset inflows, solid foreign reserves, strong current accounts and stable local currencies.

Nation-wise review

United States (US)

US economy witnessed 2.3% growth in 2017 as against 1.5% in 2016. The growth was supported by strengthening private investment, diminished drag from capacity adjustments in the energy sector, rising profits, weakening dollar, and robust external demand. Private consumption continued to grow at a robust pace despite modest real income gains and moderate wage growth, as the personal savings rate fell further. With the US economy moving closer to full employment and inflation running below target, the US Federal Reserve continued to normalize monetary policy by raising interest rates and gradually reducing balance sheet size. Growth in US is estimated to be robust in coming years given higher projected external demand, and the expected macroeconomic impact of the tax reform, in particular the reduction in corporate tax rates and the temporary allowance for full expensing of investment.

Europe

In Europe growth gained substantial momentum in 2017, reaching 2.4% as against 1.5% in 2016. The growth was broad-based spurred by policy stimulus and strengthening global demand. In particular, private sector credit continued to respond to the simulative stance of the European Central Bank (ECB), and both domestic demand and import growth were robust. As inflation remaining below target, the ECB is expected to keep interest rates unchanged during 2018, by gradually scale back asset purchases. The cyclical upturn is expected to continue in 2018 albeit at a more restrained pace, as domestic demand loses some momentum following strong gains in 2017, and policy stimulus is gradually unwinding.

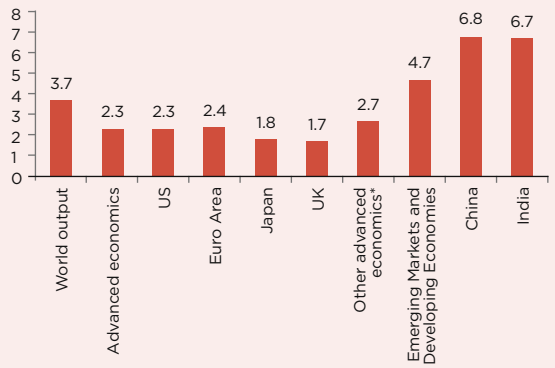
China

Growth in China stood at 6.8% in 2017 reflecting continued fiscal support and the effects of reforms, as well as a stronger-than expected recovery of exports. Domestic rebalancing continued, with drivers of activity shifting away from state-led investment. China's trade flows recovered markedly in 2017, partly reflecting rising commodity imports amid tightly enforced production cuts as well as strengthening foreign demand. Growth in China is projected to edge down to 6.6% in 2018 in anticipation of tight monetary policies. Key downside risks to the outlook stem from financial sector vulnerabilities, the possibility of increased protectionist policies in advanced economies, and rising geopolitical tensions.

Outlook

Global economic activity is expected to pick-up pace in 2018 and 2019 with growth expectations of 3.9% in both the years. The global economy is expected to continue to recover on the back of buoyant trade and investment, as well as recent US tax reforms. The continued and broadening growth is also attributable to favorable monetary policy and fiscal stimulus. The US tax package is expected to boost growth in the US through 2020, and have a positive knock-on effect on its trading partners. Among the emerging economies, Mexico and Brazil in particular are expected to perform well, with Mexico benefiting from stronger US demand, and Brazil experiencing a firmer recovery aided by higher commodity prices. India is expected to be one of the world's fastest-growing economy.

2017



Source: World Economic Outlook, IMF

2018P



Source: World Economic Outlook, IMF

2019P



Source: World Economic Outlook, IMF

US Dollar

The Indian rupee, which strengthened 6.75 percent against the U.S. dollar last year, has been on a general downtrend since the start of 2018. The rupee is down about 8 per cent so far this year against the US dollar. The rupee is close to 69 levels per US dollar.

Five reasons why the rupee is falling against the US dollar (INR vs USD)

1) Global oil prices have crept closer to $80 per barrel, a level it has not seen since November 2014, as supplies tighten while demand remains strong. India imports bulk of its oil imports and higher crude prices puts pressure on domestic inflation and current account and fiscal deficits.

2) India's annual retail and wholesale inflation accelerated in April, mainly due to higher fuel and food prices. RBI is expected to have a more hawkish view in terms of rate revision.

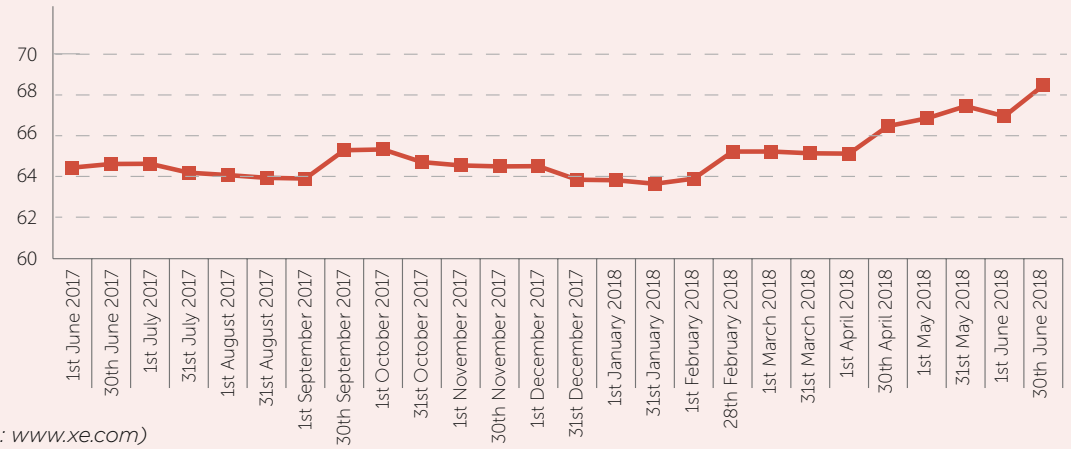
3) Trade deficit widened to $13.72 billion in April 18 from $13.25 billion a year ago and could rise further with India importing 80 per cent of its oil needs.

4) Sharply rising US dollar yields have boosted the dollar against a basket of other major currencies. The increase in US bond yields have helped buoy the dollar, which has gained 1.5 per cent against a basket of six major currencies so far this month. US 10-year Treasury yields have risen to an almost 7-year high, suggesting the world's biggest economy is on a stronger footing.

5) Outflows from domestic capital markets have also contributed to the rupee's decline.

The currency impact if sustained over a longer term period would provide an advantage to Indian exporters.

INR vs USD movement



(Source: www.xe.com)

Indian Economy

The Indian economy is in a sweet spot between slowing inflation and accelerating growth rate. Macro-economic data indicates revival in industrial production, lowered retail inflation, growth in private consumption, revival in investments and reversion of growth rate to the 7% levels. The Indian economy witnessed a growth of 6.7% in FY2018 and emerged as the fastest growing major economy in the world.

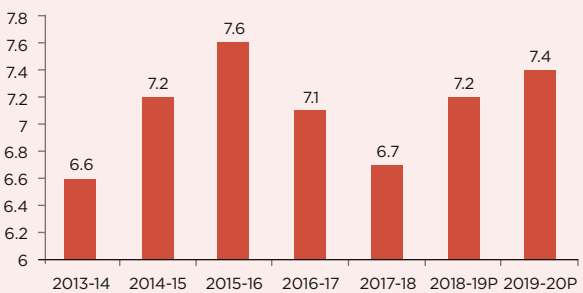
Initial challenges in implementation of GST and Demonetisation in 2016-17 have majorly settled down and the economy has regained growth momentum. However, exporters remained impacted by delays in refunds due to GST implementation. High optimism in domestic consumption demand and revival in small scale business activities, resulting in an increase in FDI flows into the country.

Government initiatives in various fields have helped boost economic demand. The Government provided fillip to manufacturing, took concrete measures for transport and power sectors and gave a push to infrastructure development by giving infrastructure status to affordable housing and focus on coastal connectivity. The Government also introduced comprehensive reforms in the foreign direct investment policy and launched special package for textile industry.

GST is expected to benefit economic activity and fiscal sustainability by reducing the cost of complying with multiple state tax systems, drawing informal activity into the formal sector, and expanding the tax base. The Insolvency and Bankruptcy Code was enacted to achieve insolvency resolution in a time bound manner. The recent recapitalization package for public sector banks is expected to help resolve banking sector balance sheets, support credit to the private sector, and boost investments.

Economic growth is expected to be influenced by revival in investment activity as indicated from increase in capital goods production and increasing global demand, which would help improve exports and attracts fresh investments. As per the World Economic Situation and Prospects 2018 report of the United Nations, the Indian economy is projected to grow at 7.2% in FY2018-19 and 7.4% in FY2019-20.

GDP growth in %



P represents projections

Source: World Economic Situation Prospects

Outlook

The outlook for India remains largely positive, underpinned by robust private consumption and public investment, as well as on-going structural

reforms. Reflection of this is up gradation in Moody's rating of India's local and foreign currency issuer rating to "Baa2" with a stable outlook from "Baa3". These are on the expectations that continued progress in India's economic reforms will enhance India's growth potential over time. According to World Bank's Ease of Doing Business 2018 Report, India's ranking improved by 30 positions to 100th rank. As per the World Economic Forum, India's rank in Global Competitiveness Index is 40 out of 137 countries in FY2017-18 which puts India on a strong footing on the global map. However, fiscal slippages and a below-normal monsoon could portend upside risks to inflation. Factors such as food prices, crude oil prices, other commodity prices and southwest monsoon could impact the growth forecasts.

Source: World Economic Situation and Prospects 2018 report of the United Nations; Central Statistics Organisation

TEXTILE INDUSTRY

Global Textile & Apparel Industry

The global textile and apparel industry has seen a structural shift in terms of manufacturing locations. Earlier, the production was concentrated in major western countries but it has now shifted majorly to developing economies. In the past few decades, most of the manufacturing bases shifted to Asian countries such as China, India, Pakistan, Bangladesh and Vietnam. However, with increasing labour wages, high import duties and other concerns in some Asian countries, the manufacturing base is expected to shift towards other low-cost destinations. As per Wazir and Advisors, the global textile and apparel trade in 2016 was US$765 bn which has been increasing at a CAGR of 3% since 2006.

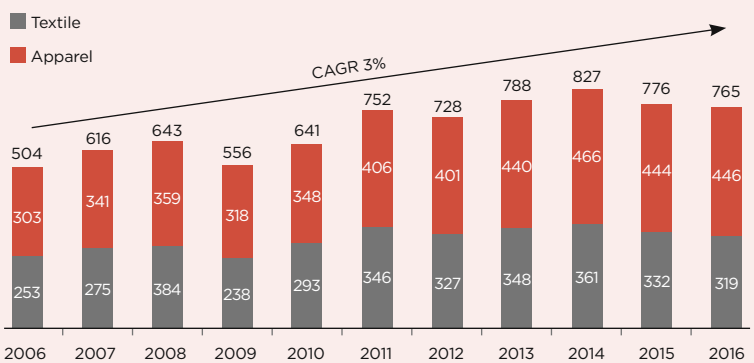
Apparel was the largest traded category with a share of 58% of total trade, while textiles categories had the remaining share. Apparel was the only category which recorded growth in 2016, while there was decline in trade in all other categories. The global textile and apparel trade is well poised to touch US$ 1,600 bn in 2025 growing by 8.6% CAGR.

European Union, USA and China remained the top three markets for textile and apparel in 2016, which together accounted for 53% of the world textile imports. The top 10 markets accounted for 68% share in the value of textile and apparel imports.

The ranking of the top 10 exporters of textile and apparel products remained unchanged in 2016, with China (36%), India (5%) and Bangladesh (4%) in the first three positions. Top 10 suppliers accounted for 70% of the world exports of textile and apparel exports in 2016 (compared to 68% in 2015). Among the top 10 exporters only three saw an increase in value of their exports in 2016 i.e. Italy (1%), Spain (4%) and France (1%). Maximum decline was registered by China (-7%) and its share in global textile and apparel trade has also reduced from 39% in 2015 to 36% in 2016.

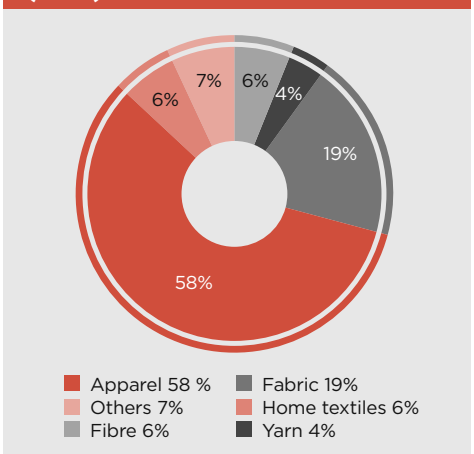
China has consistently led the global exports of apparels and textiles, but the trend has been declining. Chinese apparel exports increased more than 5 folds from US$ 54 bn to US$ 193 bn over 2001-14, aided by easy availability of labour, low manufacturing costs and large scale infrastructure. However, China itself is expecting a slower growth for the apparel and textile industry. In the 13th Five-Year Plan China's Ministry of Industry and Information Technology has lowered growth expectations for the sector at 6-7% in 2016-20 as compared to 8.5% witnessed in 2011-2015. Similarly,

Historical growth of global textile and apparel exports (in US$ bn)

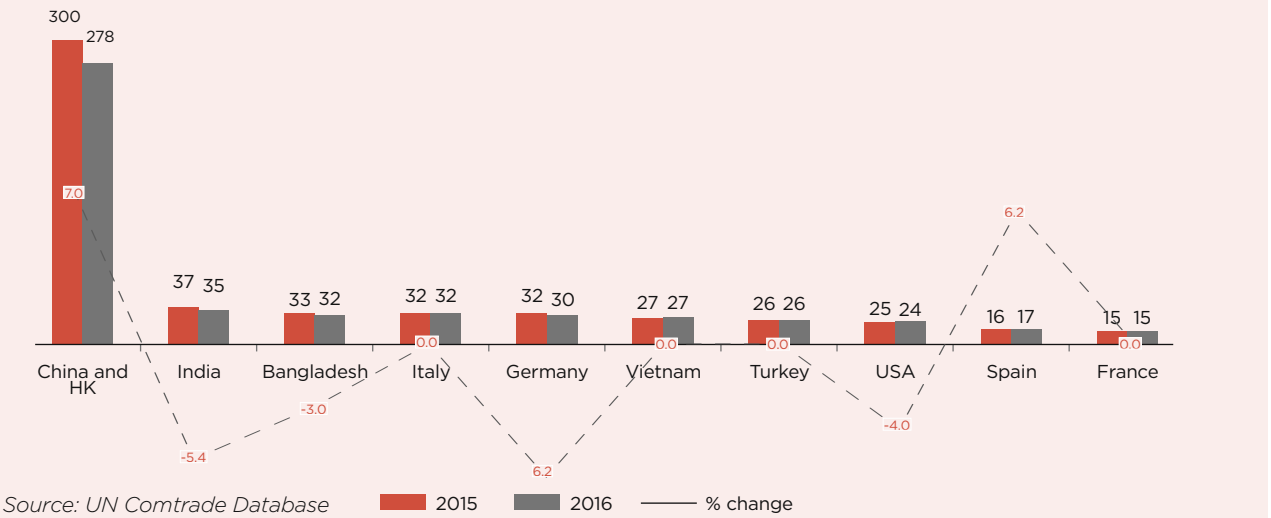


P represents projections
Source: UN Comtrade

Category-wise share in global trade (2016)



Top 10 suppliers of textile and apparel, 2016 (in US$ bn)



Source: UN Comtrade Database

fiber end-use ratio and annual labour productivity growth rate were set lower than previous plan. Exports of Chinese textile and apparel are decreasing notably and the plan did not set a fix growth rate, but said to maintain a stable market share in the world export market.

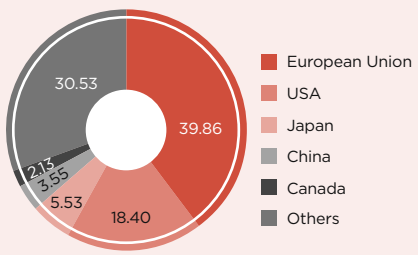
China is strategically moving towards more value added tech-intensive products in the sector with limited emphasis on the traditional market share. As China is undergoing an economic transformation, high-tech industries are springing up. The textile industry is also looking to transform by applying new technologies and business models that cover the whole industry chain. Chinese textile industry has committed to improve basic research and development projects with the objective to bolster technical innovations. With significant support from the central government, many Chinese producers in the industry are now seeking to produce high end and high value-added products. As China moves towards value added textile products, the traditional market space presents behemoth of opportunity for the Asian countries like India, Pakistan, Bangladesh, and Vietnam.

Indian Textile Industry and Trade

The Indian textile industry has a noteworthy presence in both the Indian economy and in the international textile economy. Its contribution to the Indian economy is corroborated in its contribution to industrial production, employment generation and foreign exchange earnings. Abundant availability of raw materials such as cotton, wool, silk and jute as well as skilled workforce have made the country as a sourcing hub. It is the world's second largest producer of textiles and garments. The fundamental strength of the textile industry in India is its strong production base of wide range of fibre / yarns from natural fibres like cotton, jute, silk and wool to synthetic / man-made fibres like polyester, viscose, nylon and acrylic.

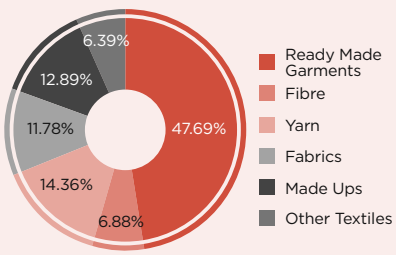
The Domestic Textile and Apparel Industry in India stood at US$ 150 bn in July 2017 and expected to reach US$ 200 bn by 2019. The industry has grown at

Textile and apparel importers (%)



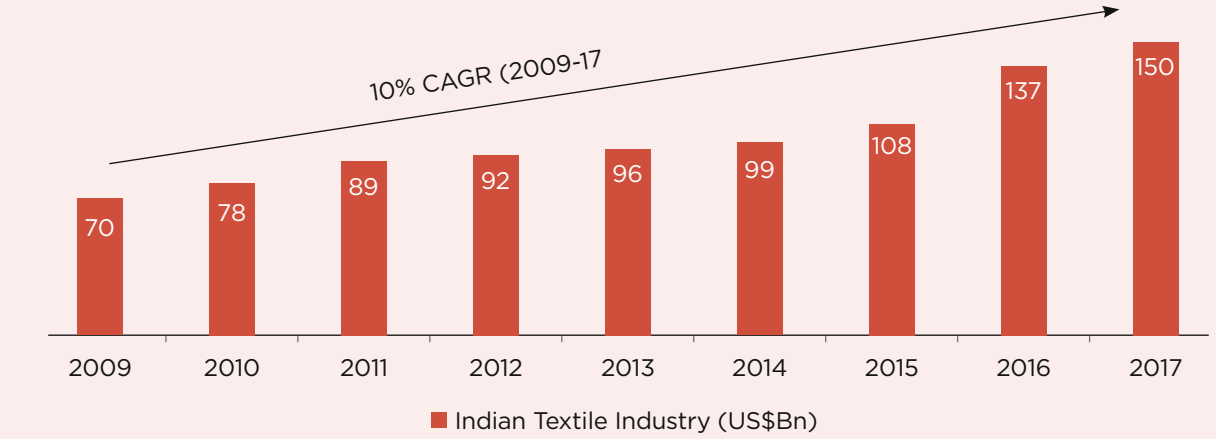
Source: WTO 2017 statistics for CY 2016

Shares in India's textile exports (FY17)



Source: IBEF

Indian textile industry has registered strong growth over the years



Source: IBEF

10% CAGR during 2009-17. Rising per capita income, favourable demographics and a shift in preference to branded products are major factors driving industry demand.

Exports have been a key component of growth in India's textiles and apparel sector. Exports have grown at 7% CAGR over FY2008-09 to FY2016-17 to reach at US$ 36.6bn, and expected to reach upto US$ 62bn by 2021. The textiles industry accounts for 15% of India's total exports. The central government is planning to finalise and launch the new textile policy which aims to achieve US$ 300bn worth of textile exports by FY2024-25 and create an additional 35 mn jobs. Ready-made garments had a share of 47.7% in these exports and reached US$ 17.5 bn in FY 2016-17. During the same period, fibre, yarn, fabric, and made ups (home textile) exports reached US$ 2.5 bn, US$ 5.3 bn, US$ 4.3 bn, and US$ 4.7 bn, respectively. India has a strong competitive advantage in textiles relative to key global peers with capacity built over the years, which has led to low cost of production per unit. Indian textile players have moved up the value chain from being just converters to vendor partners of global retail giants. This has aided outsourcing growth over the years.

Key Facts

- India's textiles industry contributes 10% to the manufacturing production of India
- It contributes 4% to the GDP of India and employs more than 45 mn people
- The sector contributes 15% to the export earnings of India
- With production of 6,106 mn kg, India was the largest producer of cotton in FY2016-17
- India is the 2nd largest producer of Manmade Fibre and Filament, globally, with production of around 211 mn kg in FY 2016-17

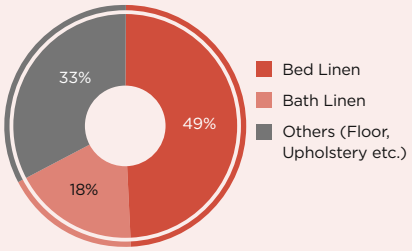
Source: IBEF

Indian Home Textile Industry – Growing Expectation

Home Textile comprises products such as bed sheets, pillow cases, blankets, terry towels, upholstery, table clothes, carpets and rugs. Superior product quality makes companies in India leaders in the USA and the UK, contributing two-third to their exports. Indian home textile products have gained significant market share in the global home textiles market in the last few years. However, India still accounts for only 7% of the global home textile trade, leaving a lot of headroom for growth, which will be driven by market share gains. Growth in domestic home textile would be supported by favourable demographics, increasing household income, rising population and growth in end use sectors like housing, hospitality, healthcare, etc.

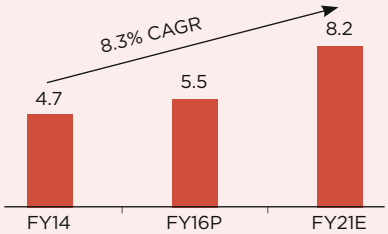
India's home textile industry stood at USD 4.7bn in 2014 and is expected to grow at 8.3% CAGR during 2014-21 to reach USD 8.2bn in 2021. India is the third largest home textile market in the Asia-Pacific region. Around 70% of the domestic home textile market is unorganised in nature.

Indian home textile industry mix (%)



Source: IBEF

Indian home textile industry (US$ bn)



Source: IBEF

Global Home Textiles

Global Home Textiles

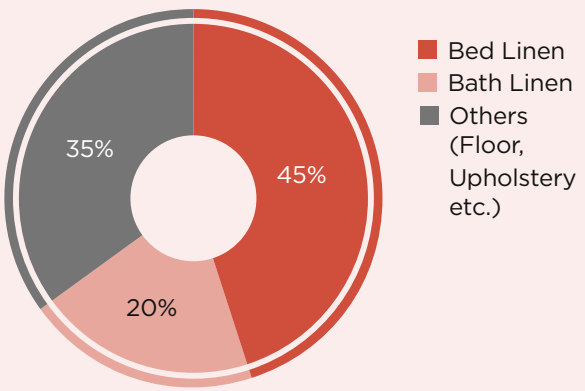
The global home textile market was estimated at US$110bn in 2015 and it is expected to reach US$130bn by 2020, growing at a CAGR of 3.5%. China is the largest manufacturer and consumer of home textile valued at US$ 30bn, accounting for 27% of global home textile market in 2015. Bed linen and bed spread is the largest application segment in home textiles, representing 45% in 2015. This segment is expected to grow at highest 4.4% CAGR to reach US$ 60bn by 2020.

Asia-Pacific is the largest Home textile market in the world followed by Europe and US

China	Asia-Pacific	India	Europe	US
• China is the largest manufacturer and consumer of home textile • Accounts for ~27% of global home textile market (2015) • Market size estimated at US$30bn • Steady demand growth driven by burgeoning middle class	• Asia Pacific is the largest home textile market in the world • Accounts for ~44% of the global home textile market • Market size estimated at US$48bn (2015) • One of the most dominant producers and consumers of home textile	• Third largest home textile market in the Asia-Pacific region • Expenditure on home textile estimated at US$4bn (2015) • Projected to grow at a CAGR of 7.2% to reach US$5.6bn by 2020 • 70% of the domestic market is unorganised in nature	• Second largest home textile market globally • Accounts for ~26.8% of the global home textile market • Market size estimated at US$29bn (2015) • Bed linen accounts for 32% share of the home textile market • Bed and Bath linen to grow at a CAGR of 1.7% to US$17bn by 2020	• One of the world's largest home textile market • Accounts for ~21.1% of the global home textile market • Market size estimated at US$23bn (2015) • Projected to grow at a CAGR of 3% to reach US$27bn by 2020

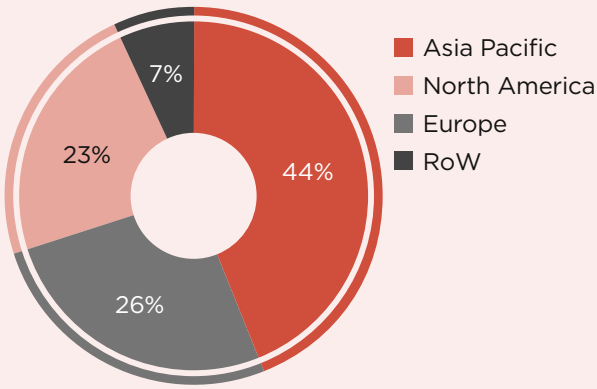
Source: Fibre2Fashion, Industry

Global home textile market composition



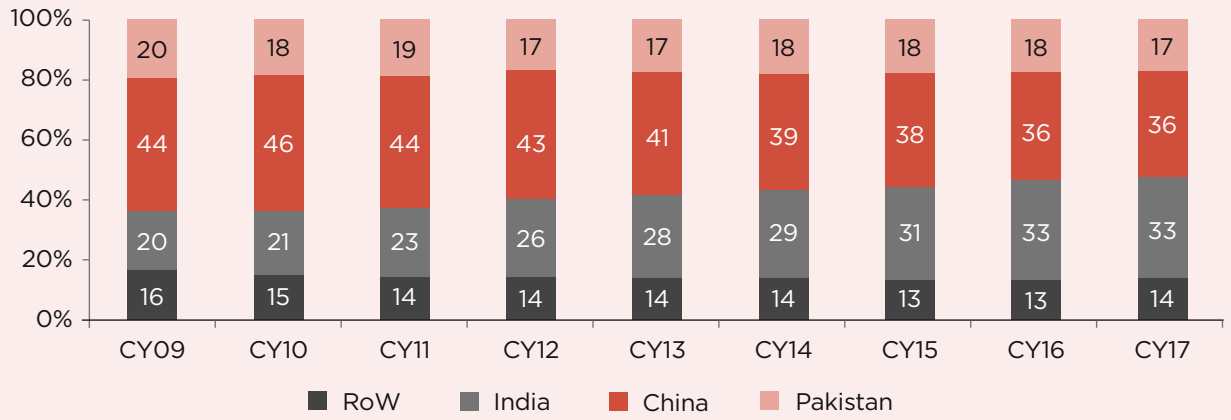
Source: IBEF

Global home textile market composition



Source: IBEF

Asia dominates cotton made-ups exports to US, India's share increasing steadily



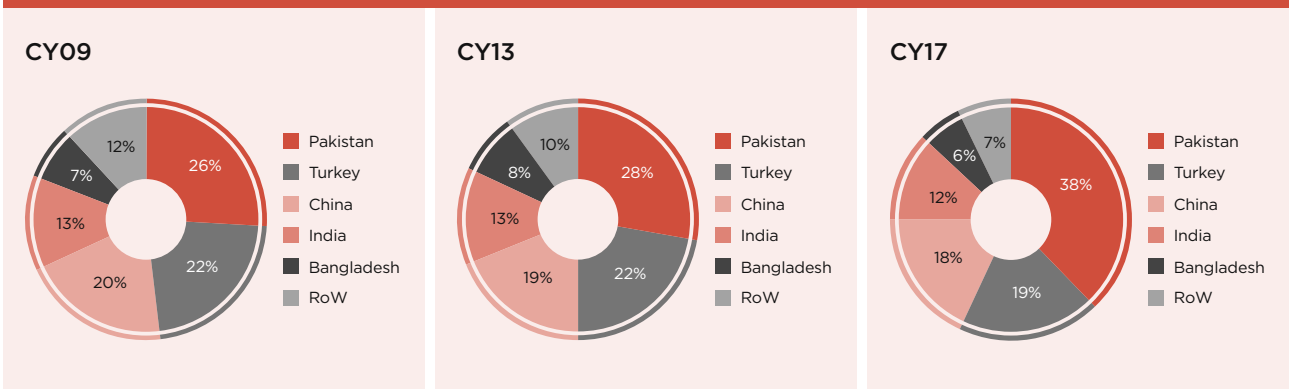
Source: Otexa

India's share in US Home Textile imports continues to rise

India is well poised to gain from the long-term growth prospects in the global home textiles market, as it leverages the twin benefits of lower cost of production and significant share of global installed capacity. USA has increased its sourcing of cotton made ups (bed and bath linen) from India over the years, making it one of the largest suppliers of home textiles to USA. India enjoys a dominant position with a market share of 50% in bed sheets and 39% in terry towels in total USA imports as of 2017. India has gained market share in bed sheets in USA imports from 26% in 2009 to 50% in 2017, while China's share fell from 29% to 20% and Pakistan's from 26% to 16%.

Though Indian companies have gained share in the US home textiles market over the last 5-7 years, their share in exports to EU has remained stagnant as Indian imports to EU attract 6-9% duties while Bangladesh and Pakistan have duty-free access to EU. EU's home textile imports dominated by Pakistan (38% share in 2017), followed by Turkey (19%) and China (18%). India stands fourth with a 12% share. EU and Turkey are linked by a Customs Union Agreement and EU is by far Turkey's No.1 import and export partner and exports from Turkey to EU are exempt from import duties.

Pakistan's share has increased significantly in EU home textile imports led by tariff benefits not available to India



Source: European Commission

India's advantage over China and Pakistan

India	China	Pakistan
World's largest cotton producer	Major importer of cotton and yarn	Cotton importer
25% surplus available for exports as cotton/yarn	Losing export competitiveness	Energy issues
Competitive costs	Wage inflation	Geopolitical issues
Favorable government policies	Increasing power costs	Compliance issues
Better environmental and labour law compliance	Increasing costs for environmental compliance	
Huge domestic market potential	Focus on domestic consumption	

Source- Company

GROWTH DRIVERS

Supply: In spite of a pick-up in demand in both domestic and global markets, there is still scope to supply more goods as most home textile units are still not operating at their full capacities. Further, investment in newer technologies and benchmarking these with global units will help the nation to keep pace with all the advancements happening world-wide and also cater to the growing needs of customers.

Demand: According to latest market trends, there is an increased inclination towards buying goods which are premium and branded. This trend has been observed more among millennial shoppers who have higher disposable income per capita and are impulse shoppers.

High entry barriers: This sector is highly capital intensive and new players entering this industry need inputs such as superior technology, abundant skilled and unskilled labour and a robust distribution network to be able to successfully set up their operations. Government assistance to get interest subsidies and capital subsidies payable under ATUFS has been discontinued. Hence existing players have a definite cost advantage over new players which would take time to consolidate themselves in the market.

Bargaining power of suppliers: There is an oversupply of lower value products in the unorganised market which leaves suppliers with a very limited bargaining power. However premium products and branded players have unique products which give them adequate bargaining power and garner higher margins.

Constant innovation and R&D: One major observable market trend is that designs and fashion is changing rapidly. Customers are also more confident and know exactly what they need. Hence companies that are able to cater to this rapidly changing consumer demands and supply innovative products would grow.

Changing retail trends: Nowadays retail buying is not limited to just shops and malls. The Indian e-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second largest e-commerce market in the world by 2034. Rising internet penetration is expected to lead to growth in e-commerce and this sales channel is expected to be a major driver of industry growth.

Favourable Government schemes for Textiles

Huge investments are being made by Government under Scheme for Integrated Textile Parks (SITP)-(US$ 184.98 mn) and Technology Upgradation Fund Scheme (TUFS)-(US$ 216.25 mn released in 2017) to encourage more private equity and to train workforce.

Under Union Budget 2018-19

- Government of India allocated around ₹7,148 cr (US$ 1.1 bn) for the textile Industry.
- Allocation for the Technology Up-gradation Fund Scheme (TUFS) is ₹2,300 cr (US$ 355.27 mn).
- Allocation for Remission of State Levies (ROSL) is ₹2,163.85 cr (US$ 334.24 mn), which is expected to be beneficial for exporters of made-ups and apparels, as backlog will be cleared and working capital will be released.
- The government has also proposed to contribute 12% of the new employees' wages towards Employee Provident Fund (EPF) over the next three years, which is expected to boost hiring in the apparel segment and has also extended fixed-term employment to all sectors.
- The government has allocated ₹112.15 cr (US$ 17.32 mn) towards schemes for powerloom units.

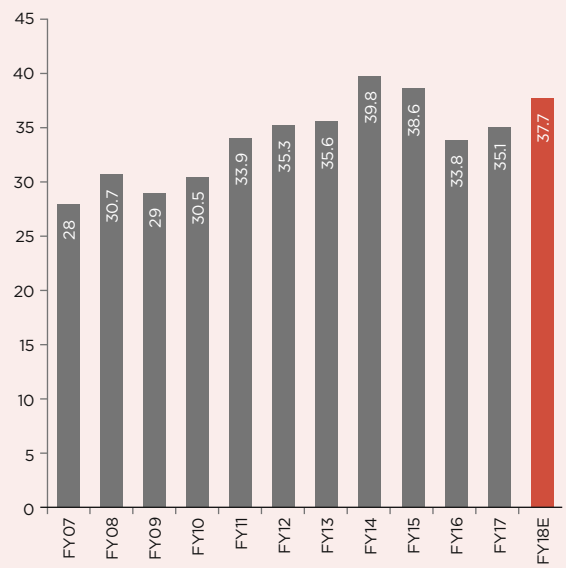
- The government has allocated ₹30 cr (US$ 4.63 mn) for the Scheme for Integrated Textile Parks, under which there are 47 ongoing projects.
- The handloom clusters under the National Handloom Development Programme will get ₹396 cr (US$ 91.17 mn) and the Integrated Processing Development Scheme will get ₹3.8 cr (US$ 0.59 mn).

Cotton Overview

Cotton is one of the most important commercial fibers produced and is one of the most important commodities imported and exported all over the world. Global cotton output is likely to rise 10% to 25.7mn tonnes in 2017-18 marketing year (October to September), on expected production increase in India and the US due to increased planted area rather than yields. Following the sharp drop in production in 2015-16 marketing year, production recovered by 7% to 23 mn tonnes in 2016-17 marketing year.

China, India and the US are the world's top three cotton producing countries. India remains the world's largest producer, with expected production of 6.2 mn tonnes in 2017-18. Cotton production in India has achieved 8.7% growth in the year 2017-18, despite yield losses due to pink bollworm infestation. After two years of declining trend, the planting area for growing cotton around the world is projected to rebound in the 2017-18 marketing year season. As per CRISIL Research report, the planted area under cotton increased 19% in FY2017-18 to 123 lakh hectares compared with 103 lakh hectares in FY2016-17. It is also 7% higher than the 5-year average of 115 lakh hectares.

Production of raw cotton (million base)



Source: The Cotton Corporation of India Ltd

Although global production is expected to outpace consumption (25.7 mn tonne vs. 25.4 mn tonne), strong textile demand in emerging markets is likely to benefit cotton prices. Consumption has steadily increased over the last three seasons and expected to continue rising, with increases of 3.6% and 4.4% in 2017-18 and 2018-19 marketing year respectively. Consumption growth is based on global economic expansion, an expected acceleration of consumer demand for textiles, manufacturing growth for cotton, rising production costs for synthetics and growing awareness of the environmental damage being caused by micro-fibre pollution. However, the threat of pests and inclement weather remain major concerns.

A higher-than-expected rise in cotton acreage at 19% and a consequent 11% increase in crop production in FY2017-18 are likely to moderate cotton prices in FY2018-19. Domestic cotton prices increased in the last few months due to the pink bollworm issue. The global stock-to-use ratio for cotton, excluding China, increased to 56% in FY2017-18 from 47% in FY2016-17, although Chinese inventory declined 17% in FY2017-18 as compared to the previous year.

(Source: https://www.indiaratings.co.in/PressRelease?pressReleaseID=30837&title=FY19-Textile-Outlook%3A-Lower-Cotton-Prices-and-Demand-Recovery-to-Support-Sector-Profitability)

Outlook

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The Domestic Textile and Apparel Industry in India stood at US$ 150 bn in July 2017, and expected to reach US$ 250 bn by 2019. Capacity built over years has led to low cost of production per unit in India's textile industry; this has lent a strong competitive advantage to the country's textile exporters relative to key global peers. Indian products have gained a significant market share in global home textiles in the past few years. Further, growth in the Indian home textiles would be supported by growing household income, increasing population and growth of end-use sectors like housing, hospitality, healthcare, etc.

Company Overview

Indo Count Industries Ltd (the Company) incorporated in 1988, is a leading player in global textiles & apparel industry, focusing on bedding products in the mid to

high range. Its product range includes bed sheets, fashion bedding, utility bedding and institutional bedding. It is the largest manufacturer and exporter of bed sheets, bed linen, quilts from India and among top 3 bed sheet suppliers to the USA. The Company is the 11th largest global home textiles supplier to the USA, which is the largest market for it and contributes nearly 65%-70% of its export turnover. Further, its other key markets include developed countries of Europe, UK and Australia. To mitigate risk of over-dependence on USA, the company is venturing into different newer geographies like Japan, MENA , LATAM, etc. In next 3-4 years, the contribution from USA will come down and non-US markets will increase. As of now, the company exports to more than 54 countries spread across 5 continents.

ICIL sells products through top retailers like Walmart, JC Penney, Target, Macys, Carrefour, etc. In addition, its products are also sold online through retailers such as Amazon under the brand Colour Sense. The Company has an integrated manufacturing unit located at Kolhapur, Maharashtra with spinning, weaving, processing and stitching. The company has a capacity of 90mn meters per annum which co-relates to 22mn sheet sets. After second phase expansion, the weaving capacity will be 27mn meters per annum. In India, the Company's aspirational brand Boutique Living caters to the premium bedding segment with presence across 21 Indian States, achieving sales across 96 cities with 465 MBOs and 8 LFS stores.

Operational highlights FY 2017-18

- Texprocil awarded the GOLD TROPHY to the Company for "Highest Exports of Bed Linen/Bed Sheets/Quilts" in Category III for the year 2016-2017"
- The Company moved to leadership position in the home textiles bed linen segment
- Launched a new brand by the name of "Heirlooms of India", Atlas, Boutique Living Coastal, William Morris
- The aspirational brand 'Boutique Living' gained good traction and expanded store presence from 234 to 465 MBOs and 8 LFS across 21 states and 96 cities
- Second phase of capex has begun; land for the same has been finalized and is pending government notification. The project will come up in State of Maharashtra and is expected to get commercialized by the end of FY20
- Government has reduced duty drawback rates from 7.5% to 2% and Remission of State Levies (RoSL) rate from 3.9% to 2.2%.
- CARE Ratings upgraded the Company's credit rating for long-term debt to CARE AA (Double AA) from CARE AA- (Double AA minus) with negative outlook and reaffirmed the short-term credit rating at CARE A1+.
- Credit Rating Agency ICRA reaffirmed the Long-term rating as ICRA AA-(Double AA minus) and the Short-term rating of ICRA A1+. The Outlook on the long-term rating has been revised to Positive from Stable. The Board of Directors has recommended payment of final Dividend @20% i.e. ₹0.40 per equity share of Face Value of ₹2 each for the Year ended 31st March 2018 which together with Interim Dividend paid at 20% i.e. ₹0.40 per equity share aggregates to @40% i.e. ₹0.80 per equity share for the current year.

The Final Dividend of 20% i.e. ₹0.40 per equity share of Face Value of ₹2 each is subject to approval of Shareholders at the Annual General Meeting.

COMPANY PERFORMANCE- STANDALONE PERFORMANCE HIGHLIGHTS

₹ crores except EPS

Year	2017-18	2016-17
Revenue	1,958	2,258
EBIDTA	262	428
PBT	194	353
PAT	125	232
Cash Profit	176	323
EPS	6.38	11.76
Net Debt to Equity	0.38x	0.34x

Outlook

The Company has achieved sustainable growth momentum in the past years, as it has nurtured a strong corporate culture with the expertise to create quality products delivered with service and speed. The Company has always worked towards emerging as a lean and agile organisation. This has given it the flexibility and adaptability to respond in real time and right time. Innovation is embedded in the DNA of the organisation which has led to successful launches across the globe. Going forward, the Company is looking to focus on value-added products, innovation through R&D, expanding its institutional business with continued relentless focus on Bed Linen. The Company has ventured into the value added segment comprising of fashion, institutional and utility segment in the last two years and is continuously working towards strengthening this segment. ICIL expects the contribution from this segment to increase to around 30% in next three years from close to 13% currently.

We are committed to maintain the strong financial health led by product development and expansion to newer geographies. We are also working towards to maintain the net debt-to-equity ratio below one. ICIL has been a strong supporter of the Government's Make in India initiative and has invested in manufacturing facilities. Around ₹240 cr capex in Maharashtra will be completed by FY20 which will be funded by a mix of internal accruals and term loan under A TUFS Scheme and Textile Policy of Maharashtra State.

The Company is emphasising on enhancing domestic market presence through strong brand and distribution network. Also it is looking to tap the e-commerce space and to establish better connect with the millennial. Additionally, the company is embarking the journey of omni-channel to keep pace with evolving consumer needs.

ICIL believes the future of the Indian textile industry is quite promising, strengthened by both strong domestic consumption as well as a good export demand. Besides, it expects India's export share in the home textile market to increase over the next few years, with the twin benefits of lower cost of production and significant share of global installed capacity. The Company is adequately equipped to leverage India's sweet spot in the global textile industry.

SWOT ANALYSIS

Key Strengths

Strong brand equity: The marketing team creates a strong brand image to leave a long lasting impact on consumer mind. The Company ensures brand consistency and overall visual integrity for a clear brand recall.

End-to-end solution in bed linen: The Company offers a wide range of matching sheets, comforters, duvets, pillows, shams, quilts and any other bedding solutions, required for a comforting sleep experience.

Well-built product positioning: The Company has intricately woven its position in the niche bed linen category of the home textiles segment. It caters to the mid to high segment demand in fashion, utility and institutional space as well.

Premiumisation: ICIL has forayed into three new segments of fashion bedding, utility, and institutional bedding to premiumise its offerings. Similarly, in the domestic market Boutique Living caters to the mid to premium segment.

Strong clientele: The Company boasts of deeply embedded client relationships with marquee customers globally.

Emphasis on innovation: The Company's strong R&D team innovates the product pipeline to keep at pace with evolving consumer trends.

Business expansion: In addition to cementing its leadership position, the Company is prudently expanding its footprints in new geographies. We are also expanding into channels of the future by increasing e-commerce presence.

Customer centric approach: We constantly strive to serve customers with innovative products of the finest quality. The Company caters to all possible needs of a consumer be it impulsive or informed. The Company has one subsidiary each in Dubai and Germany, to provide better service to its clientele in Middle East and Europe.

State-of-the-art infrastructure: The Company has state-of-the-art manufacturing facility which is constantly strives to provide the best-in-class bed linen quality across categories.

Weaknesses

- The Company caters to a single business segment of mid-to-high bed linen.
- Currently, the US accounts for majority of the Company's revenues. Any change in import norms or any import restrictions by the US would adversely affect the Company's revenue.

- In the domestic business, the Company is looking to serve a niche segment limited to affluent class.

Opportunities

Favourable macro-economic factors: Rising urbanisation complemented by a young population and rise in female workforce acts as demand driver due to changing taste and preferences.

Evolving consumer needs: Bed linen is no more seen as a necessity but is a part of home decor leading to rise in purchase of bed linens. Fast evolving fashion changes adds to purchase frequency.

Exports spurt: Exports stood at US$36.6bn in FY2016-17 and have grown at 7% CAGR over FY2008-09 to FY2016-17. Exports are expected to increase to US$ 82 bn by 2021. The textiles industry accounts for 15% of India's total exports. The central government is planning to finalise and launch the new textile policy which aims to achieve US$ 300 bn worth of textile exports by FY2024-25 and create an additional 35 mn jobs.

Shift in growth from China's limited focus on textile exports: Since China is looking to shift focus to premium end of textile segment, it is likely that the current demand shift to India. This is already evident in reduction in China's market share in global textile exports and increase in India's share.

Growth in home textile: India's home textile industry stood at USD 4.7 bn in 2014 and is expected to grow at 8.3% CAGR during 2014-21 to reach USD 8.2 bn in 2021. Around 70% of the domestic home textile market is unorganised in nature. This portends a humungous growth opportunity for organised players.

Threats

The Company is exposed to threats like irrational increase in competition, absence of FTAs with major markets, raw material price volatility, and the threat of protectionism and anti-globalisation sentiments in the US and EU.

Risk Management

Nature of Risk	Definition and impact	Mitigating factors
Currency Volatility	As the company deals in the international market, we are exposed to the currency volatility which poses surprise element in our financials.	Currency risks are managed by continuously monitoring exposures and limiting the same in view of applicable margins under the relevant market segments. Also, a sufficient portion of the foreign currency is hedged to mitigate any adverse movements in currency valuations.
Raw Material Price Risk	Cotton is the major raw material used by the Company. Volatility in prices impacts the overall cost of production. Such a scenario might impact our margins.	The Company has been in the textile space for more than 2 decades during which it has forged strong business alliance with cotton growers and traders. This ensures adequate cotton supplies. Besides, being a significantly large buyer, the Company is able to negotiate prices with cotton vendors. We follow a prudent raw material policy. As the business is completely 'Made to Order' which gives us visibility to raw materials better. From time to time we hedge our raw-material against order book.
Global Economic Risk	The Company's global presence makes it vulnerable to an economic slowdown in across regions of its presence - it could impact business flow from these regions.	The Company's revenue is prudently balanced between the domestic and international nations. Besides, its global presence its spread across a number of developed and developing nations. This ensures that there is no over dependence on a single nation for its revenue.

Nature of Risk	Definition and impact	Mitigating factors
International Competition Risk	There are many emerging countries where production costs are relatively lower than that of India. This might lead the foreign brands to move to those countries.	Global-scale capacities in bed linen have ensured that Indo Count enjoys economies of scale. Moreover, investment in cutting-edge technology and process automation have optimised people requirement – resulting in cost-effective operations. Further, the Company superior product quality has created strong business relations with global retail and institutional brands.
Environmental and other regulatory risk	In order to save our environment, every industry must focus on achieving sustainable growth and application of process leaving minimal impact on the mother earth. Further, utmost care need to be taken to ensure compliance of the applicable environmental laws as well as other statutes applicable to the Company.	• Adherence to current norms is being ensured • Technology/equipment upgradation is being planned proactively • Continuous monitoring of regulatory changes to ensure compliance with all applicable regulations • Internal Audit Programme ensures effective checks on compliance management

Internal Control System

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

The Company's internal team and Audit Committee keep a close eye on business operations and any deviations are promptly brought to the notice of the leadership. These findings provide input for risk identification and assessment. Timely and adequate measures are undertaken to ensure undisrupted functioning of the business. A host of strategies are devised as a follow-up measure to safeguard the Company.

Human Capital

The Company believes that human resources are the most critical element responsible for growth. We strive towards attracting, retaining, and developing the best talent required for the business to grow. The employees are regularly provided with training and development programmes to enhance their skills and focus on career progression. We nurture a work culture that leads to employee satisfaction, unflagging motivation, and high retention rate.

Our HR policies ensure working together with the employees for their personal and professional development and at the same time aligning their goals with that of the Company to create a win-win situation. Our focus on ensuring transparent, safe, healthy, progressive and engaging work environment is aimed at creating leaders of the future. Employees have a sense of belongingness and feel empowered in driving business profitability.

Cautionary Statement

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

Board's Report

Dear members

On behalf of the Board of Directors ("the Board"), it gives me immense pleasure to present the Twenty Ninth Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended 31st March, 2018.

FINANCIAL RESULTS (As per IND AS)

(₹ In Crores, except EPS)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Total Revenue	1,808.30	2,084.74	1,958.17	2,257.80
EBIDTA	265.34	418.71	262.15	428.45
Less: Finance Cost	32.74	39.43	34.74	42.13
Less: Depreciation	30.46	31.18	33.06	33.13
Profit before Tax	202.14	348.10	194.35	353.19
Tax Expenses	71.06	120.07	69.08	121.14
Net Profit	131.08	228.03	125.27	232.05
Other comprehensive Income (net of tax)	0.25	(1.11)	(0.06)	2.22
Total Comprehensive income	131.33	226.92	125.21	234.27
Basic & Diluted EPS (in ₹)	6.64	11.55	6.38	11.76
Cash Profit	181.69	312.38	176.25	319.31
Retained Earnings	899.39	787.07	916.89	806.70

OPERATIONAL AND FINANCIAL PERFORMANCE

FY18 was a challenging year for the textile industry. During the year under review, various factors such as increase in raw material cost and power cost, volatility in foreign currency and de-stocking of inventories by US retailers had an impact on performance of your Company.

At a consolidated level, your Company achieved total revenue of ₹1,958.17 crores for FY2017-18 as against ₹2,257.80 crores in the previous year. Your Company reported EBIDTA and Net Profit of ₹262.15 crores and ₹125.27 crores respectively for the year ended 31st March, 2018. Net debt equity ratio is reduced from 0.42 to 0.38 and EPS stood at ₹6.38 for the year ended 31st March, 2018.

On a standalone basis, total revenue stood at ₹1,808.30 crores for the year ended 31st March, 2018 as against ₹2,084.74 crores in the previous year. Further, your Company achieved EBIDTA and Net Profit of ₹265.34 crores and ₹131.08 crores respectively for the year ended 31st March, 2018.

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

DIVIDEND

During the year under review, pursuant to the approval of the Board, your Company paid an interim dividend

@20% i.e. Re. 0.40 per equity share of face value of ₹ 2/- each.

Your Directors are pleased to recommend a Final Dividend @ 20% i.e. Re. 0.40 per equity share of face value of ₹ 2/- each subject to the approval of members of the Company at the ensuing Annual General Meeting. If approved by the members, the total dividend payout for FY 2017-18 will be 40 % i.e. Re. 0.80 per equity share of face value of ₹ 2/- each aggregating to ₹ 19.02 crores (including dividend distribution tax) (previous year ₹ 19.02 crores).

The aforesaid dividends are in line with the Dividend Distribution Policy adopted by the Company.

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), the Board of Directors of your Company had approved Dividend Distribution Policy, which is given separately and forms part of this Annual Report. The Dividend Distribution Policy is also uploaded on the website of the Company and web-link for the same is www.indocount.com/images/investor/Dividend-Distribution-Policy1.pdf.

AWARDS AND RECOGNITIONS

Your Company is recipient of various awards, recognitions and accolades. We are happy to inform you that your Company was awarded with "GOLD Trophy" by TEXPROCIL for the highest export of made-ups in "Bed Linen/Bedsheets/Quilts" under the Category III for the year 2016-17. Company's focus on the home textiles segment, backed by strong innovation skills and design capabilities, has been widely appreciated by customers and this Gold Trophy is a testament to Company's overall approach. We thank all our stakeholders for their unstinted support to us and to enable us to reach No. 1 position in export of made-ups from India in Category III.

Some of the other accolades and recognitions received by your Company in past includes:

- One of the India's Fasted Growing Companies – Rated by Business World – Edition April, 2017.
- 11th largest supplier of Home Textiles to the USA.
- Amongst top 3 Bed sheets importers in the USA.
- "Export Excellence Award in the Top Exporter - Non MSME -Trading House Category" from FIEO western region for 2014-15.

SHARE CAPITAL

As on 31st March, 2018, the Authorised Share Capital of your Company was ₹ 60 crores comprising of 27,50,00,000 equity shares of ₹ 2/- each and 50,00,000 preference shares of ₹ 10/- each. Further, the total issued, subscribed and paid up share capital of your Company stood at ₹ 394,799,340/- comprising of 197,399,670 Equity Shares of ₹ 2/- each. During the year under review, there has been no change in the Authorised, Issued, subscribed and paid-up share capital of your Company.

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

CREDIT RATING

During the year under review, for Long-term Bank Facilities of your Company, CARE upgraded the credit rating to CARE "AA" (Double A) with Stable outlook from CARE AA-(Double A minus). Further, ICRA reaffirmed the credit rating of "ICRA AA-" (Double A Minus) with outlook revised to 'Positive' from 'Stable'. The said ratings signify high degree of safety regarding timely servicing of financial obligations and carry very low credit risk.

The upgradation/reaffirmation in credit rating and revision in outlook for Long Term Bank Facilities are demonstrative of your Company's consistent cash accruals generated in the business and its sustainable financial position which led to improvement in overall gearing and debt credit metrics.

For short term non-fund based facilities, CARE and ICRA have assigned credit rating of CARE A1+ and ICRA A1+ (A one plus) respectively which is highest rating signifying very strong degree of safety regarding timely payment of financial obligations. Such facilities carry lowest credit risk.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The Audited Consolidated Financial Statements of the Company for the year ended 31st March 2018 along with Auditors' Report forms part of this Annual Report.

The Audited Financial Statements of the Company and subsidiaries will be available on the website of the Company at www.indocount.com. Further, a copy of

the Audited Financial Statements of the Subsidiaries shall be made available for inspection at the Registered Office of the Company during business hours on any working day upto the date of Annual General Meeting. Any shareholder interested in obtaining a copy of separate Financial Statements of the subsidiaries shall make specific request in writing to the Company Secretary.

SUBSIDIARIES

During the year under review, your Company incorporated a wholly owned subsidiary viz. Hometex Global DMCC in Dubai, UAE. With this incorporation, as on 31st March, 2018, your Company has 6 direct subsidiaries viz. Pranavaditya Spinning Mills Limited, Indo Count Retail Ventures Private Limited, Indo Count Global Inc., USA, Indo Count UK Limited, Indo Count Australia Pty Ltd. and Hometex Global DMCC. Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013 read with rules made thereunder, a statement containing salient features of the financial position of subsidiaries is given in Form AOC-1 attached as "Annexure 1" forming integral part of this Report. As required under Section 134 of the Companies Act, 2013, the said form also highlights performance of the subsidiaries.

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

- Mr. Sushil Kumar Jiwarajka, Independent Director tendered resignation from the Directorship of the Company w.e.f. 13th November, 2017 due to personal reasons. The Board expressed its appreciation and gratitude for the valuable guidance and contributions made by him as a Board Member during his long association with the Company.
- In view of notification of Ministry of Corporate Affairs of the Company and list published under Section 164(2)(a) of the Companies Act, 2013, Mr. Kailash R. Lalpuria, Executive Director resigned from the Board w.e.f. 13th November, 2017 and was appointed as a "Group President" of the Company w.e.f. 13th November, 2017.

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

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations.

As on 31st March, 2018, Mr. Anil Kumar Jain, Executive Chairman, Mr. Mohit Jain, Managing Director, Mr. Kamal Mitra, Director (Works), Mr. Dilip Kumar Ghorawat, Chief Financial Officer and Mrs. Amruta Avasare, Company Secretary are the Key Managerial Personnel (KMP) of the Company in terms of Section 203 of the Companies Act, 2013.

Pursuant to the recommendation of Nomination and Remuneration Committee and subject to the approval of the members of the Company in the ensuing annual general meeting, the Board of Directors of the Company at its meeting held on 4th May, 2018 appointed Mr. Kailash R. Lalpuria as a Whole Time Director designated as "Executive Director" of the Company for a period of 3 years w.e.f 4th May, 2018 and Mr. Sushil Kumar Jiwarajka as an Independent Director of the Company for a second term of five years w.e.f. 4th May, 2018. The resolutions for their appointment are included in the Notice of ensuing Annual General Meeting and members are requested to refer Notice and Explanatory Statement for further details.

As required under the provisions of Listing Regulations and the Companies Act, 2013, brief profile and other details of Directors being appointed/reappointed are provided in the Notice of Annual General Meeting.

NUMBER OF BOARD MEETINGS

During the year under review, Four (4) Board Meetings were held on 15th May, 2017; 10th August, 2017; 14th November, 2017 and 14th February, 2018. The maximum interval between any two consecutive Board Meetings did not exceed 120 days.

COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

Your Company has adopted Nomination and Remuneration Policy for the appointment and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Nomination and Remuneration Policy is given in the Corporate Governance Report.

ANNUAL EVALUATION OF BOARD PERFORMANCE AND ITS COMMITTEES AND DIRECTORS

Criteria of performance evaluation of the Board of Directors including Independent Directors are laid down by the Nomination and Remuneration Committee of the Company. Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out performance evaluation of its own, its committees and performance evaluation of all Directors. A structured questionnaire containing various parameters of the performance evaluation based on SEBI Guidance Note dated 5th January, 2017 along with rating scale was circulated to all the Directors. The questionnaire was filled by all directors and rating was given. Thereafter, a consolidated summary of ratings was prepared. A separate meeting of Independent Directors of the Company was held on 26th April, 2017 in which Independent Directors inter-alia reviewed performance of Executive Chairman, Managing Director and other Whole-time Directors. The Board expressed their satisfaction with the evaluation process. The details of performance evaluation are also included in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. such accounting policies as mentioned in the notes to the Financial Statements for the year ended 31st March, 2018 have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on that date;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual financial statements for the year ended 31st March, 2018 have been prepared on a going concern basis;
5. internal financial controls to be followed by the Company have been laid down and that the said financial controls were adequate and were operating effectively;
6. proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

Your Company recognizes the vital role played by society at large in its growth and development and strives to discharge its social responsibility as a corporate citizen. The key philosophy of all our Corporate Social Responsibility (CSR) initiatives is guided by our belief "Every Smile Counts..." .Our CSR projects focus on participatory and collaborative approach with the community. Over a period of last 3 years, your Company has emphasized CSR projects in the areas of Education, Healthcare, Women empowerment and Water and Sanitation.

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

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

AUDIT COMMITTEE

During the year under review, Mr. Kailash R. Lalpuria ceased to be a member of the Committee w.e.f. 13th November, 2017 consequent to his resignation from the Board. Mr. Kamal Mitra, Director (Works) was appointed as a member of the Audit Committee w.e.f. 14th November, 2017. As on 31st March, 2018, the Audit Committee comprises of Mr. P. N. Shah as Chairman, Mr. R. Anand, Mr. Prem Malik and Mr. Kamal Mitra. More details about the Audit Committee

are given in Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

STATUTORY AUDITORS

In accordance with the provisions of Section 139 of the Companies Act, 2013, at the Annual General Meeting held on 21st August, 2017, M/s. Suresh Kumar Mittal & Co., Chartered Accountants (Firm Registration No. 500063N) were appointed as the Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of 28th Annual General Meeting (AGM) till the conclusion of 33rd AGM subject to the ratification by the members at every AGM. The Board recommends ratification of M/s. Suresh Kumar Mittal & Co., Statutory Auditors from the conclusion of 29th AGM till the conclusion of 30th AGM and resolution for ratification is included in the Notice of Annual General Meeting.

AUDITORS' REPORT

The Auditors' Report on standalone and consolidated financial statements for the year ended 31st March, 2018 forms integral part of this Annual Report. The Auditors' Report does not contain any qualifications, reservations, adverse remarks, disclaimer or emphasis of matter. Notes to the Financial Statements are self-explanatory and do not call for any further comments.

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

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rules thereunder, the Board has appointed M/s. Kothari H. & Associates, Practicing Company Secretaries to conduct Secretarial Audit of the Company for the year ended 31st March, 2018. The Secretarial Audit Report issued by them in Form No. MR-3 is provided as "Annexure 3" to this Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remark.

SEGMENT

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

PUBLIC DEPOSITS

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

CORPORATE GOVERNANCE REPORT

As per Regulation 34(3) read with Schedule V of the Listing Regulations, your Company has complied with the requirements of corporate governance. A Corporate Governance Report along with Statutory Auditors' Certificate confirming its compliance for the year ended 31st March, 2018 is provided separately and forms integral part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 of the Listing Regulations, Management Discussion and Analysis containing information inter-alia on industry trends, your company's performance, future outlook, opportunities and threats for the year ended 31st March, 2018, is provided in a separate section forming integral part of this Annual Report.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92 (3) of the Companies Act, 2013, the Extract of the Annual Return as on 31st March, 2018 in Form No. MGT-9 is provided as "Annexure 4" to this Report.

SECRETARIAL STANDARDS

During the year under review, your Company has complied with all applicable secretarial standards.

BUSINESS RESPONSIBILITY REPORT

Pursuant to the Regulation 34 of the Listing Regulations, Business Responsibility Report is mandatory to be published for top 500 companies based on market capitalization as on 31st March, 2018. Your Company is amongst top 500 Listed Companies in India based on market capitalization as on 31st March, 2018 as per S&P 500 Index. Accordingly, Business Responsibility Report (BRR) for the year ended 31st March, 2018 is hosted on your Company's website and the web-link thereto is as given below:

https://www.indocount.com/images/investor/Business-Responsibility-Report-2017-2018.pdf

RELATED PARTY TRANSACTIONS

All Related Party Transactions entered during FY 2017-18 were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There were

no material related party transactions during the year under review that would require approval of shareholders under Listing Regulations. The prior omnibus approval of Audit Committee is obtained for all Related Party Transactions. A statement of all Related Party Transactions is reviewed by the Audit Committee on a quarterly basis. Your Company has adopted a policy on Related Party Transactions which has been uploaded on the Company's website and can be accessed at http://www.indocount.com/images/investor/ICIL-Policy-on-Related-Party-Transactions.pdf

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

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

During the year under review, your Company has not given loan to any bodies corporates or any other persons or has not provided any corporate guarantee or security under section 186 of the Companies Act, 2013.

As regards investments, during the year under review, your Company incorporated a Wholly Owned Subsidiary viz. "Hometex Global DMCC" and subscribed its initial share capital of AED 50000 and also invested AUD 1000 towards share capital in Indo Count Australia Pty Ltd, a wholly owned subsidiary of your Company. Further, during the year under review, your Company has made investment in certain mutual funds.

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

RISK MANAGEMENT

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

In order to prevent sexual harassment of women at workplace, your Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up an Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into complaints relating to sexual harassment at workplace of any woman employee. During the year under review, no complaints pertaining to sexual harassment were received and no complaint was pending as on 31st March, 2018.

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

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

Information required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 viz. Details of top ten employees of the Company in terms of remuneration

drawn during FY 2017-18 and particulars of employees drawing remuneration in excess of the limits specified in Rule 5(2) of the said rules is provided in Annexure forming part of this report. As per the provisions of Section 136 of the Companies Act, 2013, the Annual Report and Accounts are being sent to the members of the Company excluding the said Annexure. Any member interested in obtaining a copy of said Annexure may write to the Company Secretary at the Registered Office of the Company. The said annexure will be available for inspection by the members at the Registered Office of the Company twenty one days before and upto the date of ensuing Annual General Meeting during the business hours on working day.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of your Company between the end of the financial year 2017-18 and the date of this report.

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 or said items are not applicable to the Company:

1. Cost Audit
2. Mr. Anil Kumar Jain, Executive Chairman and Mr. Kamal Mitra, Director (Works) are Non-Executive Directors on the Board of Pranavaditya Spinning Mills Ltd. ('PSML'), subsidiary of the Company. Sitting fees were paid to them for attending Board/ Committee Meeting of PSML during 2017-18. Apart from the sitting fees, as aforesaid, none of the Whole-Time Directors/Managing Director of the Company receive any remuneration or commission from any subsidiaries of your Company.
3. There was no change in the general nature of business of your Company.

ACKNOWLEDGEMENTS AND APPRECIATION

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

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

On behalf of the Board of Directors

ANIL KUMAR JAIN
Executive Chairman
DIN: 00086106

Date: 4th May, 2018
Place: Mumbai

ANNEXURE 1

FORM NO. AOC-1

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

PART A – SUBSIDIARIES

(₹ In Lakhs)

Sr. No.	Name of the Subsidiary	Reporting currency of the subsidiary concerned	Exchange Rate as on 31st March, 2018	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Share-holding	Country
1	Pranavaditya Spinning Mills Limited	INR	NA	1924.13	1367.41	5013.89	1722.35	0.16	7137.04	(229.81)	66.05	(163.76)	NIL	74.53	India
2	Indo Count Retail Ventures Pvt. Ltd.	INR	NA	1.00	(224.70)	578.35	801.62	NIL	1071.68	(272.92)	(75.27)	(197.65)	NIL	82.50	India
3	Indo Count Global Inc., USA	USD	65.1750	446.18	1237.11	9366.03	7682.74	NIL	18426.16	(286.36)	(56.57)	(229.79)	NIL	100	USA
4	Indo Count UK Limited	GBP	92.2775	79.62	(36.02)	70.02	26.42	NIL	257.77	(31.42)	NIL	(31.42)	NIL	100	UK
5	Indo Count Australia Pty Ltd	AUD	50.0450	0.50	-	0.50	-	-	-	-	-	-	-	100	Australia
6	Hometex Global DMCC	AED	17.7187	8.83	0.23	25.76	16.70	-	-	-	-	-	-	100	U.A.E.

Notes:
1. Reporting period of the Subsidiaries is April to March.
2. There are no subsidiaries which have been liquidated or sold during the year 2017-18.
3. Hometex Global DMCC became subsidiary of the Company w.e.f. 8th November, 2017.
4. Indo Count Australia Pty Ltd and Hometex Global DMCC are yet to commence operations.

PART B - ASSOCIATES / JOINT VENTURES – NIL

On behalf of the Board of Directors

ANIL KUMAR JAIN
Executive Chairman
DIN: 00086106

Date: 4th May, 2018
Place: Mumbai

ANNEXURE 2

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2017-18

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Pursuant to the requirements of the Companies Act, 2013 and the rules made thereunder, your Company has framed a CSR Policy and web-link thereto is as given below: https://www.indocount.com/images/investor/ICIL-CSR-Policy.pdf The key philosophy of Company's CSR initiatives is guided by our belief **"Every Smile Counts ..."** The focus areas for CSR are Education, Healthcare, Women Empowerment, Water and Sanitation and Rural Development. The Company undertakes CSR activities through its own trust "Indo Count Foundation" and collaborates with other associations/trusts/NGO as well.
2	The Composition of the CSR Committee.	(1) Dr. (Mrs.) Vaijayanti Pandit – Chairperson (Independent Director) (2) Mr. Anil Kumar Jain – Member (Executive) (3) Mr. Kailash R. Lalpuria – Member (Executive)[1] (4) Mr. Mohit Jain – Member (Executive)[2] (5) Mr. Kamal Mitra – Member (Executive)[2] [1] upto 13th November, 2017 [2] appointed as members w.e.f. 13th November, 2017
3	Average net profit of the company for last three financial years.	Average net profit of the Company for last 3 financial years is ₹30,996.13 lakhs
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	₹620.00 lakhs for FY 2017-18
5	Details of CSR spent during the financial year 2017-18 (a) Total amount to be spent for the financial year 2017-18 (b) Total amount spent (c) Amount unspent , if any	 ₹ 620.00 lakhs ₹216.08 lakhs ₹403.92 lakhs

Manner in which the amount spent during the financial year 2017-18 is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**CSR project or activity identified.**	**Sector In which The Project Is Covered.**	**Projects or Programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken.**	**Amount outlay (budget) project or programs Wise (₹in lakhs)**	**Amount spent on the projects or programs Sub-heads: 1) Direct on projects or programs 2) Overheads (₹ in lakhs.)**	**Cumulative expenditure up to the report-ing period (₹ in Lakhs)**	**Amount spent Direct or through Implementing Agency.**
1.	Promoting Education by implementation of E-learning systems in schools, providing infrastructure at schools, distribution of school bags, support to blind school	Education	In and around Kolhapur, Maharashtra (Local areas)	100.00	34.52	34.52	Direct/ Implementing Agency
2.	Skill Development centre with IL & FS, training women in sewing and stitching skills, enabling them to get employment and be independent, thereby improving standard of living	Enhancing vocational skills		50.00	8.94	8.94	Direct/ Implementing Agency

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**CSR project or activity identified.**	**Sector In which The Project Is Covered.**	**Projects or Programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken.**	**Amount outlay (budget) project or programs Wise (₹in lakhs)**	**Amount spent on the projects or programs Sub-heads: 1) Direct on projects or programs 2) Overheads (₹ in lakhs.)**	**Cumulative expenditure up to the report-ing period (₹ in Lakhs)**	**Amount spent Direct or through Implementing Agency.**
3.	Providing medical facilities through 4 medical vans reaching to distant places, including distribution of free medicines, providing infrastructure support & healthcare equipments at certain hospitals	Healthcare	In and around Kolhapur, Maharashtra (Local areas)	150.00	109.67	109.67	Direct/ Implementing Agency
4.	Promoting sanitation by building toilet blocks. Making available pure and safe drinking water to the community through installation of Aquaguard/ RO system in school and public places	Water & Sanitation		50.00	5.72	5.72	Direct/ Implementing Agency
5.	Rural upliftment	Rural Development		90.00	31.89	31.89	Direct/ Implementing Agency
6.	Other CSR activities as per CSR policy			180.00	25.34	25.34	Direct/ Implementing Agency
	Total			**620.00**	**216.08**	**216.08**	

Your Company follows participatory approach with the community in its CSR activities and strives to ensure that CSR projects are directed towards benefit and inclusive growth of community in local areas near Kolhapur. The Company has identified Education, Healthcare and Woman Empowerment as CSR focus areas and projects identified by the Company in the said areas are long term projects spreading over a span of 2-3 years which will enable the Company to increase its reach appropriately. The Company is also assessing further CSR activities which will benefit community at large in and around Kolhapur. There are certain recurring expenses to be incurred on the existing projects and it is necessary that existing CSR projects should sustain over a long period of time. Hence, amount spent on the CSR activities during FY-2017-18 has been less than the limits prescribed under the Companies Act, 2013.

RESPONSIBILITY STATEMENT

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

On Behalf of the Board of Directors

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

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

Dated: 4th May, 2018
Place: Mumbai

ANNEXURE 3

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2018

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

To,
The Members,
Indo Count Industries Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on March 31, 2018 ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- We have examined the books, papers, minute books, forms and returns filed and other records maintained by Indo Count Industries Limited for the financial year ended on March 31, 2018 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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act') viz.:-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the company during the Audit Period)**
    - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and the SEBI (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the company during the Audit Period)**
    - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the Audit Period)**
    - f. The Securities and Exchange Board of India(Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - g. The Securities and Exchange Board of India (Delisting of Equity Shares)Regulations, 2009; **(Not applicable to the company during the Audit Period)** and
    - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; **(Not applicable to the company during the Audit Period)**

- The Company has identified the following laws as specifically applicable to the Company:

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

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

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

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

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

We further report that:

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

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

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

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

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, and Labour Law Compliances have been subject to review by statutory financial audit and other designated professionals.

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

i. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.

ii. Redemption / buy-back of securities.

iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.

iv. Merger / amalgamation / reconstruction, etc,

v. Foreign technical collaborations.

For KOTHARI H. & ASSOCIATES
Company Secretaries

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

Place: Mumbai
Date: 4th May, 2018

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

ANNEXURE A

To,
The Members,
Indo Count Industries Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited on the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For KOTHARI H. & ASSOCIATES
Company Secretaries

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

Place: Mumbai
Date: 4th May, 2018

ANNEXURE 4

FORM No.MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L72200PN1988PLC068972
Registration Date	07/11/1988
Name of the Company	Indo Count Industries Limited
Category/ Sub-Category of the Company	Company having share capital
Address of the Registered office and contact details	Office No. 1, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur, Maharashtra - 416109 Phone: 91-230-2483105 / 91-230-3292933 Fax No: 91-230-2483275
Whether listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 078 Phone No: 022-49186270 Fax No: 022-49186060 Email: rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service*	% to total turnover of the company
1	Manufacture of bedding, quilts, pillows and sleeping bags etc.	13924	89.95
2	Preparation and spinning of Cotton fibers including blended cotton	13111	10.05

* As per National Industrial Classification 2008 list.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
1	Pranavaditya Spinning Mills Limited Office No. 2, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416109, Maharashtra	L17119PN1990PLC058139	Subsidiary	74.53%	2(87)
2	Indo Count Retail Ventures Private Limited Office No.4, G.No.280/2, At Post Alte, Plot No.266, Taluka Hatkanangale, Dist Kolhapur- 416112, Maharashstra	U52100PN2016PTC158599	Subsidiary	82.50%	2(87)
3	Indo Count Global Inc. Suite# 1019,The Textile Building, 295, Fifth Avenue, New York, NY 10016	EIN 38-3830098	Subsidiary	100%	2(87)
4	Indo Count UK Ltd 1, Doughty Street, London WC1N2PH United Kingdom	9146756	Subsidiary	100%	2(87)
5	Indo Count Australia Pty Ltd Unit-1, 653-657 Mountain Highway, Bayswater VIC 3153, Australia.	600 172 334	Subsidiary	100%	2(87)
6	Hometex Global DMCC Unit No. 3142, DMCC Business Centre, Level No. 1, Jewellery & Gemplex 3, Dubai, UAE.	DMCC99185	Subsidiary	100%	2(87)

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

(i) Category-wise Share Holding

Category of Shareholder	No. of Shares of Face value of ₹2/- each held at the beginning of the year (As on 01-04-2017)				No. of Shares of Face value of ₹2/- each held at the end of the year (As on 31-03-2018)				% Change during the year
	Demat	Physical	Total	% of Shares	Demat	Physical	Total	% of Shares	
A. Promoters									
(1) Indian									
a) Individuals/HUF	19042965	0	19042965	9.65	19042965	0	19042965	9.65	0.00
b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	35301330	0	35301330	17.88	35301330	0	35301330	17.88	0.00
e) Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A)(1)	54344295	0	54344295	27.53	54344295	0	54344295	27.53	0.00
2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholder	No. of Shares of Face value of ₹2/- each held at the beginning of the year (As on 01-04-2017)				No. of Shares of Face value of ₹2/- each held at the end of the year (As on 31-03-2018)				% Change during the year
	Demat	Physical	Total	% of Shares	Demat	Physical	Total	% of Shares	
b) Other – Individual	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	62002455	0	62002455	31.41	62002455	0	62002455	31.41	0.00
d) Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A)(2)	62002455	0	62002455	31.41	62002455	0	62002455	31.41	0.00
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	**116346750**	**0**	**116346750**	**58.94**	**116346750**	**0**	**116346750**	**58.94**	**0.00**
B. Public Shareholding									
1) Institutions									
a) Mutual Funds / UTI	7494656	107000	7601656	3.85	3509216	107000	3616216	1.83	(2.02)
b) Banks/Financial Institutions	83206	37350	120556	0.06	266193	37350	303543	0.15	0.09
c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d) State Government	0	0	0	0.00	0	0	0	0.00	0.00
e) Foreign Institutional/ Portfolio Investors	33910780	0	33910780	17.18	15148927	0	15148927	7.67	(9.51)
f) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
g) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (B)(1)	41488642	144350	41632992	21.09	18924336	144350	19068686	9.65	(11.44)
2) Non-Institutions									
a) Bodies Corporate									
i) Indian	10298595	88340	10386935	5.26	14982472	70340	15052812	7.63	2.37
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i. Individual Shareholders holding nominal share capital up to ₹1 lakh	16894404	5872570	22766974	11.53	26574859	5347230	31922089	16.17	4.64

Category of Shareholder	No. of Shares of Face value of ₹2/- each held at the beginning of the year (As on 01-04-2017)				No. of Shares of Face value of ₹2/- each held at the end of the year (As on 31-03-2018)				% Change during the year
	Demat	Physical	Total	% of Shares	Demat	Physical	Total	% of Shares	
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh	3654826	0	3654826	1.85	9179064	0	9179064	4.65	2.80
c) Any other (specify)									
(c-i) Trusts	10890	0	10890	0.01	2200	0	2200	0.00	(0.01)
(c-ii) Foreign Nationals	1880	0	1880	0.00	500	0	500	0.00	0.00
(c-iii) Hindu Undivided Family	662212	0	662212	0.34	1457430	0	1457430	0.74	0.40
(c-iv) Non Resident Indians (Non-Repat)	281048	43000	324048	0.16	865439	43000	908439	0.46	0.30
(c-v) Non Resident Indians (Repat)	829530	0	829530	0.42	2360140	0	2360140	1.20	0.78
(c-vi) Clearing Member	782633	0	782633	0.40	1101560	0	1101560	0.56	0.16
Sub Total (B)(2)	33416018	6003910	39419928	19.97	56523664	5460570	61984234	31.41	11.44
Total Public Shareholding (B) = (B)(1) + (B)(2)	**74904660**	**6148260**	**81052920**	**41.06**	**75448000**	**5604920**	**81052920**	**41.06**	**0.00**
C. Shares held by Custodians for GDRs and ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**191251410**	**6148260**	**197399670**	**100.00**	**191794750**	**5604920**	**197399670**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2017)			Shareholding at the end of the Year (As on 31-03-2018)			% change in Share holding during the Year
		No. of Shares of face value of ₹2/- each	%of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares of face value of ₹2/- each	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Anil Kumar Jain	1867555	0.95	0.00	1867555	0.95	0.00	0.00
2	Gayatri Devi Jain	6685855	3.39	0.00	6685855	3.39	0.00	0.00
3	Mohit Jain	692850	0.35	0.00	692850	0.35	0.00	0.00
4	Shikha Jain	5248825	2.66	0.00	5248825	2.66	0.00	0.00
5	Shivani Patodia	2173750	1.10	0.00	2173750	1.10	0.00	0.00
6	Neha Singhvi	2279130	1.15	0.00	2279130	1.15	0.00	0.00
7	Sunita Jaipuria	20000	0.01	0.00	20000	0.01	0.00	0.00
8	Anil Kumar Jain (HUF)	75000	0.03	0.00	75000	0.03	0.00	0.00

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2017)			Shareholding at the end of the Year (As on 31-03-2018)			% change in Share holding during the Year
		No. of Shares of face value of ₹2/- each	%of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares of face value of ₹2/- each	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
9	Margo Finance Ltd.	1520020	0.77	0.00	1520020	0.77	0.00	0.00
10	Rini Investment and Finance Pvt. Ltd.	119100	0.06	0.00	119100	0.06	0.00	0.00
11	Indo Count Securities Ltd.	31041385	15.73	0.00	31041385	15.73	0.00	0.00
12	Sandridge Investments Limited (Formerly Swastik Investment Corporation)	62002455	31.41	0.00	62002455	31.41	0.00	0.00
13	Yarntex Exports Ltd.	2312500	1.17	0.00	2312500	1.17	0.00	0.00
14	Slab Promoters Pvt Ltd	308325	0.16	0.00	308325	0.16	0.00	0.00

iii) Change in Promoters' Shareholding

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2017		Date wise increase/ decrease in shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):			Cumulative shareholding during the year		Shareholding at the end of the year as on 31.03.2018	
		No. of Shares of face value of ₹2/- each	% of total shares of the Company	Date	No. of Shares	Reason	No. of Shares of face value of ₹2/- each	% of total shares of the Company	No. of Shares of face value of ₹2/- each	% of total shares of the Company
1	Anil Kumar Jain	1867555	0.95	NIL	NIL	NIL	1867555	0.95	1867555	0.95
2	Gayatri Devi Jain	6685855	3.39	NIL	NIL	NIL	6685855	3.39	6685855	3.39
3	Mohit Jain	692850	0.35	NIL	NIL	NIL	692850	0.35	692850	0.35
4	Shikha Mohit Jain	5248825	2.66	NIL	NIL	NIL	5248825	2.66	5248825	2.66
5	Shivani Patodia	2173750	1.10	NIL	NIL	NIL	2173750	1.10	2173750	1.10
6	Neha Singhvi	2279130	1.15	NIL	NIL	NIL	2279130	1.15	2279130	1.15
7	Sunita Jaipuria	20000	0.01	NIL	NIL	NIL	20000	0.01	20000	0.01
8	Anil Kumar Jain (HUF)	75000	0.03	NIL	NIL	NIL	75000	0.03	75000	0.03
9	Margo Finance Ltd	1520020	0.77	NIL	NIL	NIL	1520020	0.77	1520020	0.77
10	Rini Investment and Finance Pvt. Ltd.	119100	0.06	NIL	NIL	NIL	119100	0.06	119100	0.06
11	Indo Count Securities Ltd.	31041385	15.73	NIL	NIL	NIL	31041385	15.73	31041385	15.73

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2017		Date wise increase/ decrease in shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):			Cumulative shareholding during the year		Shareholding at the end of the year as on 31.03.2018	
		No. of Shares of face value of ₹2/- each	% of total shares of the Company	Date	No. of Shares	Reason	No. of Shares of face value of ₹2/- each	% of total shares of the Company	No. of Shares of face value of ₹2/- each	% of total shares of the Company
12	Sandridge Investments Limited(Formerly Swastik Investment Corporation)	62002455	31.41	NIL	NIL	NIL	62002455	31.41	62002455	31.41
13	Yarntex Exports Ltd.	2312500	1.17	NIL	NIL	NIL	2312500	1.17	2312500	1.17
14	Slab Promoters Pvt Ltd	308325	0.16	NIL	NIL	NIL	308325	0.16	308325	0.16

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

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2017		Date wise increase/decrease in shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):			Cumulative shareholding during the year		At the end of the year (or on the date of separation, if separated during the year) as on 31.03.2018	
		No. of Shares of face value of ₹2/- each	% of total shares of the Company	Date	No. of Shares	Reason	No. of Shares	% of total shares of the Company	No. of Shares of face value of ₹2/- each	% of total shares of the Company
1	Elm Park Fund Ltd.	11740955	5.95							
				07.04.2017	-468000	Sale	11272955	5.71		
				14.04.2017	-543776	Sale	10729179	5.44		
				28.04.2017	-388224	Sale	10340955	5.24		
				05.05.2017	-515510	Sale	9825445	4.98		
				12.05.2017	-3654490	Sale	6170955	3.13		
				19.05.2017	-1000000	Sale	5170955	2.62	5170955	2.62
2	National Westminster Bank Plc as Trustee of The Jupiter India Fund	0	0.00	28.04.2017	864245	Purchase	864245	0.44		
				05.05.2017	2135755	Purchase	3000000	1.52		
				30.06.2017	181805	Purchase	3181805	1.61		
				09.02.2018	28566	Purchase	3210371	1.63	3210371	1.63

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2017		Date wise increase/decrease in shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):			Cumulative shareholding during the year		At the end of the year (or on the date of separation, if separated during the year) as on 31.03.2018	
		No. of Shares of face value of ₹2/- each	% of total shares of the Company	Date	No. of Shares	Reason	No. of Shares	% of total shares of the Company	No. of Shares of face value of ₹2/- each	% of total shares of the Company
3	Uniworth Finance and Securities Pvt Ltd	2893525	1.47	18.08.2017	-27208	Sale	2866317	1.45		
				08.12.2017	-2866317	Transfer	0	0.00		
				15.12.2017	2866317	Transfer	2866317	1.45	2866317	1.45
4	DSP Blackrock Midcap Fund	4108661	2.08	26.05.2017	338042	Purchase	4446703	2.25		
				02.06.2017	5291	Purchase	4451994	2.26		
				07.07.2017	-225071	Sale	4226923	2.14		
				22.09.2017	-794000	Sale	3432923	1.74		
				29.09.2017	-584737	Sale	2848186	1.44	2848186	1.44
5	Long Term India Fund	930000	0.47	07.04.2017	31000	Purchase	961000	0.49		
				19.05.2017	700000	Purchase	1661000	0.84		
				16.02.2018	300000	Purchase	1961000	0.99	1961000	0.99
6	Mukul Mahavirprasad Agrawal	0	0.00	24.11.2017	1000000	Purchase	1000000	0.51		
				12.01.2018	100000	Purchase	1100000	0.56	1100000	0.56
7	Business Corporate Advisory Services LLP	0	0.00	22.12.2017	4500	Purchase	4500	0.00		
				05.01.2018	444598	Purchase	449098	0.23		
				26.01.2018	651879	Purchase	1100977	0.56		
				31.03.2018	-15900	Sale	1085077	0.55	1085077	0.55
8	Anvil Fintrade Pvt Ltd	0	0.00	07.04.2017	500000	Purchase	500000	0.25		
				06.10.2017	500000	Purchase	1000000	0.51	1000000	0.51
9	Jupiter South Asia Investment Company Limited - South Asia Access Fund	0	0.00	28.04.2017	288082	Purchase	288082	0.15		
				05.05.2017	711918	Purchase	1000000	0.51		

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2017		Date wise increase/decrease in shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):			Cumulative shareholding during the year		At the end of the year (or on the date of separation, if separated during the year) as on 31.03.2018	
		No. of Shares of face value of ₹2/- each	% of total shares of the Company	Date	No. of Shares	Reason	No. of Shares	% of total shares of the Company	No. of Shares of face value of ₹2/- each	% of total shares of the Company
				23.06.2017	-102273	Sale	897727	0.45		
				09.02.2018	-10299	Sale	887428	0.45	887428	0.45
10	Mehul Yashwant Sampat	0	0.00	19.05.2017	480000	Purchase	480000	0.24		
				26.04.2017	392375	Purchase	872375	0.44		
				01.09.2017	764525	Purchase	1636900	0.83		
				08.09.2017	-764525	Sale	872375	0.44	872375	0.44
11	Morgan Stanley Mauritius Company Limited	4161021	2.11	07.04.2017	80500	Purchase	4241521	2.15		
				28.04.2017	-402500	Sale	3839021	1.94		
				12.05.2017	-3500	Sale	3835521	1.94		
				19.05.2017	-115500	Sale	3720021	1.88		
				26.05.2017	-1236844	Sale	2483177	1.26		
				02.06.2017	-52500	Sale	2430677	1.23		
				09.06.2017	-399000	Sale	2031677	1.03		
				16.06.2017	-28000	Sale	2003677	1.02		
				23.06.2017	-14000	Sale	1989677	1.01		
				30.06.2017	-24500	Sale	1965177	1.00		
				28.07.2017	-75126	Sale	1890051	0.96		
				04.08.2017	-10500	Sale	1879551	0.95		
				18.08.2017	-67073	Sale	1812478	0.92		
				25.08.2017	-1294	Sale	1811184	0.92		
				08.09.2017	-4446	Sale	1806738	0.92		
				15.09.2017	-3435	Sale	1803303	0.91		
				13.10.2017	-892	Sale	1802411	0.91		
				03.11.2017	-12405	Sale	1790006	0.91		
				24.11.2017	-1589	Sale	1788417	0.91		
				12.01.2018	-10055	Sale	1778362	0.90		
				19.01.2018	-105538	Sale	1672824	0.85		
				26.01.2018	-70000	Sale	1602824	0.81		
				02.02.2018	-1591603	Sale	11221	0.01	11221	0.01

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2017		Date wise increase/decrease in shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):			Cumulative shareholding during the year		At the end of the year (or on the date of separation, if separated during the year) as on 31.03.2018	
		No. of Shares of face value of ₹2/- each	% of total shares of the Company	Date	No. of Shares	Reason	No. of Shares	% of total shares of the Company	No. of Shares of face value of ₹2/- each	% of total shares of the Company
12	Lazard Emerging Markets Small Cap Equity Trust	5501706	2.79	07.04.2017	-699549	Sale	4802157	2.43		
				14.04.2017	-59715	Sale	4742442	2.40		
				21.04.2017	-1477	Sale	4740965	2.40		
				28.04.2017	-1926345	Sale	2814620	1.43		
				19.05.2017	-599611	Sale	2215009	1.12		
				26.05.2017	-45806	Sale	2169203	1.10		
				18.08.2017	-1030764	Sale	1138439	0.58		
				25.08.2017	-156680	Sale	981759	0.50		
				01.09.2017	-981759	Sale	0	0.00	0	0.00
13	Nomura India Investment Fund Mother Fund	1871921	0.95	23.06.2017	-93092	Sale	1778829	0.90		
				08.09.2017	-1778829	Sale	0	0.00	0	0.00
14	UTI-MID Cap Fund	1797450	0.91	14.04.2017	273000	Purchase	2070450	1.05		
				02.06.2017	-7000	Sale	2063450	1.05		
				09.06.2017	-115500	Sale	1947950	0.99		
				11.08.2017	3500	Purchase	1951450	0.99		
				13.10.2017	-3500	Sale	1947950	0.99		
				10.11.2017	-129500	Sale	1818450	0.92		
				17.11.2017	17500	Purchase	1835950	0.93		
				24.11.2017	-45500	Sale	1790450	0.91		
				08.12.2017	-1790450	Sale	0	0.00	0	0.00
15	The Nomura Trust and Banking Co., Ltd as The Trustee of Nomura India Stock Mother Fund	1332812	0.68	15.09.2017	-1332812	Sale	0	0.00	0	0.00
16	Vadra Overseas Pvt. Ltd.	1229430	0.62	12.05.2017	-114740	Sale	1114690	0.56		

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2017		Date wise increase/decrease in shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus / sweat equity etc):			Cumulative shareholding during the year		At the end of the year (or on the date of separation, if separated during the year) as on 31.03.2018	
		No. of Shares of face value of ₹2/- each	% of total shares of the Company	Date	No. of Shares	Reason	No. of Shares	% of total shares of the Company	No. of Shares of face value of ₹2/- each	% of total shares of the Company
				19.05.2017	-142315	Sale	972375	0.49		
				16.06.2017	-8500)	Sale	963875	0.49		
				23.06.2017	-10000	Sale	953875	0.48		
				07.07.2017	-320110	Sale	633765	0.32		
				14.07.2017	-68566	Sale	565199	0.29		
				21.07.2017	-8500	Sale	556699	0.28		
				28.08.2017	-240448	Sale	316251	0.16		
				04.08.2017	-116015	Sale	200236	0.10		
				11.08.2017	-200236	Sale	0	0.00	0	0.00

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Director/KMP	Shareholding at the beginning of the year (01-04-2017)		Date wise increase/ decrease in shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	Cumulative shareholding during the year		At the end of the year (or on the date of separation, if separated during the year as on 31-03-2018)	
		No. of Shares of face value of ₹2/- each	% of total shares of the Company		No. of Shares	% of total shares of the Company	No. of Shares of face value of ₹2/- each	% of total shares of the Company
1	Mr. Anil Kumar Jain	1867555	0.95	N.A.	1867555	0.95	1867555	0.95
2	Mr. Mohit Jain	692850	0.35	N.A.	692850	0.35	692850	0.35
3	Mr. Kailash R. Lalpuria (upto 13.11.2017)	0	0.00	N.A.	0	0.00	0	0.00
4	Mr. Kamal Mitra	0	0.00	N.A.	0	0.00	0	0.00
5	Mr. P.N. Shah	0	0.00	N.A.	0	0.00	0	0.00
6	Mr. R. Anand	0	0.00	N.A.	0	0.00	0	0.00
7	Mr. Dilip J. Thakkar	0	0.00	N.A.	0	0.00	0	0.00
8	Mr. Prem Malik	1500	0.00	N.A.	1500	0.00	1500	0.00
9	Mr. Sushil Kumar Jiwarajka (upto 13.11.2017)	0	0.00	N.A.	0	0.00	0	0.00
10	Dr. (Mrs.) Vaijayanti Pandit	0	0.00	N.A.	0	0.00	0	0.00
11	Mrs. Amruta Avasare (Company Secretary & Compliance Officer)	0	0.00	N.A.	0	0.00	0	0.00
12	Mr. Dilip Kumar Ghorawat) (Chief Financial Officer)	0	0.00	N.A.	0	0.00	0	0.00

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

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 1st April, 2017)				
i) Principal Amount	26695.33	-	-	26695.33
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12.78	-	-	12.78
Total(i+ii+iii)	**26708.11**	**-**	**-**	**26708.11**
Change in Indebtedness during the financial year 2017-2018		-		
• Addition	166745.61	3800.00	-	170545.61
• Reduction	156382.59	3800.00	-	160182.59
Net Change	10363.02	-	-	10363.02
Indebtedness at the end of the financial year (as on 31st March, 2018)				
i) Principal Amount	37061.83	-	-	37061.83
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9.30	-	-	9.30
Total(i+ii+iii)	**37071.13**	**-**	**-**	**37071.13**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total
		Mr. Anil Kumar Jain (Executive Chairman)	Mr. Mohit Jain (Managing Director)	Mr. Kailash R. Lalpuria (Executive Director) (upto 13th November, 2017)	Mr. Kamal Mitra (Director-Works)	
1.	Gross salary					
-	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	475.20	333.00	68.67	25.41	902.28
-	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	7.08	-	-	-	7.08
-	(c) Profits in lieu of salary under section17(3) Income-tax Act,1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission as % of profit	-	-	-	-	-
5.	Others	-	-	-	-	-
	Total (A)	**482.28**	**333.00**	**68.67**	**25.41**	**909.36**
	Ceiling as per the Act	₹1910.84 Lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

b. Remuneration to other directors:

(₹ in Lakhs)

Sr. No	Particulars	Name of Directors						Total
		Mr. P.N. Shah	Mr. R. Anand	Mr. Dilip J. Thakkar	Mr. Prem Malik	Mr. Sushil Kumar Jiwarajka*	Dr. (Mrs.) Vaijayanti Pandit	
1.	Independent Directors							
	• Fee for attending board / committee meetings	2.50	2.50	2.30	2.80	1.10	2.80	14.00
	• Commission#	1.00	1.00	1.00	1.00	0.50	1.00	5.50
	• Others, please Specify	-	-	-	-	-	-	-
	Total(1)	3.50	3.50	3.30	3.80	1.60	3.80	19.50
2.	Other Non-Executive Directors							
	• Fee for attending board / committee meetings	–	–	–	–	–	–	–
	• Commission	–	–	–	–	–	–	–
	• Others, please Specify	–	–	–	–	–	–	–
	Total (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	3.50	3.50	3.30	3.80	1.60	3.80	19.50
	Overall Ceiling as per the Act	₹191.08 Lakhs (being 1% of the net profit of the Company, calculated as per Section 198 of the Companies Act, 2013)						

#Commission for FY 2017-18
**Upto 13th November, 2017*

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

(₹ in Lakhs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Dilip Kumar Ghorawat (Chief Financial Officer)	Ms. Amruta Avsare (Company Secretary)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	119.42	27.04	146.46
	(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 - others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	119.42	27.04	146.46

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year 2017-18, there were no penalties/punishment/compounding of offences under the Companies Act, 2013.

On behalf of the Board of Directors

ANIL KUMAR JAIN
Executive Chairman
DIN: 00086106

Date: 4th May, 2018
Place: Mumbai

ANNEXURE 5

FORM NO. AOC-2

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

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

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

Sl. No.	Particulars	Details
a)	Name (s) of the related party	Indo Count Global Inc, USA
b)	Nature of Relationship	Wholly owned Subsidiary
c)	Nature of contracts / arrangements / transaction	Sale of goods / products
d)	Duration of the contracts / arrangements / transactions	Ongoing
e)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Value of Goods sold during FY 2017-18 is ₹10836.66 lakhs The Price for the sale of the products of the Company is mutually agreed by both parties based on estimated total costs and risk and returns considering prevalent market conditions.
f)	Date(s) of approval by the Board, if any:	Refer Note below
g)	Amount paid as advances, if any:	NIL

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

On behalf of the Board of Directors

ANIL KUMAR JAIN
Executive Chairman
DIN: 00086106

Date: 4th May, 2018
Place: Mumbai

ANNEXURE 6

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

Information on Conservation of Energy, Technology absorption, Foreign Exchange Earnings and Outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 for the year ended 31st March, 2018 is provided hereunder:

(A)CONSERVATION OF ENERGY:

(i) Steps taken or impact on conservationof energy

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

1. Power:

a) Up-gradation of Screw Compressors with Centrifugal compressors and refrigeration Dryers with HOC (Heat of compressor) dryer including Air receivers resulted into Power Consumption savings of 14 Lac units per annum.
b) Replacement of Tube Lights with LED
c) Conversion of Condensate pumps from Air to Steam.
d) Insulation of Electrical AC Panels.
e) Installation of LED High Bay lights in place of Metal Halide Lamps
f) Installation LED Street Lights in place of Halogen lights.
g) Replacement of low efficiency pumps by Energy efficient pumps.
h) Installation of Solar Panels at new Stitching unit for generation of power.
i) Installation of reflective sheets to use natural light in Production floor.

2. Fuel

a) Replacement of old LRB Insulation by HITLIN insulation of Thermic fluid Distribution Header.
b) Installation of Thermic Fluid Booster pump system on Stenter in process house.
c) Hook Up of Zimmer Printing with Thermic Fluid Booster pump system of Stenter.
d) Use of Water Pre Heater (WPH) to increase the temperature of Boiler Feed Water Temperature.
e) Extra Heat Recovery Units (HRU) for Replacement and cleaning and better Heat Recovery on Stenter 1, 4 & 5.
f) Installation of Paddle Dryer for Sludge Drying and residual being used with coal on Steam Boiler (Use of dry sludge in place of coal).

3. Water:

a) CRP Vacuum pump cooling water and vapour condensate recovery.
b) Water measuring meters on all processing machines to monitor & control the Consumption.
c) Recovered water from Process House by gravity flow to pump House instead of pumping.
d) Condensate Recovery from VAM (Chillier), loop Ager, Pad Dry, Pad Steam main Steam Header & return to boiler for Hot water Saving.
e) Chilled water recovery from Pad Dry.
f) Rain water Harvesting initiated for Captive consumption.
g) Insulation of Chilled Water Line.
h) STP plant for water recovery & reusage of water.

4. Steam:

a) PRS outlet set at 3.5 - 4Kg/cm2 of all machines.
b) CRP Hot water management (Collection & Distribution).
c) Automatic Moisture Controller on VDR of PTR 1, MERC 1, CDR 1 & SOAPER.
d) Steam line header insulation replacement & MEE new steam piping insulation by HITLIN insulation.

e) Hot water circulation pumps to avoid SOTC for Boiler Feed Water.

f) Steam and Condensate measuring meters on processing machines.

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

a) Methane Gas Collection system from USABR of ETP has been implemented for captive usage at Plant.

b) Installation of Solar Panels at new Cut & Sew Unit for generation of power.

(iii) Capital investment on conservation of Energy

a) 2h630 4000 cfm centrifugal compressor installed with considering MD 2000 HOC dryer.

b) FD 4000 refrigerant type dryer replaced with MD 2000 X 1 nos dryer for 2h7000 compressor.

c) Replacement of MS line by :-

- HDPE pipe for MIDC intake water.
- SS304 pipe for pump house, softening plant & process house.

d) Replacement of Old LRB insulation by E fibre (HITLIN) insulation of balance Steam / Thermic fluid lines inside the plant.

e) 35 CFM 212 Bar sizing compressor installed in Sizing department.

f) Installed filtration system for recovered additional weak lye on CRP machine.

(B)TECHNOLOGY ABSORPTION:

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

We introduced following product lines during Year 2017-18:-

Products which define "The new age of Sustainability"

In order to safeguard our environment in terms of usage of Energy & resources, we have taken proactive measures and use technologies that maintain the balance of our eco system and thereby making end product free from generating toxic effects.

Some of the key product initiatives are as-

1. Life
2. Bamboo Charcoal
3. Refibra
4. Natural sheets

Techno sheets:-

It is basically a next level of Performance sheets with some of the unique features which are essential intoday's scenario like protection, hygiene, thermal comfort and shielding and cleaning.

Following are the products developed under techno sheets

1. **AllerCot:-**

   This sheet has a super soft handle. This is the first cotton sheet which is certified by "Asthma and allergy foundation of America" as asthma & allergy friendly sheets.

2. **DryMax:-**

   It enhances Natural wicking as it helps to move moisture away from body during sleep, less moisture reduces temperature fluctuations.

3. **ProShield:-**

   It is a 100% Cotton sheet treated with stain release finish making it a less washable sheet.

Sleep Sensation:-

We have two of our key innovations under "sleep sensation" as under:-

1. **Infinity:-**

   Our new National Sleep Foundation recognized line of high thread-count, super-breathable Infinity sheets will redefine comfort in our category, long term

2. **Signature:-**

   We have created revolutionary sheet which is new to the market by the name of HD Sateen sheet under signature sheet umbrella

Fashion Bedding:-

On the fashion side, we have launched a new brand called "Atlas" this market. "Atlas" is about a modern aesthetic that comes together through the use of sophisticated colors in woven, prints, and embroidered fabric that are layered together to complete each collection within the brand. The brand is gender neutral and targeted to the 35-50 year old demographic that love mid-century decor. For the market, we showcased 4 collections under Atlas.

In addition to our sustainability initiatives, our new manufacturing facility for Fashion bedding is LEEDS certified by US Green building council. LEEDS provides the framework to create healthy, highly efficient and cost saving green buildings for better occupant comfort and steps taken to make environment friendly building.

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

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

b) The year of import- Not applicable

c) Whether the technology been fully absorbed- Not applicable

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

(iii) The expenditure incurred on Research and Development:

The expenditure incurred on Research and Development during financial year 2017-18 is ₹47.23 Lakhs.

(C)FOREIGN EXCHANGE EARNINGS AND OUTGO:

₹ In Lakhs

Particulars	2017-18	2016-17
Foreign Exchange earned	150,079.06	167,417.77
Foreign Exchange outgo	9,066.98	12,305.07

On behalf of the Board of Directors

ANIL KUMAR JAIN
Executive Chairman
DIN: 00086106

Date: 4th May, 2018
Place: Mumbai

ANNEXURE 7

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

(i)

Name of the Director	Designation	Remuneration of Directors / KMP for the year ended 31st March, 2018 (₹ In Lakhs)	Ratio to Median Remuneration	% increase in remuneration for the year ended 31st March, 2018
Mr. Anil Kumar Jain	Executive Chairman	502.56	181.84	NIL
Mr. Mohit Jain	Managing Director	352.80	127.65	NIL
Mr. Kailash R. Lalpuria*	Executive Director	68.67	24.80	NA (Refer note 1)
Mr. Kamal Mitra	Director (Works)	28.12	10.17	16%
Mr. P. N. Shah	Non-Executive Independent Director	3.50	1.27	NA (Refer note 2)
Mr. Dilip J. Thakkar	Non-Executive Independent Director	3.30	1.19	NA (Refer note 2)
Mr. R. Anand	Non-Executive Independent Director	3.50	1.27	NA (Refer note 2)
Mr. Sushil Kumar Jiwarajka*	Non-Executive Independent Director	1.60	0.58	NA (Refer note 2)
Mr. Prem Malik	Non-Executive Independent Director	3.80	1.37	NA (Refer note 2)
Dr. (Mrs.) Vaijayanti Pandit	Non-Executive Independent Director	3.80	1.37	NA (Refer note 2)
Mr. Dilip Kumar Ghorawat	Chief Financial Officer	119.42	45.23	NA (Refer note 3)
Mrs. Amruta Avasare	Company Secretary	27.04	10.28	8.34%

Note :

* Mr. Kailash R. Lalpuria, Executive Director and Mr. Sushil Kumar Jiwrajaka, Non-Executive Independent Director has resigned from the Board w.e.f. 13th November, 2017 and their remuneration is given from 1st April, 2017 to 13th November, 2017.

1. Mr. Kailash Lalpuria, Executive Director resigned from the Board w.e.f. 13th November, 2017 and hence information regarding % increase in remuneration for the year ended 31st March, 2018 is not applicable.
2. There is no change in the remuneration of Independent Directors as amount of commission for 2017-18 & 2016-17 is same. The remuneration has varied only due to change in sitting fees on account of number of meetings attended by them.
3. Mr. Dilip Kumar Ghorawat was appointed as CFO from 12th September, 2016, hence his remuneration for the FY 2016-17 and 2017-18 is not comparable.

(ii) the percentage increase in the median remuneration of employees in the financial year 2017-2018– 11.98%

(iii) the number of permanent employees on the rolls of company- 2332 as on March 31, 2018

(iv) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof – Average percentage increase in salaries of employees other than managerial personnel is around 0.33% whereas there were no increase in average salaries of managerial personnel.

(v) We affirm that the remuneration paid during the year 2017-18 is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

ANIL KUMAR JAIN
Executive Chairman
DIN: 00086106

Date: 4th May, 2018
Place: Mumbai

DIVIDEND DISTRIBUTION POLICY

1. Introduction & Preamble

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

This policy is effective from 11th February, 2017.

2. Definitions & Interpretations

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

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

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

"Company" means Indo Count Industries Limited.

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

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

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

Provided that—

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

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

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

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

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

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

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

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

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

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

a) Distributable profits available as per Companies Act, 2013
b) Cash flow generation
c) Revenue, Cash Profit and Net Worth
d) Company's liquidity position and future cash flow needs
e) Cost of borrowings / financing
f) Future business growth and expansion plans, capacity expansion
g) Capital Expenditure
h) Likelihood of crystallisation of contingent liabilities, if any
i) Creation of Contingency Fund
j) Past Dividend Pay-out ratios of the Company Dividend & Dividend Pay-out ratios of peers
k) Acquisition of brands / Business
l) Additional Investment in subsidiaries and associate companies
m) Upgradation of technology & physical infrastructure
n) Economic Environment, Capital Markets and Business Conditions in general
o) Change in statutory provisions and guidelines with respect to dividend distribution, prevailing taxation policy or any amendments thereof pertaining to dividend.
p) Stipulations/covenants of loan agreements
q) Cost and availability of alternative sources of financing
r) Bankruptcy of major customers, stricture of public liability and similar aspects affecting to the business or profit of the Company
s) Any other relevant factors as the Board may deem fit

5. Utilization of retained earnings

The retained earnings can be utilized for following purposes:

a) Funding organic and inorganic growth needs including working capital, repayment of debt
b) Capacity expansion / expansion plans
c) Modernisation of existing capacity
d) Purchase of new equipments or replacement of capital assets
e) Payment of dividend in future years
f) Issue of bonus shares
g) Buyback of shares
h) Any other purpose as the Board may deem fit

6. Procedure

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

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

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

8. Clarifications, Amendments

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

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

9. Disclaimer

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

CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34(3) read with Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), a report on Corporate Governance for the year ended 31st March, 2018 is given below:

1. Company's Philosophy on Code of Governance

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

2. Board of Directors

(a) Composition

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

As on 31st March, 2018, the Board comprises of 8 Directors out of which 3 Directors are Executive and 5 Directors are Non-Executive Independent including one Woman Director. The composition of the Board is in conformity with the requirements of Regulation 17 of the Listing Regulations. All Directors are competent and experienced personalities in their respective fields.

During the year 2017-18, there were certain changes at the Board level as under:

- Mr. Kailash R Lalpuria, Executive Director of the Company resigned from the Board w.e.f. 13th November, 2017 and continued as "Group President" of the Company.
- Mr. Sushil Kumar Jiwarajka, Non Executive Independent Director of the Company resigned from the Board w.e.f. 13th November, 2017

The composition of the Board, details of other Directorships and Committee positions as on 31st March, 2018 are given below:

Name of the Director	Directors Identification Number (DIN)	Category of Directorship	Number of Directorships held in public companies#	No. of Committee positions@	
				As Chairman	As Member
Mr. Anil Kumar Jain Executive Chairman	00086106	Promoter Executive	3	-	2
Mr. Mohit Anilkumar Jain Managing Director	01473966	Promoter Executive	1	-	1
Mr. Kailash R. Lalpuria* Executive Director	00059758	Executive	2	-	1
Mr. Kamal Mitra Director (Works)	01839261	Executive	2	-	3
Mr. P. N. Shah	00096793	Non-Executive Independent	6	5	1
Mr. R. Anand	00040325	Non-Executive Independent	4	-	3

Name of the Director	Directors Identification Number (DIN)	Category of Directorship	Number of Directorships held in public companies#	No. of Committee positions@	
				As Chairman	As Member
Mr. Dilip J. Thakkar	00007339	Non-Executive Independent	7	2	4
Mr. Prem Malik	00023051	Non-Executive Independent	7	2	5
Mr. Sushil Kumar Jiwarajka*	00016680	Non-Executive Independent	2	-	-
Dr. (Mrs.) Vaijayanti Pandit	06742237	Non-Executive Independent	10	1	8

Notes:

** Mr. Kailash R. Lalpuria and Mr. Sushil Kumar Jiwarajka resigned from the Directorship of the Company w.e.f. 13th November, 2017. Hence, number of Directorship held in Public Companies and number of Committee positions are as on 13th November, 2017.*

#Number of Directorships held in public companies includes Directorship of Indo Count Industries Limited. It excludes Directorships in private companies, deemed public companies, foreign companies, companies under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and alternate Directorships.

@ Only Membership / Chairmanship of Audit Committee and Stakeholders' Relationship Committee of listed and unlisted public limited companies including Indo Count Industries Limited are considered.

Memberships or Chairmanships of the stipulated Board Committees held by all Directors are within the limit specified under Regulation 26 (1) of the Listing Regulations.

None of the Directors hold Directorships in more than 20 Companies including 10 Public Companies pursuant to the provisions of Section 165 of the Companies Act, 2013. Further, in compliance with Regulation 25(1) of the Listing Regulations, none of the Independent Directors hold Directorships in more than seven listed companies.

Inter-se relationship among Directors

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

(b) Independent Directors, Meeting and Familiarisation Programme

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations. The Draft Letter of Appointment of Independent Directors is available on the website of the Company at www.indocount.com.

During the year under review, a separate Meeting of Independent Directors of the Company was held on 26th April, 2017 wherein all Independent Directors were present. At the said meeting, Independent Directors discussed and evaluated performance of the Executive Chairman, Managing Director and other Whole Time Directors, Board and its various committees and assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

Your Company has in place Familiarisation Programme for Independent Directors to familiarize them about the Company and their role, rights and responsibilities in the Company. The Familiarisation Programme and details of Familiarisation Programme imparted during 2017-18 are uploaded on the website of the Company at www.indocount.com and can be accessed through web-link http://www.indocount.com/images/investor/ICIL-Familiarisation-Program.pdf and https://www.indocount.com/images/investor/Familiarisation-Program-imparted-2017-2018.pdf respectively.

(c) Board Meetings

During the financial year 2017-18, Four (4) Board Meetings were held viz. on 15th May, 2017, 10th August, 2017, 14th November, 2017 and 14th February, 2018 . The maximum gap between any two consecutive meetings did not exceed 120 days.

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

Name of the Director	No. of Board Meetings Attended	Attendance at last AGM 21st August, 2017
Mr. Anil Kumar Jain	4/4	Yes
Mr. Mohit Jain	4/4	No
Mr. Kailash R. Lalpuria@	2/2	Yes
Mr. Kamal Mitra	4/4	Yes
Mr. P. N. Shah	4/4	No
Mr. R. Anand	4/4	No
Mr. Dilip J. Thakkar	3/4	No
Mr. Prem Malik	4/4	No
Mr. Sushil Kumar Jiwarajka@	1/2	No
Dr. (Mrs.) Vaijayanti Pandit	4/4	Yes

@ Mr. Kailash R Lalpuria and Mr. Sushil Kumar Jiwarajka resigned from the Directorship of the Company w.e.f 13th November, 2017.

(d) Board Meetings Procedure

The dates of Board Meetings are scheduled in advance. The agenda papers along with relevant explanatory notes and supporting documents are circulated within prescribed time to all Directors. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting.

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

Action Taken Report on the decisions taken in previous Board meeting are placed before the Board in their next meeting.

3. Audit Committee

(a) Terms of reference

The scope and terms of reference of the Audit Committee covers matters specified under Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013. The terms of reference of Audit Committee inter alia includes following matters:

Financial Reporting and Related Processes

- Oversight of the Company's financial reporting process and disclosure of financial information.
- Reviewing with the Management, the quarterly unaudited financial results /statements and 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, if any, and major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements.
- Reviewing the Management Discussion & Analysis of financial and operational performance.
- Scrutiny of inter-corporate loans and investments.

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.
- Review adequacy of internal audit function, internal audit reports and discussion with Internal Auditors on significant findings and follow-up thereon.
- To oversee and review the functioning of a Vigil Mechanism and to review findings of investigation into cases of material nature and the actions taken in respect thereof.
- Approval of Related Party Transactions and review on a quarterly basis.
- Approval of appointment of Chief Financial Officer

Audit & Auditors

- 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, remuneration and terms of appointment of the Auditors.

- Approval of such other services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.

(b) Composition and Meetings

As on 31st March, 2018, the Audit Committee comprises of 4 Directors / Members out of which 3 are Independent Directors. Mr. Kailash R Lalpuria ceased to be member of Audit committee w.e.f. 13th November, 2017 consequent to his resignation from the Board. During the year under review, Mr. Kamal Mitra, Director (Works) was appointed as the member of the Audit Committee w.e.f 14th November, 2017.

All Members of the Audit Committee are professionals, experienced and possess sound knowledge of finance, accounting practices and internal controls.

During the year under review, Four (4) Audit Committee Meetings were held viz on 15th May, 2017, 10th August, 2017, 14th November, 2017 and 14th February, 2018. The time gap between any two consecutive Audit Committee Meetings was not more than 120 days.

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

Name of the Director	Category	No. of Audit Committee Meetings Attended
Mr. P. N. Shah, Chairman	Non-Executive, Independent	4/4
Mr. R. Anand	Non-Executive, Independent	4/4
Mr. Prem Malik	Non- Executive, Independent	4/4
Mr. Kailash R. Lalpuria (upto 13th November, 2017)	Executive	2/2
Mr. Kamal Mitra (w.e.f 14th November, 2017)	Executive	1/1

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

Due to health reasons, Chairman of the Audit Committee was not able to travel to attend the Annual General Meeting ("AGM") held on 21st August, 2017 at Kolhapur and authorised Mr. Kailash R. Lalpuria to represent him and answer to queries of shareholders. Mr. Kailash R. Lalpuria represented the Audit Committee Chairman at the said AGM.

4. Stakeholders' Relationship Committee

(a) Composition, Terms of Reference and Meetings

The scope and terms of reference of the Stakeholders' Relationship Committee ("SRC") inter-alia is as under:

- Consider and resolve the grievances of security holders of the Company including complaints related to transfer, transmission, demat of securities, non- receipt of annual report/declared dividends etc.
- Recommend measures for overall improvement of the quality of investor services.

During the year under review, 2 (Two) meetings of Stakeholders' Relationship Committee were held on 15th May, 2017 and 15th November, 2017.

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

Name of the Director	Category	Attendance at the Stakeholders Relationship Committee Meetings
Dr. (Mrs) Vaijayanti Pandit Chairperson	Non-Executive, Independent	2/2
Mr. Anil Kumar Jain	Executive	2/2
Mr. Mohit Jain	Executive	2/2

(b) Compliance Officer

Mrs. Amruta Avasare, Company Secretary is Compliance Officer of the Company under Regulation 6 of the Listing Regulations.

(c) Investor Complaints

As on 1st April, 2017, 1 complaint was pending and 3 complaints were received from the shareholders during the year under review. All 4 complaints were duly resolved. As on 31st March, 2018, no complaint was pending.

Apart from complaints, 1682 queries were received during the year 2017-18 and the same were resolved.

5. Nomination and Remuneration Committee

(a) Brief description of terms of reference

The terms of reference of the Nomination and Remuneration Committee ("NRC") includes the role stipulated in Part D of Schedule II of the Listing Regulations and Section 178 of the Companies Act, 2013 which inter alia, covers:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees.
- Lay down criteria for identifying and selection of candidates for appointment as Directors/ Independent Directors and KMP and other Senior Management positions;
- Recommendation to the Board about appointment, re- appointment, removal of Directors, Senior Management Personnel and KMP in accordance with the criteria laid down.
- Recommendation to the Board on remuneration of Managing Director/Executive Directors/KMP and also revision in remuneration.
- Formulation of the criteria for evaluation of performance of every Director and carry out performance evaluation of Directors and to recommend to the Board on whether to extend or continue the term of appointment of Independent Director.
- Devising a policy on Board Diversity.

(b) Composition, Meetings and Attendance

During the year under review Mr. Anil Kumar Jain, Executive Chairman was appointed as the member of NRC. Consequent to resignation from Board, Mr. Sushil Kumar Jiwarajka ceased to be member of NRC w.e.f. 13th November, 2017.

As on 31st March, 2018, NRC comprises of 3 Directors/ Members.

During the year under review, Three (3) Meetings of NRC were held on 26th April, 2017, 15th May, 2017 and 14th November, 2017.

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

Name of the Director	Category	Attendance at the Nomination and Remuneration Committee Meeting
Mr. Prem Malik Chairman	Non-Executive, Independent	3/3
Dr. (Mrs) Vaijayanti Pandit	Non-Executive, Independent	3/3
Mr. Sushil Kumar Jiwarajka (upto 13th November, 2017)	Non-Executive, Independent	1/2
Mr. Anil Kumar Jain (appointed w.e.f. 13th November, 2017)	Executive	1/1

(c) 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.

The Nomination and Remuneration Policy is given below:

I. Criteria of selection of Directors

a. The 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, the 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, while 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 recommendation to the Board.

II. Remuneration of Independent Directors

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

a. Independent Directors shall be entitled to receive sitting fees for each meeting of the 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. Independent Directors shall 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 Directors.

d. The NRC may recommend commission for the Executive Directors taking into consideration their overall responsibilities, terms of appointment, Individual Performance, Company performance and performance evaluation.

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.

III. Remuneration of Managing Director / Executive Directors / Senior Management Personnel

The remuneration of Managing Director and Executive Directors shall be determined after taking into account the Company's overall performance, their individual contribution for the same and trends in the industry in general. The remuneration shall be subject to the approval of the Members of the Company in General Meeting. The remuneration of Managing Director/ Whole Time Directors shall be recommended by NRC and approved by the Board within the overall limit approved by the members of the Company.

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.

(d) Remuneration to Directors and other Disclosures

The remuneration of each of the Directors for the financial year ended 31st March, 2018 is as under:

Name of the Director	Tenure	Remuneration for the financial year ended 31st March, 2018 (Amount in Lakhs)					
		Basic Salary	Perquisites & Allowances	Provident Fund	Sitting Fees	Commission*	Total
Mr. Anil Kumar Jain	3 years (upto 30th September, 2019)	228.00	247.20	27.36	-	-	502.56
Mr. Mohit Jain	5 years (present tenure upto 8th May, 2021)	165.00	168.00	19.80	-	-	352.80
Mr. Kailash R. Lalpuria	Resigned w.e.f. 13th November, 2017 (Tenure was upto 30th September, 2019)	31.17	37.50	-	-	-	68.67
Mr. Kamal Mitra	3 years (upto 30th September, 2019)	22.58	2.82	2.72	-	-	28.12

Name of the Director	Tenure	Remuneration for the financial year ended 31st March, 2018 (Amount in Lakhs)					
		Basic Salary	Perquisites & Allowances	Provident Fund	Sitting Fees	Commission*	Total
Mr. P. N. Shah	Upto 15th August, 2019	-	-	-	2.50	1.00	3.50
Mr. R. Anand		-	-	-	2.50	1.00	3.50
Mr. Dilip J. Thakkar		-	-	-	2.30	1.00	3.30
Mr. Prem Malik		-	-	-	2.80	1.00	3.80
Dr. (Mrs.) Vaijayanti Pandit		-	-	-	2.80	1.00	3.80
Mr. Sushil Kumar Jiwarajka	Resigned w.e.f. 13th November, 2017 (Tenure was upto 15th August, 2019)	-	-	-	1.10	0.50	1.60

** Commission is for FY 2017-18*

Notes:

1. None of the Non-Executive Independent Directors are holding equity shares or convertible instruments of the Company as on 31st March, 2018 except Mr. Prem Malik who is holding 1,500 Equity Shares of ₹2/- each of the Company.
2. There is no separate provision for payment of severance fees. The notice period for the Executive Directors is governed by the service rules of the Company.
3. The Independent Directors are paid sitting fees of ₹50,000/- each for attending Board Meetings and ₹10,000/- for all Committee Meetings and Independent Directors Meetings. Apart from sitting fees, commission of ₹1,00,000/- is paid for each year.
4. Apart from commission, there are no variable components and performance linked incentives.
5. None of the Non-Executive Directors have any pecuniary relationship or transaction with the Company.
6. The remuneration of Mr. Kailash R. Lalpuria and Mr. Sushil Kumar Jiwarajka is for the period from 1st April, 2017 to 13th November, 2017.
7. The Company has taken Director's & Officers Liability Insurance which covers all directors and officers.

Criteria of making payment to Non-Executive Directors

The criteria for making payment to Non-Executive Directors of the Company is disclosed under web-link http://www.indocount.com/images/investor/ICIL_Criteria-for-making-payments-to-Non-Executive-Directors.pdf

Stock options

The Company does not have any Employee Stock Option Scheme.

6. Corporate Social Responsibility (CSR) Committee

Pursuant to the provisions of Section 135 of the Companies Act, 2013, Company has constituted Corporate Social Responsibility Committee ("CSR"). During the year under review, Mr. Mohit Jain and Mr. Kamal Mitra were appointed as the members of CSR Committee and Mr. Kailash R Lalpuria ceased to be member of the Committee w.e.f. 13th November, 2017. As on 31st March, 2018, CSR Committee comprises of Dr. (Mrs.) Vaijayanti Pandit, Non-Executive Independent Director as Chairperson, Mr. Anil Kumar Jain, Executive Chairman, Mr. Mohit Jain, Managing Director and Mr. Kamal Mitra, Director (Works) as its members.

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

- formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

- recommend the amount of expenditure to be incurred on the CSR activities, provide guidance on various CSR activities to be undertaken by the Company.
- monitor the CSR Policy of the Company and review of CSR expenditure from time to time.

During the year under review, 2 (Two) meetings of Corporate Social Responsibility (CSR) Committee were held on 12th May, 2017 and 4th August, 2017. Both meetings were attended by all members of the committee.

A Report on CSR Activities carried out by the Company during FY 2017-18 is provided as Annexure 2 to the Board's Report.

7. (a) Share Transfer Committee

During the year under review, Mr. Kailash R. Lalpuria ceased to be member of the committee consequent to his resignation from the Board on 13th November, 2017 and Mr. Kamal Mitra was appointed as the member w.e.f. 13th November, 2017. As on 31st March, 2018, the Share Transfer Committee comprises of Mr. Anil Kumar Jain, as Chairman, Mr. Mohit Jain and Mr. Kamal Mitra as members of the Committee.

The Committee deals with various matters relating to share transfers, transmission, issue of duplicate share certificates, change / transposition/ deletion of name, split and consolidation of shares, re-materialisation of shares. The Share Transfer Committee meetings are held generally on a weekly basis to approve the said matters. During the year under review, 49 share transfer committee meetings were held on 3rd April, 2017, 14th April, 2017, 24th April, 2017, 2nd May, 2017, 8th May, 2017, 15th May, 2017, 22nd May, 2017, 29th May, 2017, 5th June,2017, 12th June, 2017, 19th June, 2017, 26th June, 2017, 3rd July, 2017, 10th July, 2017, 17th July, 2017, 24th July, 2017, 4th August, 2017, 8th August, 2017, 11th August, 2017, 14th August, 2017,23rd August, 2017, 28th August, 2017, 4th September, 2017, 8th September, 2017, 21st September, 2017, 22nd September, 2017, 29th September, 2017, 9th October, 2017, 16th October, 2017,6th November, 2017, 13th November, 2017, 20th November, 2017, 27th November, 2017, 7th December, 2017, 11th December, 2017, 18th December, 2017, 26th December, 2017, 1st January, 2018, 8th January, 2018, 15th January, 2018, 22nd January, 2018, 29th January, 2018, 5th February, 2018, 19th February, 2018, 23rd February, 2018, 28th February, 2018, 5th March, 2018, 16th March, 2018 and 27th March, 2018

Composition and Physical attendance of members at the Share Transfer Committee Meetings held during the year under review is as under:

Name of the Director	Category	No. of Share Transfer Committee Meetings Attended
Mr. Anil Kumar Jain Chairman	Executive	47/49
Mr. Mohit Jain	Executive	40/49
Mr. Kailash R. Lalpuria (upto 13th November, 2017)	Executive	27/30
Mr. Kamal Mitra (w.e.f 13th November,2017)	Executive	2/19

7.(b) Finance and Corporate Affairs Committee

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

During the year under review, 7 (Seven) meetings of Finance and Corporate Affairs Committee were held on 13th April, 2017, 20th June, 2017, 24th July, 2017, 15th September, 2017, 6th November, 2017, 26th December, 2017 and 16th March, 2018

As on 31st March, 2018, the Committee consists of 3 members.

The Composition and physical Attendance of members at the Finance & Corporate Affairs Committee Meetings held during the year under review is as under:

Name of the Director	Category	Attendance at the Committee Meetings
Mr. Anil Kumar Jain	Chairman	7/7
Mr. Mohit Jain	Member	5/7
Mr. Kailash Lalpuria (upto 13th November, 2017)	Member	3/5
Mr. Sushil Kumar Jiwarajka (upto 13th November, 2017)	Member	4/5
Mr. Dilip J Thakkar	Member	7/7

8. General Body Meetings

(a) Annual General Meetings:

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

Financial Year	Day, Date & Time	Venue
2014-15	Saturday, 22nd August, 2015 at 12.30 p.m.	Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanagale, District Kolhapur 416 109, Maharashtra
2015-16	Tuesday, 26th July, 2016 at 12.30 p.m.	Hotel Pavillion, Conference Room, 1st Floor, 392, E Ward, Assembly Road, Near Basant Bahar Theater, Shahpuri, Kolhapur – 416 001, Maharashtra.
2016-17	Monday 21st August, 2017 at 12.30 p.m.	Hotel Vrishali Executive, 39 A/2 Tarabai Park, District – Kolhapur- 416003, Maharashtra

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

1. At the AGM held on 22nd August, 2015- NIL
2. At the AGM held on 26th July, 2016- 6 special resolutions were passed as under:
   (i) Appointment of Mr. Mohit Jain as the Managing Director of the Company for a period of 5 years w.e.f. 9th May, 2016.
   (ii) Re-appointment of Mr. Anil Kumar Jain, Executive Chairman of the Company for a period of 3 years w.e.f. 1st October, 2016.
   (iii) Re-appointment of Mr. Kailash R. Lalpuria, Executive Director for a period of 3 years w.e.f. 1st October, 2016.
   (iv) Re-appointment of Mr. Kamal Mitra, Director (Works) for a period of 3 years w.e.f. 1st October, 2016.
   (v) Increase in borrowing powers of the Board upto ₹1,600 crores pursuant to Section 180(1)(c) of the Companies Act, 2013.
   (vi) Increase in power of the Board to create charge upto ₹1,600 crores pursuant to Section 180(1)(a) of the Companies Act, 2013.
3. At the AGM held on 21st August, 2017- 1 resolution was passed as under:
   (i) To determine charges for service of documents in a particular mode to the members on their request.

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

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

9. Means of Communication

Website: The Company's website www.indocount.com contains inter alia updated information pertaining to quarterly, half-yearly and annual financial results, annual reports, press releases, investor presentations, details of investor calls and meets, shareholding pattern, important announcements. The said information is available in a user friendly and downloadable form.

Financial Results: The quarterly, half yearly and annual financial results of the Company are submitted to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") after approval of the Board of Directors of the Company. The results of the Company are published in one English daily newspaper (Business Standard) and one Marathi newspaper (Tarun Bharat) within 48 hours of approval thereof.

Annual Report: Annual Report is circulated to all the members within the required time frame, physically through post and via e- mail, wherever the e-mail ID is available in accordance with the "Green Initiative Circular" issued by MCA. The shareholders have been provided e-voting option for the resolutions passed at the general meeting to vote as per their convenience.

Designated Exclusive Email ID: The Company has designated Email Id icilinvestors@indocount.com exclusively for redressal of shareholder queries / investor servicing.

SCORES (SEBI Complaints Redressal System): SEBI has commenced processing of investor complaints in a centralized web based complaints redress system i.e. SCORES. The Company supported SCORES by using it as a platform for communication between SEBI and the Company.

Uploading on NEAPS & BSE Listing Centre: The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchanges are filed electronically on NEAPS for NSE and on BSE Listing Centre for BSE.

Earning Calls and Investor Presentations: The Company conducts Earnings call every quarter to discuss the financial performance of the Company. During the year under review, Four (4) Earning calls were held and concall transcripts are uploaded on the website of the Company.

Futher, the Company also uploads quarterly Investor Presentations on the website of the Company and stock exchanges.

10. Disclosures

a) Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013, and the Listing Regulations during the financial year 2017-18 were in the ordinary course of business and arms length basis and omnibus approval of the Audit Committee was also obtained. During the financial year under review, there were no materially significant transactions with related parties having potential conflict with the interest of the Company at large. Material related party transactions were entered into by the Company only with its wholly owned subsidiary. Necessary disclosures regarding Related Party Transactions are given in the notes to the Financial Statements.

The Board has approved a policy for Related Party Transactions and the same has been uploaded on the website of the Company. The web-link thereto is https://www.indocount.com/images/investor/ICIL-Policy-on-Related-Party-Transactions.pdf

b) Statutory Compliance, Penalties and Strictures

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

c) Vigil Mechanism / Whistle Blower Policy

In line with the Companies Act, 2013, and the Listing Regulations, the Company has formulated Vigil Mechanism/Whistle Blower to report 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. The Vigil Mechanism/ Whistle Blower Policy has been placed on the website of the Company and web-link thereto is http://www.indocount.com/images/investor/Indo-Count-Whistle-Blower-Policy-Vigil-Mechanism.pdf

The said policy provides for adequate safeguard against victimization of directors/employees who avail of such mechanism and provides access to the Chairman of the Audit Committee, in exceptional cases. It is affirmed that no person has been denied access to the Audit Committee and no complaint has been received during the year under review.

d) Subsidiaries

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

e) Code of Conduct

Integrity, transparency and trust form part of the core beliefs of all activities at Indo Count. The Company has adopted a Code of Conduct applicable to all its Directors and members of the Senior Management which is in consonance with the requirements of the Listing Regulations. The said code is available on the website of the Company and can be accessed through web-link http://www.indocount.com/images/investor/Indo-Count-Code-of-Conduct.pdf

All the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct of the Company for the year ended 31st March, 2018. A declaration to this effect signed by Mr. Mohit Jain, Managing Director forms part of this Report as Annexure I.

f) Disclosure and Compliance of Indian Accounting Standards (Ind-AS)

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

There is no deviation in following the treatments prescribed in IndAS in preparation of financial statements for the year 2017-18.

g) Risk Management

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

h) Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, 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.

At a separate meeting of Independent Directors held on 26th April, 2017, performance of the Executive Chairman was assessed inter-alia on the basis of parameters such as Leadership qualities, Ability of Steering meetings, contribution towards Company's performance and personal attributes. Further, at the said meeting, performance evaluation of the other Whole-Time Directors including the Managing Director was also carried out inter-alia with the parameters such as level of Participation at Board/Committee Meetings, Knowledge and Skills, Contribution towards growth/ performance of the Company, maintaining relationship, personal attributes etc.

The Board evaluated its own performance and of Committees of the Board on the parameters like Board Composition, adherence to Mission, Policy and Planning, Board Discussions and Process, Discharging functions, Establishment and delineation of responsibilities to committees, Stakeholder Value and Responsibility, avoidance of Conflict of Interest, Facilitation of Independent Directors, Corporate culture and Values and Quality and Timeliness of flow of information. The Board also carried out performance evaluation of Independent Directors.

The performance evaluation was carried out through structured questionnaire containing various parameters of the performance evaluation based on SEBI Guidance Note dated 5th January, 2017 along with rating scale circulated to all the Directors. The Directors were required to evaluate the performance by providing rating against each parameter. The questionnaire was filled by all directors and rating was given. Thereafter, a consolidated summary of ratings was prepared. circulated to all Directors. The Board unanimously expressed their satisfaction with the evaluation process.

i) CEO / Managing Director & CFO Certification

Pursuant to Regulation 17(8) of the Listing Regulations, Mr. Mohit Jain, Managing Director and Mr. Dilip Kumar Ghorawat, Chief Financial Officer have furnished certificate to the Board for the year ended 31st March, 2018 in the prescribed format. The certificate has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on 4th May, 2018.

j) Reconciliation of Share Capital Audit Report

In terms of the provisions of Clause 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary with a view to reconcile the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and those held in physical form with the total issued, paid up and listed capital of the Company. The audit report, inter alia, confirms that the Register of Members is duly updated and that demat/remat requests were confirmed within stipulated time etc. The said report is also submitted to BSE Limited and National Stock Exchange of India Limited.

k) Code for Prevention of Insider Trading

The Company has adopted a code of conduct to regulate, monitor and report trading by insiders for prevention of Insider Trading in the shares of the Company. The code, inter-alia, prohibits purchase / sale of shares of the Company by Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company.

l) Compliance with Mandatory and Non-Mandatory Requirements

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

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

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

Modified Opinion in Audit Report: There was no qualification or modified opinion in Independent Auditors Report on Financial Statements for the year ended 31st March, 2018 nor in past 2 years.

Separate posts of Chairperson and Chief Executive Officer: As on 31st March, 2018, Mr. Anil Kumar Jain is the Executive Chairman of the Company and Mr. Mohit Jain is the Managing Director of the Company. Thus, there are separate posts for Chairman and Managing Director.

Reporting of Internal Auditors: The Internal Auditor of the Company is permanent invitee to the Audit Committee Meeting. He also attends each Audit Committee Meeting and presents his Internal audit

observations to the Audit Committee. He directly interacts with Audit Committee Members during the meeting.

m) Compliance with the requirements of Corporate Governance

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

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

11. Certificate on compliance with conditions of Corporate Governance

The certificate regarding compliance of the conditions of corporate governance for the year ended 31st March, 2018 given by M/s Suresh Kumar Mittal & Co, Statutory Auditors is given as Annexure II to this Report.

12. General Shareholders' information

Annual General Meeting

Day & Date : Tuesday, 11th September, 2018

Time : 12.30 p.m.

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

Financial Year : 1st April to 31st March

Tentative Financial Calendar (for Financial Year 2018-19) for approval of:

Financial Results for Quarter ended 30th June 2018 (Unaudited)	On or before 14-08-2018
Financial Results for Quarter ended 30th September, 2018(Unaudited)	On or before 14-11-2018
Financial Results for Quarter ended 31st December, 2018 (Unaudited)	On or before 14-02-2019
Financial Results for Quarter and year ended 31st March 2019 (Audited)	On or before 30-05-2019

Record Date

The Record Date for the purpose of payment of Final Dividend is 1st September, 2018.

Dividend Payment Date

During the year under review, final dividend for FY 2016-17 and interim dividend for FY 2017-18 were paid on 28th August, 2017 and 28th February, 2018 respectively.

The Final Dividend for FY 2017-18, if declared at the ensuing Annual General Meeting, will be paid within thirty days from the date of Annual General Meeting.

The Company was not required to transfer any amount to Investor Education and Protection Fund (IEPF) during the year under review.

Listing on Stock Exchanges

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

Listing Fees

The Company has paid Listing Fees for 2017-18 and 2018-19 to BSE and NSE

Annual Custody Fees

The Company has paid the annual Custody Fees to Central Depository Services (India) Limited and National Securities Depository Limited for the year 2017-18.

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

Corporate Identity Number (CIN): L72200PN1988PLC068972

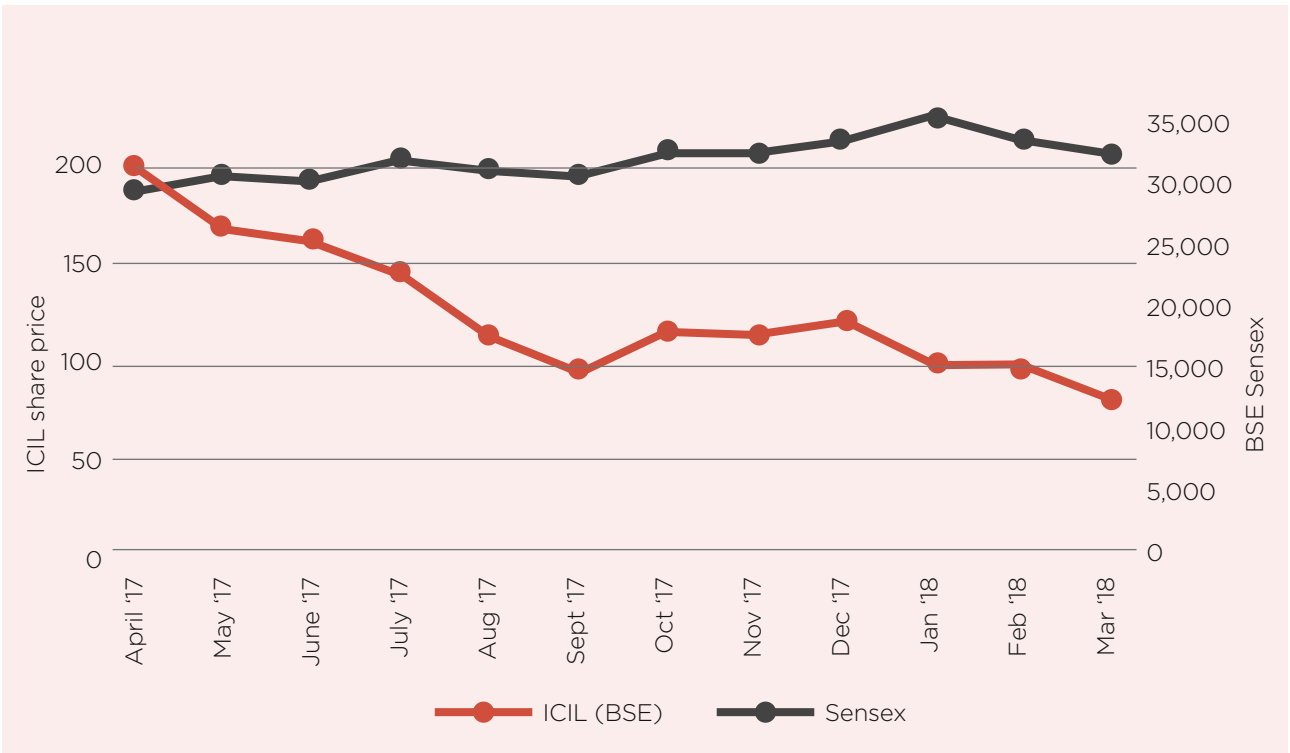
Market Price Data

The monthly high and low quotations of the closing price and volume of shares traded at BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE) from April, 2017 to March, 2018 are as under:

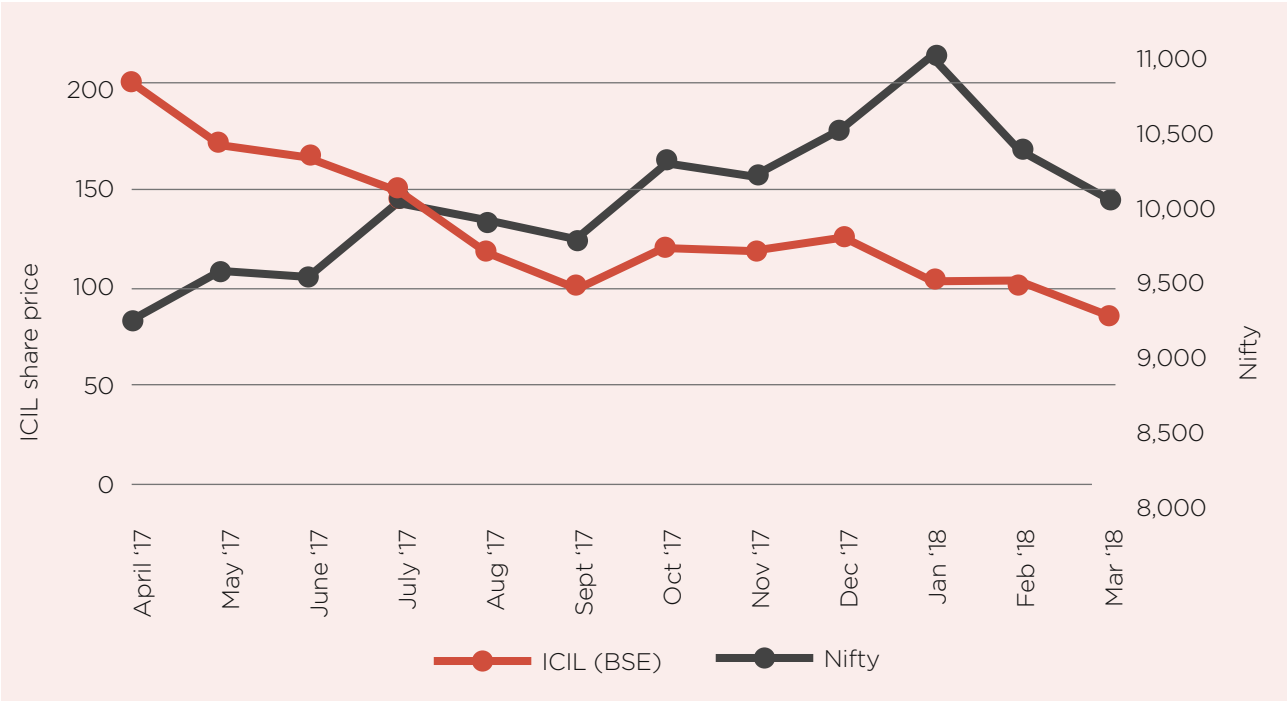
Month	BSE			NSE		
	High (in ₹)	Low (in ₹)	Volume (Nos.)	High (in ₹)	Low (in ₹)	Volume (Nos.)
April-17	209.00	187.20	55,30,293	209.00	187.00	2,37,83,696
May-17	209.90	163.00	74,47,091	210.05	162.15	3,21,33,223
June-17	187.45	162.00	23,03,507	187.40	161.40	1,40,53,765
July-17	171.80	145.00	20,06,259	170.50	144.70	1,30,03,133
August-17	149.00	96.35	79,02,491	150.00	96.10	6,23,72,791
September-17	127.65	95.00	84,59,190	127.80	93.70	5,05,79,180
October-17	124.30	97.80	39,00,443	124.30	97.50	3,39,46,231
November-17	131.00	105.40	70,60,993	131.00	106.00	5,65,61,888
December-17	127.90	106.45	29,03,530	128.50	106.40	3,21,95,216
January-18	138.70	102.20	64,44,999	138.85	102.00	5,79,55,964
February-18	108.75	91.55	20,66,479	108.75	91.50	1,35,95,032
March-18	101.85	82.10	20,66,438	101.70	82.00	1,10,71,567

Source: BSE & NSE website

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



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



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

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

Distribution of Shareholding as on 31st March, 2018

No. of equity shares of face value of ₹2/- each	No. of Shareholders	% of Shareholders	No. of shares held	% of shareholding
Upto 500	50119	77.38	7923880	4.01
501 – 1000	8829	13.63	6591993	3.34
1001 – 2000	2696	4.16	4071699	2.06
2001 – 3000	1062	1.64	2719064	1.38
3001 – 4000	404	0.62	1448179	0.73
4001 – 5000	433	0.67	2066437	1.05
5001 – 10000	559	0.86	4228262	2.14
Above 10001	672	1.04	168350156	85.29
Total	**64774**	**100.00**	**197399670**	**100.00**

Shareholding Pattern as on 31st March, 2018

Category of Shareholder	As on March 31, 2018	
	No. of Equity shares (Face value of ₹2/- each)	As a percentage of total paid-up Share Capital
A. Promoter and Promoter Group	116346750	58.94
B. Public Shareholding		
Institutions		
Mutual Funds / UTI	3616216	1.83
Financial Institutions / Banks	303543	0.15
Foreign Portfolio Investor (Corporate)	15148927	7.67
Non-Institutions		
Individuals	41101153	20.82
Foreign Nationals	500	0.00
Trusts	2200	0.00
Hindu Undivided Family	1457430	0.74
Non Resident Indians (NRI)	3268579	1.66
Clearing Member	1101560	0.56
Bodies Corporate	15052812	7.63
Sub-Total (B)	81052920	41.06
Total (A+B)	197399670	100.00

Dematerialisation of shares and liquidity

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

As on 31st March 2018, 191,794,750 Equity Shares of the Company constituting 97.16 % of the paid-up share capital of the Company are held in dematerialized form and 2.84 % is held in Physical form. The Company's shares were regularly traded on the National Stock Exchange of India Limited and BSE Limited.

Shares held in demat and physical mode as on 31st March, 2018 is as under:

Category	Number of		% to total equity
	Shareholders	Shares of FV ₹2/-	
Demat Mode			
NSDL	30079	141985971	71.93
CDSL	24606	49808779	25.23
Total Demat	54685	191794750	97.16
Physical Mode	10089	5604920	2.84
Grand Total	**64774**	**197399670**	**100.00**

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

As on 31st March, 2018, there are no outstanding GDR / ADR / warrants or any convertible instruments.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activity

The details are provided in Management Discussion and Analysis Report.

Service of documents through electronic mode

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

Plant Locations

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

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

Address for correspondence

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

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

On behalf of the Board of Directors

ANIL KUMAR JAIN
Executive Chairman
DIN: 00086106

Date: 4th May, 2018
Place: Mumbai

ANNEXURE I

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

Pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Board Members and Senior Management Personnel of Indo Count Industries Limited have affirmed compliance with the Code of Conduct for the year ended 31st March, 2018.

For INDO COUNT INDUSTRIES LIMITED

MOHIT JAIN
Managing Director
DIN: 01473966

Date: 4th May, 2018
Place: Mumbai

ANNEXURE II

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To
The Members,
Indo Count Industries Limited

We have examined the compliance of conditions of Corporate Governance by Indo Count Industries Limited ("the Company"), for the financial year ended on 31st March, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

Managements' Responsibility

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

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance for the year ended 31st March, 2018 as stipulated in the above mentioned Listing Regulations, as applicable.

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

Ankur Bagla
Partner
Membership Number : 521915

Date: 4th May, 2018
Place: Mumbai

Financial Statements

Independent Auditors' Report

To
The Members of
Indo Count Industries Limited

1. Report on the Standalone Financial Statements

We have audited the accompanying financial statements of Indo Count Industries Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

2. 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's responsibility

Our responsibility is to express an opinion on these standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act and the rules made thereunder including 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 of the standalone Ind AS Financial Statements 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS Financial Statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, 2018, and its Profit (including other comprehensive income), its cash flows and the changes in equity for the period ended on that date.

5. Report on Other Legal and Regulatory requirements

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

II) 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 (including other comprehensive income), the Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone Ind AS 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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 standalone Ind AS Financial Statements-Refer Note Nos. 28 and 37 to the financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, in respect of long-term contracts including derivative contracts.

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

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

Ankur Bagla
Partner
Membership Number: 521915

Mumbai, May 4th, 2018

Annexure "A" to the Independent Auditors' Report

Referred to in paragraph 5 (I) under the heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date to the members of Indo Count Industries Limited on the Standalone Ind AS Financial Statements for the year ended 31st March, 2018.

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

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

c) The title deeds of all immovable properties are in the name of the company.

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

iii. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act and hence reporting under clause (iii) of the Order is not applicable to the Company.

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

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

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

vii. According to the records of the company, examined by us and information and explanations given to us:

a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and others as applicable. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March, 2018 for a period of more than six months from the date they became payable.

There are no disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax outstanding as at 31st March, 2018 except:

Sl. No.	Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
1.	Central Excise Act	Cenvat Credit availed on excise duty paid	40.30	2012-2013	Commission of Central Excise (A), Pune
2.	Central Excise Act	Cenvat Credit availed on excise duty paid	34.24	2011-2012	CESTAT (Tribunal)

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

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

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

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

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

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

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

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

xv. In our opinion and according to the information and explanation given to us, during the year, the company has not entered into any non-cash transactions with directors or persons connected with him.

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

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

Ankur Bagla
Partner
Mumbai, May 4th, 2018 Membership Number: 521915

Annexure "B" to the Independent Auditors' Report

Referred to in paragraph 5(ii)(f) to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of Indo Count Industries Limited for the year ended 31st March, 2018.

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

We have audited the internal financial controls over financial reporting of Indo Count Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI".

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

Ankur Bagla
Partner
Mumbai, May 4th, 2018 Membership Number: 521915

Standalone Balance Sheet as at 31st March, 2018

(₹ in lakhs)

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
ASSETS			
(1) Non-Current Assets			
a) Property, Plant and Equipment	**5**	50,865.34	49,720.98
b) Capital Work-In-Progress	**5**	2,354.78	1,207.53
c) Other Intangible Assets	**6**	275.75	196.57
d) Financial Assets			
i) Investments	**7**	1,980.27	1,960.95
ii) Loans	**8**	115.49	190.87
iii) Others	**9**	0.01	0.01
e) Other Non-Current Assets	**10**	314.49	121.27
(2) Current Assets			
a) Inventories	**11**	52,441.78	35,778.73
b) Financial Assets			
i) Trade Receivables	**12**	32,498.29	36,655.04
ii) Cash and Cash Eequivalents	**13**	1,114.04	755.73
iii) Bank Balances other than (ii) above	**14**	248.55	281.03
iv) Loans	**15**	16.26	22.22
v) Others	**16**	5,948.98	6,180.34
c) Current Tax Assets (Net)	**17**	501.76	1,748.06
d) Other Current Assets	**18**	15,762.49	9,168.32
TOTAL ASSETS		**1,64,438.28**	**1,43,987.65**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	**19**	3,947.99	3,947.99
b) Other Equity		89,939.32	78,706.66
LIABILITIES			
(1) Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	**20**	4,884.05	2,138.64
b) Provisions	**21**	327.24	181.41
c) Deferred Tax Liabilities (Net)	**22**	11,964.06	11,494.74
(2) Current Liabilities			
a) Financial Liabilities			
i) Borrowings	**23**	30,889.69	23,822.83
ii) Trade Payables	**24**	18,131.07	12,737.84
iii) Other Financial Liabilities	**25**	2,293.32	7,734.98
b) Other Current Liabilities	**26**	2,061.54	3,071.13
c) Provisions	**27**	–	151.43
TOTAL EQUITY AND LIABILITIES		**1,64,438.28**	**1,43,987.65**
CONTINGENT LIABILITIES AND COMMITMENTS	**28, 37**		
SIGNIFICANT ACCOUNTING POLICIES	**3**		

The accompanying notes form an integral part of Financial Statements

As per our report of even date attached

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

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 4th, 2018

For and on behalf of Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Mohit Jain
Managing Director
DIN: 01473966

Dilip Ghorawat
Chief Financial Officer

Amruta Avasare
Company Secretary

Standalone Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
CONTINUING OPERATIONS			
I INCOME			
Revenue from Operations	**29**	1,70,918.64	1,98,960.29
Other Income	**30**	9,911.67	9,514.15
TOTAL INCOME		**1,80,830.31**	**2,08,474.44**
II EXPENSES			
Cost of Materials Consumed	**31**	1,05,086.46	1,08,990.59
Purchase of Stock-In-Trade		1,192.27	–
Changes in Inventories of Finished Goods, Work In Progress and Stock-In-Trade	**32**	(11,094.58)	(3,337.64)
Employee Benefits Expense	**33**	10,995.60	11,314.86
Finance Cost	**34**	3,273.58	3,943.07
Depreciation and Amortisation Expense	**35**	3,046.42	3,118.05
Other Expenses	**36**	48,117.09	49,635.08
TOTAL EXPENSES		**1,60,616.84**	**1,73,664.01**
III Profit before Exceptional Items and Tax (I-II)		**20,213.47**	**34,810.43**
IV Exceptional Items		–	–
V Profit before Tax (III-IV)		**20,213.47**	**34,810.43**
VI Tax Expense			
a) Current Tax		6,636.28	9,231.18
b) Previous Year Tax		13.95	85.38
c) Deferred Tax		455.67	3,048.75
d) Mat Credit Entitlement for Earlier Year		–	(357.64)
VII Profit for the Year (V-VI)		**13,107.57**	**22,802.76**
VIII Other Comprehensive Income			
A items that will not be reclassified to Profit or Loss			
(i) Remeasurement of the Net Defined Benefit Liability / Asset		39.42	(168.96)
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		(13.65)	58.47
IX Total Comprehensive Income for the Year (VII+VIII)		**13,133.34**	**22,692.27**
X Earnings Per Equity Share	**41**		
a) Basic (₹)		**6.64**	**11.55**
b) Diluted (₹)		**6.64**	**11.55**
SIGNIFICANT ACCOUNTING POLICIES	**3**		

The accompanying notes form an integral part of Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors

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

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 4th, 2018

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Dilip Ghorawat
Chief Financial Officer

Mohit Jain
Managing Director
DIN: 01473966

Amruta Avasare
Company Secretary

Standalone Statement of Changes in Equity for the year ended 31st March, 2018

A. EQUITY SHARE CAPITAL

Particulars	Note No.	(₹ in lakhs)
As at 1st April, 2016		**3,947.99**
Changes in Equity Share Capital	19(a)	–
As at 31st March, 2017		**3,947.99**
Changes in Equity Share Capital	19(a)	–
As at 31st March, 2018		**3,947.99**

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves & Surplus				Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Retained Earnings	
Balance as at 01.04.2016	**198.81**	**250.00**	**1,653.72**	**55,337.38**	**57,439.91**
Total Comprehensive Income for the year	–	–	–	22,692.27	22,692.27
Final Dividend on Equity Shares	–	–	–	(394.80)	(394.80)
Dividend Distribution Tax on Final Dividend	–	–	–	(80.37)	(80.37)
Interim Dividend on Equity Shares	–	–	–	(789.60)	(789.60)
Dividend Distribution Tax on Interim Dividend	–	–	–	(160.75)	(160.75)
Balance as at 31.03.2017	**198.81**	**250.00**	**1,653.72**	**76,604.13**	**78,706.66**
Total Comprehensive Income for the Year	–	–	–	13,133.35	13,133.35
Final Dividend on Equity Shares	–	–	–	(789.60)	(789.60)
Dividend Distribution Tax on Interim and Final Dividend	–	–	–	(321.49)	(321.49)
Interim Dividend on Equity Shares	–	–	–	(789.60)	(789.60)
Balance as at 31.03.2018	**198.81**	**250.00**	**1,653.72**	**87,836.80**	**89,939.32**

The accompanying notes form an integral part of Financial Statements

As per our report of even date attached

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

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 4th, 2018

For and on behalf of Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Mohit Jain
Managing Director
DIN: 01473966

Dilip Ghorawat
Chief Financial Officer

Amruta Avasare
Company Secretary

Standalone Cash Flow Statement for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	For the year ended 31.03.2018		For the year ended 31.03.2017	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Exceptional Items and Tax		20,213.47		34,810.43
Adjustments for:-				
Depreciation and Amortisation		3,046.42		3,118.05
Profit on Sale of Assets		–		(0.55)
Finance Cost		3,273.58		3,943.07
Interest Income		(337.77)		(679.09)
Other Comprehensive Income		39.44		(168.96)
Loss on Sale of Assets		34.99		108.66
Operating Profit before Working Capital Changes		**26,270.13**		**41,131.61**
Changes in Working Capital:				
Adjustment for (increase)/decrease in Operating Assets				
Non Current Financial Assets	75.38		5.32	
Other Non Current Assets	(193.22)		805.77	
Inventories	(16,663.05)		(6,990.81)	
Trade Receivables	4,156.75		(3,995.96)	
Current Financial Assets	269.78		(4,170.30)	
Other Current Assets	(6,594.17)	(18,948.53)	1,419.83	(12,926.15)
Adjustment for increase /(decrease) in Operating Liabilities				
Non Current Provisions	145.83		104.67	
Trade Payables	5,393.22		677.33	
Other Current Financial Liabilities	(5,441.67)		(1,853.57)	
Other Current Liabilities	(1,009.60)		(916.62)	
Current Provisions	(151.43)	(1,063.65)	151.43	(1,836.76)
Net Taxes (paid)/refund received		(5,403.91)		(8,170.56)
Net Cash Flow from Operating Activities (A)		**854.04**		**18,198.14**
B) CASH FLOW FROM INVESTING ACTIVITIES				
Capital Expenditure		(5,511.55)		(7,928.65)
Proceeds from Sale of Assets		59.35		179.37
Proceeds from Sale of Non-Current Investments		–		0.03
Purchase of Non-Current Investments		(19.31)		(80.64)
Interest Income		337.77		679.09
Net Cash Flow from Investing Activities (B)		**(5,133.74)**		**(7,150.80)**

Standalone Cash Flow Statement for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
C) CASH FLOW FROM FINANCING ACTIVITIES		
Net increase/(decrease) in Non-Current Borrowings	2,745.42	(3,608.41)
Net increase/(decrease) in Current Borrowings	7,066.87	(2,858.13)
Finance Cost	(3,273.58)	(3,943.07)
Final Dividend on Equity Shares (Including DDT)	(950.35)	(475.17)
Interim Dividend on Equity Shares (Including DDT)	(950.35)	(950.35)
Net Cash Flow from Financing Activities (C)	**4,638.01**	**(11,835.13)**
Net Increase /(decrease) in Cash and Cash Equivalents (A+B+C)	**358.31**	**(787.79)**
Cash and Cash Equivalents at the beginning of the year	**755.73**	**1,543.52**
Cash and Cash Equivalents at the end of the year	**1,114.04**	**755.73**
Reconciliation of Cash and Cash Equivalents with the Balance Sheet :		
Cash and Cash Equivalents as per Balance Sheet	**1,114.04**	**755.73**
Cash and Cash Equivalents at the end of the year Comprises of:		
(a) Cash in Hand	**12.37**	**7.99**
(b) Balance with Banks		
In Current Accounts	**1,101.67**	**747.74**

As per our report of even date attached

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

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 4th, 2018

For and on behalf of Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Mohit Jain
Managing Director
DIN: 01473966

Dilip Ghorawat
Chief Financial Officer

Amruta Avasare
Company Secretary

Notes Accompanying to the Financial Statements

1. CORPORATE INFORMATION

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

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

The Financial statements of the Company for the year ended 31st March, 2018 were authorized for issue in accordance with a resolution of the Board of Directors on 4th May, 2018.

2. BASIS OF PREPARATION

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after 1st April, 2016. Accordingly, the financial statements of the Company have been prepared in accordance with the Ind AS.

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment:

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

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

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

Notes Accompanying to the Financial Statements

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

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

Leased assets

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

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

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

3.2 Investment properties

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

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

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

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

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

Notes Accompanying to the Financial Statements

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

3.3 Intangible Assets

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

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

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

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

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

Research and Development Cost:

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

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

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

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

Notes Accompanying to the Financial Statements

Patents and Trade Marks:

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

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

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

3.4 Borrowing costs

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

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

3.5 Impairment of non-financial assets:

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

Recoverable amount is determined:

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

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

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

Notes Accompanying to the Financial Statements

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

3.6 Inventories

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

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

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

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

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

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

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

3.7 Cash and cash equivalents

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

3.8 Foreign currency transactions

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

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they are arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on transaction of non-monetary items is recognized in line with the gain or losses of the item that gave arise to the translation difference (i.e. translation differences on items whose

Notes Accompanying to the Financial Statements

gain or loss is recognized in other comprehensive income or the statement of profit and loss is also recognized in other comprehensive income or the statement of profit and loss respectively).

3.9 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

3.10 Fair value measurement

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

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

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

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

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

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

Notes Accompanying to the Financial Statements

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

3.11 Revenue Recognition

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

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

Sale of goods:

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

Rendering of Services:

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

Interest Income:

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

Dividends:

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

Notes Accompanying to the Financial Statements

Lease Income:

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

3.12 Government Grants

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

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

3.13 Earnings per share

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

3.14 Taxes

Current Income Tax:

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

Deferred Tax:

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

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

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

Notes Accompanying to the Financial Statements

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

Deferred Tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

3.15 Segment accounting

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

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

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

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

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

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

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

Inter-Segment transfer pricing

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

3.16 Leases

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

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

Notes Accompanying to the Financial Statements

interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

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

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

3.17 Employee benefits

i) Short-term employee benefits

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

ii) Post-employment benefits

a) Defined contribution plans

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

b) Defined Benefit Plans

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

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gain and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

Net Interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income.

Notes Accompanying to the Financial Statements

Long-term employee benefit

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits

Termination benefits are recognized as an expenses in the period in which they are incurred.

3.18 Provision, Contingent liabilities, Contingent assets and Commitments

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example,under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provision, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Warranty Provisions

Provision for warranty-related costs are recognized when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Liquidated damages

Provision for liquidated damages are recognized on contracts for which delivery dates are exceeded and computed in reasonable manner.

Other Litigation claims

Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in appeal.

Notes Accompanying to the Financial Statements

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

3.19 Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

3.20 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Assets and liabilities classified as held for distribution are presented separately from other assets and liabilities in the balance sheet.

A disposal group qualifies as discontinued operation if it is a component of the Company that either has been disposed of, or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations,
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations,

Or

- is a subsidiary acquired exclusively with a view to resale.

An entity shall not depreciate (or amortise) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale.

3.21 Financial Instruments

i) Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Notes Accompanying to the Financial Statements

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two broad categories:

- Financial asset at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The Financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different basis.

All other financial asset is measured at fair value through profit or loss.

All Equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or

Notes Accompanying to the Financial Statements

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;

a) The Company has transferred substantially all the risks and rewards of the asset, or

b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Investment in associates, joint venture and subsidiaries

The Company has accounted for its investment in associates, joint venture, and subsidiaries at cost.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12- months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial

Notes Accompanying to the Financial Statements

recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognize impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increase in credit risk to be identified on a timely basis.

ii) Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowing are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Notes Accompanying to the Financial Statements

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms of an existing liability are substantially modified, such as exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

iv) Derivative financial instruments and hedge accounting

The company enters into derivative contracts to hedge foreign currency /price risk on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, expect for the effective portion of cash flow hedges, which is recognized in other comprehensive income and presented as a separate component of equity which is later reclassified to statement of profit and loss when the hedge item affects profit or loss.

3.22 Business combination under common control

Common control business combinations include transactions, such as transfer of subsidiaries or businesses, between entities within a group.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

The financial information in the financial statements in respects of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

3.23 Preference Shares

i) Non-convertible Preference Shares

On issuance of non-convertible preference shares, the fair value is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

Notes Accompanying to the Financial Statements

ii) Convertible Preference Shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

3.24 The MCA has notified Companies (Indian Accounting Standards) (Amendment) Rules, 2018 to amend the following Ind-AS's. The amendment will come into force from accounting period commencing on or after 1st April, 2018 :

i) Ind AS 115 Revenue from Contracts with Customers

The new standard applies to contracts with customers. The core principle of the new standard is that an entity should recognise revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transaction options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period.

Alternatively an entity can recognize the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information.

ii) Ind AS 21 The effects of changes in Foreign Exchange Rates

The newly inserted Appendix B to Ind As 21, "Foreign Currency Transactions and Advance Consideration" clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The Company intends to adopt these Standards when it becomes effective. The Company is in the process of assessing the possible impact of the above standards and will adopt the amendments on the required effective date.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made judgements, which have the most significant effect on the amounts recognised in the financial statements.

Notes Accompanying to the Financial Statements

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Notes to the Standalone Financial Statements

5. PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Land - Leasehold	Land - Freehold	Buildings *	Plant & Machinery **	Furniture & Fixtures	Factory & Office Equipments	Vehicles	Total	Capital Work in Progress ***
Gross Carrying Amount									
As at 01.04.2017	**833.70**	**220.45**	**12,697.98**	**66,746.99**	**630.67**	**1,059.98**	**426.95**	**82,616.72**	**1,207.53**
Additions	–	–	247.52	3,732.28	27.00	166.23	24.78	4,197.81	1,147.25
Disposals / Transfers	–	–	–	551.44	–	–	10.66	562.10	–
As at 31.03.2018	**833.70**	**220.45**	**12,945.50**	**69,927.83**	**657.67**	**1,226.21**	**441.07**	**86,252.43**	**2,354.78**
Accumulated Depreciation									
As at 01.04.2017	**41.53**	**–**	**3,202.25**	**28,688.51**	**273.25**	**553.88**	**136.32**	**32,895.74**	**–**
Depreciation charged for the year	3.71	–	386.14	2,332.36	52.42	136.07	48.39	2,959.09	–
Disposals / Transfers	–	–	–	457.63	–	–	10.11	467.74	–
As at 31.03.2018	**45.24**	**–**	**3,588.39**	**30,563.24**	**325.67**	**689.95**	**174.60**	**35,387.09**	**-**
Net Carrying Amount									
As at 31.03.2017	**792.17**	**220.45**	**9,495.73**	**38,058.48**	**357.42**	**506.10**	**290.63**	**49,720.98**	**1,207.53**
As at 31.03.2018	**788.46**	**220.45**	**9,357.11**	**39,364.59**	**332.00**	**536.26**	**266.47**	**50,865.34**	**2,354.78**

* a) Includes 10 shares of ₹ 50 each of Arcadia Premises Co-operative Society Limited.

b) Includes 10 shares of ₹ 50 each of Vardhman Industrial Complex Premises Co-operative Housing Society Limited.

** Includes addition on account of foreign exchange fluctuations of ₹ 106.78 lakhs (previous year ₹ 153.41 lakhs).

*** Does not include Capital Advances of ₹ 203.14 lakhs (previous year ₹ 80.69 lakhs).

Notes to the Standalone Financial Statements

6. OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Patents	Total
Gross Carrying Amount			
As at 01.04.2017	**377.10**	**52.21**	**429.31**
Additions	86.63	79.88	166.51
Disposals / Transfers	–	–	–
As at 31.03.2018	**463.73**	**132.09**	**595.82**
Accumulated Depreciation			
As at 01.04.2017	**216.15**	**16.59**	**232.74**
Depreciation charged for the year	75.34	11.99	87.33
Disposals / Transfers	–	–	–
As at 31.03.2018	**291.49**	**28.58**	**320.07**
Net Carrying Amount			
As at 31.03.2017	**160.95**	**35.62**	**196.57**
As at 31.03.2018	**172.24**	**103.51**	**275.75**

7. NON-CURRENT INVESTMENTS

Particulars		No. of Shares		₹ in lakhs	
		As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
- Quoted					
Subsidiary Company					
In fully paid up equity shares of ₹ 10 each					
Pranavaditya Spinning Mills Limited		1,43,41,280	1,43,41,280	1,434.13	1,434.13
Others					
HDFC Liquid Fund Growth		9.340	6.370	0.32	0.20
Union Prudence Fund		99,990		9.85	–
SUB TOTAL	**A**			**1,444.30**	**1,434.33**
- Unquoted					
Subsidiary Company					
In fully paid up equity shares					
Indo Count Global Inc., USA		800	800	446.18	446.18
Indo Count UK Limited		86,000	86,000	79.62	79.62
Indo Count Retail Ventures Pvt. Ltd.		8,250	8,250	0.82	0.82
Indo Count Australia Pty Ltd.		1,000	–	0.52	–
Hometex Global DMCC, UAE		50	–	8.83	–
SUB TOTAL	**B**			**535.97**	**526.62**
TOTAL	**A+B**			**1,980.27**	**1,960.95**
Aggregate value of:					
Quoted Investments				1,444.30	1,434.33
Unquoted Investments				535.97	526.62
Market Value of Quoted Investments				2,304.77	5,098.52

Notes to the Standalone Financial Statements

8. NON-CURRENT FINANCIAL LOANS (Unsecured-considered good)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Security Deposits	96.74	150.13
Deferred Expenditure	18.75	40.74
TOTAL	**115.49**	**190.87**

9. OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Balances with Banks		
Held as margin / Fixed deposits	0.01	0.01
TOTAL	**0.01**	**0.01**

a) Includes receipts for ₹ 0.01 lakhs (previous year ₹ 0.01 lakhs) lodged with Sales Tax Department.

10. OTHER NON-CURRENT ASSETS (Unsecured-considered good)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Capital Advances	203.14	80.69
Security Deposits	111.35	40.58
TOTAL	**314.49**	**121.27**

11. INVENTORIES

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Raw Materials *	17,737.54	13,499.21
Work in Progress	18,246.84	14,365.02
Finished Goods	12,902.97	5,695.89
Waste	22.45	16.79
Stores & Spares **	3,014.50	1,818.03
Dyes and Chemicals ***	517.48	383.79
TOTAL	**52,441.78**	**35,778.73**

* includes goods in transit ₹ 3,380.66 lakhs (previous year ₹ 1,115.07 lakhs)

** includes goods in transit ₹ 75.12 lakhs (previous year ₹ 53.60 lakhs)

*** includes goods in transit ₹ 85.80 lakhs (previous year ₹ 59.90 lakhs)

Notes to the Standalone Financial Statements

12. CURRENT TRADE RECEIVABLES (Unsecured-considered good)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Exceeding Six Months	356.89	202.96
Others *	32,141.40	36,452.08
TOTAL	**32,498.29**	**36,655.04**

* Includes amount receivable from Foreign Subsidiary Company ₹ 5,793.09 lakhs (previous year ₹ 8.658.94 lakhs).

(ii) Includes amount receivable from Indian Subsidiaries ₹ 782.01 lakhs (previous year ₹ 163.57 lakhs).

13. CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Cash in hand	12.37	7.99
Balances with Banks		
In Current Accounts *	1,101.67	747.74
TOTAL	**1,114.04**	**755.73**

* Includes balance in current account with The Kolhapur Urban Co-operative Bank Ltd. ₹ 2.13 lakhs (previous year ₹ 2.01 lakhs) maximum amount outstanding anytime during the year ₹ 7.77 lakhs (previous year ₹ 2.54 lakhs).

14. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Balances with Banks		
Held as margin / Fixed deposits	248.55	281.03
TOTAL	**248.55**	**281.03**

a) Includes receipts for ₹ 163.49 lakhs (previous year ₹ 195.97 lakhs) held with bank as margin money against guarantee for Letters of Credit.

b) Includes receipts for ₹ 0.05 lakhs (previous year ₹ 0.05 lakhs) lodged with Excise Department.

c) Includes receipts for ₹ 85.00 lakhs (previous year ₹ 85.00 lakhs) held with bank as margin money against guarantee given to MSEB on behalf of Indian Subsidiary.

15. CURRENT FINANCIAL LOANS (Unsecured-considered good)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Security Deposits	16.26	22.22
TOTAL	**16.26**	**22.22**

Notes to the Standalone Financial Statements

16. OTHER CURRENT FINANCIAL ASSETS (Unsecured-considered good)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Advance to Subsidiary	20.77	–
Derivative Asset	5,660.98	5,726.52
Others	267.23	453.82
TOTAL	**5,948.98**	**6,180.34**

17. CURRENT TAX ASSETS

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Advance Income Tax (including tax deducted at source)	444.72	1,310.14
Refund Due	57.04	57.04
MAT Credit Entitlement	–	380.88
TOTAL	**501.76**	**1,748.06**

18. OTHER CURRENT ASSETS (Unsecured-considered good)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Export Incentives / Claims recoverable	6,319.24	6,088.72
Balances with Excise / Service Tax Authorities	102.48	278.00
Balances with VAT/GST Authorities	7,578.34	1,322.34
Interest Accrued on Loans & Deposits	4.55	5.46
Advance to Suppliers *	698.96	549.31
Others	1,054.91	920.48
Security Deposits	4.01	4.01
TOTAL	**15,762.49**	**9,168.32**

* Includes advance to an Indian Subsidiary ₹ 282.48 lakhs (previous year ₹ 400.00 lakhs).

Notes to the Standalone Financial Statements

19. SHARE CAPITAL

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Authorised:		
Equity Shares		
27,50,00,000 shares of ₹ 2 each	5,500.00	5,500.00
Preference Shares		
50,00,000 shares of ₹ 10 each	500.00	500.00
TOTAL	**6,000.00**	**6,000.00**
Issued, Subscribed and Paid-Up :		
Equity Shares		
19,73,99,670 shares of ₹ 2 each	3,947.99	3,947.99
TOTAL	**3,947.99**	**3,947.99**

Notes:

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Authorised :				
Equity Shares of ₹ 2 each				
Balance at the beginning of the year	27,50,00,000	5,500.00	5,50,00,000	5,500.00
Increase due to Sub-Division *	–	–	22,00,00,000	–
Balance at the end of the year	**27,50,00,000**	**5,500.00**	**27,50,00,000**	**5,500.00**
Preference Shares of ₹ 10 each				
Balance at the beginning of the year	50,00,000	500.00	50,00,000	500.00
Balance at the end of the year	**50,00,000**	**500.00**	**50,00,000**	**500.00**
TOTAL	**28,00,00,000**	**6,000.00**	**28,00,00,000**	**6,000.00**
Issued, Subscribed and Paid-Up :				
Equity Shares of ₹ 2 each				
Balance at the beginning of the year	19,73,99,670	3,947.99	3,94,79,934	3,947.99
Increase due to Sub-Division *	–	–	15,79,19,736	–
Balance at the end of the year	**19,73,99,670**	**3,947.99**	**19,73,99,670**	**3,947.99**

* Pursuant to the approval of Board of Directors and members of the Company, w.e.f. 15th November, 2016 ("Record Date"), an equity share of face value of ₹ 10 sub-divided into 5 equity shares of face value of ₹ 2 each.

(b) Terms / rights attached to equity shares

(i) The Company has only one class of equity shares having a par value of ₹ 2 each. Each holder of equity shares is entitled to one vote per share, the company declares and pays dividend 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.

Notes to the Standalone Financial Statements

(ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the Shareholder	As at 31.03.2018		As at 31.03.2017	
	No. of shares	Percentage	No. of shares	Percentage
Indo Count Securities Limited	3,10,41,385	15.73%	3,10,41,385	15.73%
Sandridge Investments Limited (Formerly Swastik Investment Corporation)	6,20,02,455	31.41%	6,20,02,455	31.41%
Elm Park Fund Ltd.	–	–	1,17,40,955	5.95%

d) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

(e) Dividend paid and proposed

(₹ in lakhs)

Particulars	2017-18	2016-17
Final Dividend for F.Y. 2015-16: ₹ 1 per share (face value of ₹ 10 each)	–	394.80
Interim Dividend for F.Y. 2016-17: ₹ 0.40 per share (face value of ₹ 2 each)	–	789.60
Final Dividend for F.Y. 2016-17: ₹ 0.40 per share (face value of ₹ 2 each)	789.60	–
Interim Dividend for F.Y. 2017-18: ₹ 0.40 per share (face value of ₹ 2 each)	789.60	–

Nature and purpose of reserves:

i) Capital Reserve:

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

ii) Capital Redemption Reserve:

Capital Redemption Reserve was created for redemption of Preference Shares as per requirement of provisions of Companies Act, 2013. The Company may issue fully paid bonus shares to its members out of the capital redemption reserve account.

iii) Securities Premium Reserve:

Securities premium reserve is created when shares issued at premium. The Company may issue fully paid up bonus shares to its members or can buy-back of shares out of the security premium reserve account.

Notes to the Standalone Financial Statements

20. NON-CURRENT BORROWINGS (SECURED)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
1) Term Loan		
Rupee loans		
From Banks (a)	1,395.81	-
From Financial Institutions (a)	2,445.02	440.00
2) Foreign Currency Loan		
Buyers Credit (b)	1,043.22	1,698.64
TOTAL	**4,884.05**	**2,138.64**

a) Secured by first pari-passu charge by way of mortgage of immovable properties of the company situated at Kolhapur, and by second pari-passu charge on hypothecation of all movable properties and current assets of the Company both present and future. Loans (including amounts appearing in current maturities of long term debts of ₹ 630.16 lakhs (previous year ₹ 200.00 lakhs).

b) Secured against machinery acquired, (including amount appearing in current maturity of long term debts ₹ 657.92 lakhs (previous year ₹ 533.87 lakhs).

(₹ in lakhs)

Particulars	Maturity Profile				
	1-2 Years	2-3 Years	3-4 Years	4-5 Years	5-6 Years
1) Term Loan					
Rupee Loans					
From Banks	492.89	500.00	375.00	-	-
From Financial Institutions	520.62	520.62	520.62	520.62	390.47
2) Foreign Currency Loan					
Buyers Credit	657.92	291.50	93.79	-	-
TOTAL	**1,671.43**	**1,312.12**	**989.41**	**520.62**	**390.47**

21. NON-CURRENT PROVISIONS

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for Employee Benefits	327.24	181.41
TOTAL	**327.24**	**181.41**

Notes to the Standalone Financial Statements

22. INCOME TAX

The major components of income tax expense for the years ended 31 March, 2017 and 31 March, 2016 are:

STATEMENT OF PROFIT AND LOSS:

Profit or Loss Section (₹ in lakhs)

Particulars	31.03.2018	31.03.2017
Current income tax:		
Current income tax charge	6,636.28	9,231.18
Adjustments in respect of current income tax of previous year	13.95	(272.26)
Deferred tax:		
Relating to origination and reversal of temporary differences	455.67	3,048.75
Income tax expense reported in the statement of profit or loss	**7,105.90**	**12,007.67**

Other Comprehensive Income (OCI) section

Deferred Tax related to items recognised in OCI during in the year: (₹ in lakhs)

Particulars	31.03.2018	31.03.2017
Net loss/(gain) on remeasurements of defined benefit plans	13.65	(58.47)
Income tax charged to OCI	**13.65**	**(58.47)**

DEFERRED TAX (₹ in lakhs)

Particulars	Balance Sheet		Profit & Loss	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Deferred Tax relates to the following:				
Expenses allowable on payment basis	185.43	219.59	34.16	(92.55)
Incomes allowable on receipt basis	(1,959.15)	(1,987.87)	(28.72)	1,681.41
Accelerated depreciation for tax purpose	(10,190.34)	(9,726.46)	463.88	1,401.42
	(11,964.06)	**(11,494.74)**	**469.32**	**2,990.28**
Deferred Tax expenses /(income)				
- Recognised in Profit & Loss	-	-	455.67	3,048.75
- Recognised in OCI	-	-	13.65	(58.47)
Deferred Tax Assets/ (Liabilities)	(11,964.06)	(11,494.74)	-	-
	(11,964.06)	**(11,494.74)**	**469.32**	**2,990.28**

Deferred tax asset in respect of long term capital losses of ₹ 67.50 lakhs (previous year ₹ 67.50 lakhs) has not been recognised in view of uncertainity of its realisation.

Reflected in the balance sheet as follows: (₹ in lakhs)

Particulars	31.03.2018	31.03.2017
Deferred Tax Assets	185.43	219.59
Deferred Tax Liabilities	(12,149.49)	(11,714.33)
Deferred Tax Liabilities (Net)	**(11,964.06)**	**(11,494.74)**

Reconciliation of deferred tax liabilities (net) (₹ in lakhs)

Particulars	31.03.2018	31.03.2017
Opening Balance as of 1st April	**(11,494.74)**	**(8,504.46)**
Income/(expense) during the year recognised in Profit or Loss	(455.67)	(3,048.75)
Income/(expense) during the year recognised in OCI	(13.65)	58.47
Closing Balance as at 31st March	**(11,964.06)**	**(11,494.74)**

Notes to the Standalone Financial Statements

23. CURRENT BORROWINGS (SECURED)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Loans repayable on Demand		
From Banks (a)		
- In Rupees	30,889.69	23,822.83
TOTAL	**30,889.69**	**23,822.83**

(a) Secured by first pari-passu charge by hypothecation on all Current Assets and movable assets and further secured by second pari-pasu charge on immovable properties of the company situated at kolhapur both present and future.

24. TRADE PAYABLES

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Total outstanding dues of Micro Enterprises and Small Enterprises (a)	-	-
Others	18,131.07	12,737.84
TOTAL	**18,131.07**	**12,737.84**

(a) The company has not received any intimation from 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.

25. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Current Maturities of Long Term Debts	1,288.08	733.87
Interest Accrued but not due on Borrowings	9.30	12.78
Acceptances	-	5,883.25
Unpaid Dividend (a)	70.77	37.14
Other Payables	925.17	1,067.94
TOTAL	**2,293.32**	**7,734.98**

(a) There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.

26. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Advance from Customers	123.25	33.42
Other Payables	1,938.29	3,037.71
TOTAL	**2,061.54**	**3,071.13**

27. CURRENT PROVISIONS

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for Employee benefits	-	151.43
TOTAL	**-**	**151.43**

Notes to the Standalone Financial Statements

28. Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent Liabilities and Contingent Assets.

(i) Movement in provisions :

(₹ in lakhs)

Particulars	Bank Guarantees *		Excise duty/ Customs duty/ Service Tax	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Carrying amount at the beginning of the year **	446.57	583.38	168.16	211.58
Add : Provision made during the year #	83.83	–	–	–
Less: Amounts used during the year	–	136.81	19.54	43.42
Unused amounts reversed during the year #	–	–	–	–
Carrying amount at the end of the year **	**530.40**	**446.57**	**148.62**	**168.16**

(₹ in lakhs)

Particulars	Other litigation claims		Corporate Bank Guarantee		Total	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Carrying amount at the beginning of the year **	17.70	16.92	6,160.75	6,294.23	6,793.18	7,106.11
Add : Provision made during the year #	0.78	0.78	31.35	–	115.96	0.78
Less: Amounts used during the year	–	–	–	133.48	19.54	313.71
Unused amounts reversed during the year #	–	–	–	–	–	–
Carrying amount at the end of the year **	**18.48**	**17.70**	**6,192.10**	**6,160.75**	**6,889.60**	**6,793.18**

* Includes ₹ 85.00 lakhs provided to an Indian Subsidiary as margin money with banks in form of fixed deposit.

** Carrying amounts comprise of non-current and current provisions.

Additional provision made during the year and reversal of unused amount are included in the respective head of accounts.

(ii) Nature of provisions:

(a) Bank guarantee amount is held by banks by way of margin money in the form of fixed deposits, for various credit facilities.

(b) Provision for excise duty /customs duty / service tax represents the differential duty liability that is expected to materialise in respect of matters in appeal.

(c) Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

(d) Corporate Bank guarantee amount represents guarantee given to a foreign bank on behalf of a foreign subsidiary and to MSEB for power supply by way of margin money in the form of fixed deposits, provided on behalf of an Indian subsidiary company.

Notes to the Standalone Financial Statements

29. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
Sale of Products *	1,54,776.49	1,80,097.87
Sale of Services	8.26	2.48
Export Incentives / Benefits	16,133.89	18,859.94
REVENUE FROM OPERATIONS	**1,70,918.64**	**1,98,960.29**

* a) Includes sale to a Foreign subsidiary ₹ 10,836.66 lakhs (previous year ₹ 22,205.22 lakhs).

b) Includes sale to Indian subsidiaries ₹ 954.53 lakhs (previous year ₹ 379.88 lakhs).

30. OTHER INCOME

(₹ in lakhs)

Particulars	For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
Interest Banks	15.17	34.88
Interest Others	322.61	644.21
TUFS Subsidy received	-	10.01
Miscellaneous Receipts and Incomes	385.95	59.67
Insurance claim received	14.17	10.56
Profit on sale of assets	-	0.55
Exchange rate difference (Net)	9,079.21	3,732.02
Rent received	1.20	-
Mark to Market on Forward Contracts	-	4,863.75
Previous Year Income	2.29	-
Sundry balances / Excess provision written back (Net)	5.73	11.73
Liability no longer payable written back	85.34	146.77
TOTAL	**9,911.67**	**9,514.15**

31. COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
Raw Material & Components Consumed		
Opening Stock	13,499.21	10,360.28
Add : Purchases (a)	1,09,324.79	1,12,129.52
SUB-TOTAL	**1,22,824.00**	**1,22,489.80**
Less : Closing Stock	17,737.54	13,499.21
COST OF MATERIALS CONSUMED	**1,05,086.46**	**1,08,990.59**

(a) Includes purchases from an Indian subsidiary ₹ 808.58 lakhs (previous year ₹ 58.57 lakhs).

Notes to the Standalone Financial Statements

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

(₹ in lakhs)

Particulars		For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
Opening Stock			
Finished Goods		5,695.89	4,891.41
Stock in Process		14,365.02	11,837.49
Waste		16.79	11.16
SUB - TOTAL	**A**	**20,077.70**	**16,740.06**
Less : Closing Stock			
Finished Goods		12,902.97	5,695.89
Stock in Process		18,246.84	14,365.02
Waste		22.47	16.79
SUB - TOTAL	**B**	**31,172.28**	**20,077.70**
(INCREASE)/ DECREASE IN STOCK	**A-B**	**(11,094.58)**	**(3,337.64)**

33. EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
Salaries & Wages	9,088.54	8,420.72
Director's Remuneration	902.28	1,728.87
Contribution to Provident & Other Funds	585.83	688.85
Gratuity	116.10	159.82
Staff Welfare Expenses	252.86	263.70
Recruitment & Training expenses	49.99	52.90
TOTAL	**10,995.60**	**11,314.86**

34. FINANCE COST

(₹ in lakhs)

Particulars	For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
Interest Expense		
-On Term Loans	129.14	156.41
-Banks	1,860.24	2,683.57
-Others	125.31	25.83
Bank Charges	1,077.28	1,013.35
Finance Procurement Charges	81.61	63.91
TOTAL	**3,273.58**	**3,943.07**

35. DEPRECIATION & AMORTISATION EXPENSE

(₹ in lakhs)

Particulars	For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
Depreciation	3,046.42	3,118.05
TOTAL	**3,046.42**	**3,118.05**

Notes to the Standalone Financial Statements

36. OTHER EXPENSES

(₹ in lakhs)

Particulars	For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
Consumption of Stores/Dyes and Packing Materials	14,857.30	15,205.59
Jobwork Charges	16,079.73	16,432.28
Power & Fuel	7,578.02	6,631.88
Rent (a)	329.76	418.59
Rates, Taxes & Fees	358.74	265.54
Insurance	222.30	272.83
Repairs to Machinery	445.45	630.33
Repairs to Buildings	182.32	129.45
Commission & Brokerage	1,383.10	1,482.27
Freight Outward	2,392.44	2,884.76
Other Selling Expenses	1,029.51	1,853.33
Loss on Sale of Assets	34.99	108.66
Loss in value of NAV of Mutual Funds	0.13	-
Bad debts/Advances written off	2.52	-
Mark to Market on Forward Contracts	65.54	-
Miscellaneous Expenses (b)	3,155.24	3,319.57
TOTAL	**48,117.09**	**49,635.08**

(a) Including Operating Lease

(₹ in lakhs)

Particulars	For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
A) The total of future minimum lease payments under non-cancellable operating leases for each of the following years:		
i) Not later than one year	298.99	288.95
ii) Later than one year and not later than five years,	297.71	499.47
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	146.18	272.60

(b) Includes Payment to Auditors

(₹ in lakhs)

Particulars	For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
As Statutory Audit Fees	13.00	13.00
As Quarterly Audit / Limited Review Fees	9.00	9.00
As Tax Audit Fees	3.00	3.00
For Tax Representations	2.75	1.50
For Certification Work	0.18	0.43
In Other Capacity	1.15	1.15
For Reimbursement of Expenses	1.97	3.22
TOTAL	**31.05**	**31.30**

Notes to the Standalone Financial Statements

37. CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

A. Contingent Liabilities

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
i) Bank Guarantees *	530.40	446.57
ii) Excise Duty / Custom Duty / Service Tax demands disputed in Appeals	148.62	168.16
iii) Pending Labour Cases	18.48	17.70
iv) Corporate Guarantee given to a Foreign Bank outside India for securing financial assistance to:		
- A Foreign Subsidiary	6,192.10	6,160.75

* Includes ₹ 85.00 lakhs provided to an Indian Subsidiary as margin money with banks in form of fixed deposit.

(a) In terms of EPCG Licence issued, the company has undertaken an export obligation for ₹ 58,156 lakhs, which is to be fulfilled over a period of 8 years. The company has completed the export obligation to the extent of ₹ 51,823 lakhs till the year end, of which licenses of ₹ 44,990 lakhs redeemed by the DGFT and the application for redemption of license submitted for ₹ 6,833 lakhs. The export obligation for ₹ 6,333 lakhs is to be fulfilled over a period of 8 years.

(b) In terms of advance license obtained for import of raw materials the company has undertaken an export obligation for USD 18.950 Mn. which is to be fulfilled over a period of 2 years. The company has completed the obligation to the extent of USD 18.950 Mn. The license redeemed by the DGFT amounting to USD 12.708 Mn. The balance licenses of USD 6.248 Mn. is submitted to DGFT for redemption.

(c) Under the package scheme of incentives of Government of Maharashtra for Mega Projects, the Company was eligible for VAT and Electricity duty refund benefits. However, if it contravenes any of the conditions of the scheme or eligibility certificate of entitlement or agreement, it shall repay forthwith the entire benefits drawn / availed alongwith interest thereon together with costs, charges and expenses thereon.

(d) No provision has been made in the accounts towards electricity duty on electricity generated for captive use during the period 01.04.2000 to 30.04.2005 amounting to ₹ 292.07 lakhs (previous year ₹ 292.07 lakhs) excluding interest, as the company has won the case against MSEDCL vide order number 2204 of 2007 dated 07.11.2009 of the Hon'ble High Court of Jurisdiction at Mumbai 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 lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
a) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	1,383.16	1,504.23
b) Letters of Credit opened for which the material has not yet been shipped	–	138.47

Notes to the Standalone Financial Statements

38. RELATED PARTY DISCLOSURES

Related party disclosures as required by IND-AS 24 "Related Party Disclosures" are given below:

i) Key Management Personnel

1.	Shri Anil Kumar Jain	Executive Chairman
2.	Shri Mohit Jain	Managing Director (w.e.f. 09.05.2016)
3.	Shri R. N. Gupta	Joint Managing Director (upto 09.05.2016)
4.	Shri K. R. Lalpuria	Executive Director (upto 13-11-2017)
5.	Shri Kamal Mitra	Director (Works)
6.	Shri P. N. Shah	Independent Director
7.	Shri R. Anand	Independent Director
8.	Shri Dilip Thakkar	Independent Director
9.	Shri Prem Malik	Independent Director
10.	Shri Sushil Kumar Jiwarajka	Independent Director (upto 13-11-2017)
11.	Dr. (Mrs.) Vaijayanti Pandit	Independent Director

ii) Relatives of Key Management Personnel

1. Smt. G. D. Jain
2. Smt. Shikha Jain

iii) Parties where Control Exists

A. Subsidiaries

1. Pranavaditya Spinning Mills Ltd.
2. Indo Count Retail Ventures Pvt. Ltd.
3. Indo Count Global Inc., (USA)
4. Indo Count UK Ltd., (United Kingdom)
5. Indo Count Australia PTY Ltd.
6. Hometex Global DMCC, UAE

B. Associates

1. A. K. Jain HUF

C. Others

1. Indo Count Foundation

(₹ in lakhs)

Particulars	Associates / Subsidiaries	Relatives of Key Management Personnel	Key Management Personnel	Others	Total
Remuneration Paid	–	38.99	902.28	–	941.27
	(–)	(35.28)	(1,889.48)	(–)	(1,924.76)
Commission Paid	254.05	–	6.00	–	260.05
	(136.22)	(–)	(6.00)	(–)	(142.22)
Sitting Fees	–	–	14.00	–	14.00
	(–)	(–)	(6.90)	(–)	(6.90)
Commission Received	15.37	–	–	–	15.37
	(15.40)	(–)	(–)	(–)	(15.40)

Notes to the Standalone Financial Statements

(₹ in lakhs)

Particulars	Associates / Subsidiaries	Relatives of Key Management Personnel	Key Management Personnel	Others	Total
Rent Received	3.24	–	–	–	3.24
	(–)	(–)	(–)	(–)	(–)
Sale of Goods	10,966.27	–	–	–	10,966.27
	(22,585.10)	(–)	(–)	(–)	(22,585.10)
Lease Rent Paid	75.17	–	–	–	75.17
	(70.16)	(–)	(–)	(–)	(70.16)
Reimbursement of Expenses	–	–	–	–	–
	(85.83)	(–)	(–)	(–)	(85.83)
CSR Expenses	–	–	–	225.29	225.29
	(–)	(–)	(–)	(248.75)	(248.75)
Purchase of Goods	809.00	–	–	–	809.00
	(58.57)	(–)	(–)	(–)	(58.57)
Sale of Machinery	7.16	–	–	–	7.16
	(131.06)	(–)	(–)	(–)	(131.06)
Advance given against Purchase of Goods	282.48				282.48
	(400.00)	(–)	(–)	(–)	(400.00)
Balance outstanding at the end of year					
a) Investments	1,969.27	–	–	–	1,969.27
	(1,959.93)	(–)	(–)	(–)	(1,959.93)
b) Sundry Debtors	6,754.10	–	–	–	6,754.10
	(9,049.06)	(–)	(–)	(–)	(9,049.06)
c) Deposit - Rent	15.60	–	–	–	15.60
	(15.60)	(–)	(–)	(–)	(15.60)
d) Advance to Indian Subsidiary for Purchases	282.48	–	–	–	282.48
	(400.00)	(–)	(–)	(–)	(400.00)
e) Other Payables					
Remuneration Payable	–	–	214.21	–	214.21
	(–)	(–)	(974.41)	(–)	(974.41)
Commission Payable	48.35	–	6.00	–	54.35
	(53.38)	(–)	(6.00)	(–)	(59.38)

a) Previous year figures are given in brackets.

b) Related parties enlisted above are those having transactions with the Company.

Notes to the Standalone Financial Statements

39. It is management's opinion that since the Company is exclusively engaged in the activity of manufacture of textile products which are governed by the same set of risks and returns. The same are considered to constitute a single reportable segment in the context of Indian Accounting Standard (Ind AS) 108 on "Operating Segments" issued by the Institute of Chartered Accountants of India.

40. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITIES (CSR)

The particulars of expenditure are as follows:

a) Gross amount required to be spent by the Company during the year was ₹ 619.92 lakhs (previous year ₹ 463.05 lakhs).

b) Amount incurred during the year on:

Particulars	₹ in lakhs
i) Construction / acquisition of asset	–
ii) On purpose other than (i) above	225.29

Out of the above, the Company has paid ₹ 225.29 lakhs (previous year ₹ 248.75 lakhs) to Indo Count Foundation.

41. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 33 EARNINGS PER SHARE

Particulars	UOM	For the year ended 31.03.2018	For the year ended 31.03.2017
Face value of equity shares (refer footnote to note 19 (a))	₹	2.00	2.00
Weighted average number of equity shares outstanding	Nos.	19,73,99,670	19,73,99,670
Profit for the year (continuing operations)	₹ In lakhs	13,107.57	22,802.76
Weighted average earnings per share (basic and diluted)	₹	6.64	11.55

42. OTHER INFORMATION

(₹ in lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
CIF value of Imports		
Capital Goods	2,015.72	2,710.83
Raw Materials	3,520.84	5,496.69
Stores/ Dyes and Packing Materials	1,021.81	890.15
Expenditure in Foreign Currency		
Travelling	169.46	132.07
Selling Commission / Claims	1,669.18	1,654.76
Others	669.98	1,420.57
Earnings in Foreign Currency		
FOB Value of Exports	1,50,079.06	1,67,417.77

Notes to the Standalone Financial Statements

43. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS

Defined contribution plans:

Amount of ₹ 585.83 lakhs (previous year ₹ 688.85 lakhs) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans (Refer Note 33, supra):

(₹ in lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Benefits		
Provident Fund	505.77	625.93
Employee State Insurance Scheme	77.36	60.17
Labour Welfare Scheme	2.70	2.75
TOTAL	**585.83**	**688.85**

Defined benefit plans:

Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

The Company makes annual contributions to the Life Insurance Corporation of India, which is funded defined benefit plan for qualifying employees.

Leave Encashment benefit

The Company provides for leave encashment, a defined benefit retirement plan covering eligible employees. The Leave Encashment Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 12 days salary for each completed year of service, subject to maximum of 90 days till retirement.

The Company makes annual contributions to the Life Insurance Corporation of India, which is funded defined benefit plan for qualifying employees.

(₹ in lakhs)

Particulars	Gratuity		Leave Encashment	
	2017-18 (funded)	2016-17 (funded)	2017-18 (funded)	2016-17 (funded)
Change in present value of defined benefit obligation during the year				
Present Value of defined benefit obligation at the beginning of the year	1,376.95	999.16	337.13	214.79
Interest cost	106.03	70.34	25.96	15.12
Current service cost	156.10	149.79	129.41	97.23
Past service cost	–	–	–	–
Liability transfer from other Company	–	–	–	–
Liability transferred out/ divestment	–	–	–	–
Benefits paid directly by employer	–	–	–	–

Notes to the Standalone Financial Statements

(₹ in lakhs)

Particulars	Gratuity		Leave Encashment	
	2017-18 (funded)	2016-17 (funded)	2017-18 (funded)	2016-17 (funded)
Benefits paid	(52.05)	(21.02)	(37.15)	(26.40)
Actuarial changes arising from changes in demographic assumptions	–	–	–	–
Actuarial changes arising from changes in financial assumptions	(97.55)	239.76	(22.24)	(144.03)
Actuarial changes arising from changes in experience adjustments	49.80	(61.09)	25.82	180.42
Present Value of defined benefit obligation at the end of the year	**1,539.29**	**1,376.95**	**458.92**	**337.13**
Change in fair value of plan assets during the year				
Fair value of plan assets at the beginning of the year	1,047.75	922.42	389.50	363.67
Interest Income	78.07	76.38	28.94	30.02
Contributions paid by the employer	195.50	69.97	15.67	22.21
Benefits paid from the fund	(47.31)	(21.02)	(37.15)	(26.40)
Assets transferred out/ divestment	–	–	–	–
Return on plan assets excluding interest income	–	–	–	–
Fair value of plan assets at the end of the year	**1,274.01**	**1,047.75**	**396.96**	**389.50**
Net asset/ (liability) recognised in the balance sheet				
Present Value of defined benefit obligation at the end of the year	1,539.29	1,376.95	458.92	337.13
Fair value of plan assets at the end of the year	1,274.01	1,047.75	396.96	389.50
Amount recognised in the balance sheet	265.28	76.74	61.96	(52.36)
Net (liability)/ asset- current	–	–	–	–
Net (liability)/ asset- non-current	(265.28)	(329.20)	–	–
Expenses recognised in the statement of profit and loss for the year				
Current service cost	154.21	149.79	127.97	97.23
Interest cost on benefit obligation (Net)	19.64	3.68	(1.71)	(10.33)
Total expenses included in employee benefits expense	**173.85**	**153.47**	**–**	**–**
Actuarial changes arising from changes in demographic assumptions	–	–	–	–
Actuarial changes arising from changes in financial assumptions	–	–	(22.24)	(144.03)
Actuarial changes arising from changes in experience adjustments	–	–	25.82	180.42
Return on plan assets excluding interest income	–	–	0.22	(4.56)
Total expenses included in employee benefits expense	**–**	**–**	**130.06**	**119.72**

Notes to the Standalone Financial Statements

(₹ in lakhs)

Particulars	Gratuity		Leave Encashment	
	2017-18 (funded)	2016-17 (funded)	2017-18 (funded)	2016-17 (funded)
Recognised in other comprehensive income for the year				
Actuarial changes arising from changes in demographic assumptions	–	–	–	–
Actuarial changes arising from changes in financial assumptions	(97.55)	239.76	–	–
Actuarial changes arising from changes in experience adjustments	(61.09)	68.22	–	–
Return on plan assets excluding interest income	(9.72)	(1.21)	–	–
Recognised in other comprehensive income	**(168.35)**	**307.77**	**–**	**–**
Maturity profile of defined benefit obligation				
Within the next 12 months (next annual reporting period)	202.43	147.80	173.02	99.94
Between 2 and 5 years	273.85	287.12	58.75	58.43
Between 6 and 10 years	345.32	288.19	30.40	23.68
Quantitative sensitivity analysis for significant assumption is as below:				
Increase/ (decrease) on present value of defined benefits obligation at the end of the year				
(i) One percentage point increase in discount rate	(1,408.53)	(129.10)	429.40	367.56
(ii) One percentage point decrease in discount rate	1,691.03	151.21	493.60	423.31
(i) One percentage point increase in rate of salary Increase	1,693.65	152.82	494.20	423.63
(ii) One percentage point decrease in rate of salary Increase	(1,404.21)	(132.58)	428.43	368.10
(i) One percentage point increase in employee turnover rate	1,552.31	23.61	462.45	398.10
(ii) One percentage point decrease in employee turnover rate	1,525.60	(26.47)	455.19	387.52

Sensitivity Analysis Method

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

The major categories of plan assets as a percentage of total

(₹ in lakhs)

Particulars	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Insurer managed funds	100%	100%	100%	100%

Notes to the Standalone Financial Statements

Actuarial assumptions

Particulars	Gratuity		Leave Encashment	
	2017-18 (funded)	2016-17 (funded)	2017-18 (funded)	2016-17 (funded)
Actuarial assumption				
Discount rate (p.a.)	7.70% p.a.	7.04% p.a.	7.70% p.a.	7.04% p.a.
Salary escalation (p.a.)	7.00%	7.00%	7.00%	7.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality post retirement rate	NA	NA	NA	NA
Employee turnover rate (p.a.)	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.
Future benefit cost inflation	NA	NA	NA	NA

Expected contribution to the defined benefit plan for the next annual reporting period

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2018. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(iii) The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

44. DETAILS OF CAPITAL EXPENDITURE INCURRED DURING THE YEAR FOR RESEARCH AND DEVELOPMENT IS GIVEN BELOW

(₹ in lakhs)

Particulars	2017-18	2016-17
Plant and Machinery	47.23	–
TOTAL	**47.23**	**–**

45. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

a) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Notes to the Standalone Financial Statements

(₹ in lakhs)

Particulars	Carrying amount	Fair value		
	As at 31-03-2017	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Trade Receivables	36,655.04	–	–	–
Loans and Other Receivables (Non-Current)	190.87	–	–	190.87
Loans and Other Receivables (current)	476.04	–	–	476.04
Cash and Bank Balances	755.73	–	–	–
Bank Deposit	281.03	–	–	–
TOTAL	**38,358.71**	**–**	**–**	**666.91**
Financial Assets at fair value through Profit or Loss:				
Derivative Instruments	5,726.52	–	5,726.52	–
Investments	0.20	0.20		
TOTAL	**5,726.72**	**0.20**	**5,726.52**	**–**
Financial liabilities at amortised cost:				
Non Current Borrowings	2,138.64	–	–	–
Current Borrowings	23,822.83	–	–	–
Trade and Other Payables	12,737.84	–	–	–
Other Financial Liabilities (current)	7,734.98	–	–	1,105.09
TOTAL	**46,434.29**	**–**	**–**	**1,105.09**

(₹ in lakhs)

Particulars	Carrying amount	Fair value		
	As at 31-03-2018	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Trade Receivables	32,498.29	–	–	–
Loans and Other Receivables (Non-Current)	115.49	–	–	115.49
Loans and Other Receivables (Current)	304.27	–	–	304.27
Cash and Bank Balances	1,114.04	–	–	–
Bank Deposit	248.55	–	–	–
TOTAL	**34,280.64**	**–**	**–**	**419.76**
Financial assets at fair value through Profit or Loss:				
Derivative Instruments	5,660.98	–	5,660.98	–
Investments	10.17	10.17	–	–
TOTAL	**5,671.15**	**10.17**	**5,660.98**	**–**
Financial liabilities at amortised cost:				
Non Current Borrowings	4,884.05	–	–	–
Current Borrowings	30,889.69	–	–	–
Trade and Other Payables	18,131.07	–	–	–
Other Financial Liabilities (Current)	2,293.32	–	–	995.94
TOTAL	**56,198.13**	**–**	**–**	**995.94**

During the reporting period ending 31st March, 2018 and 31st March, 2017, there were no transfers between Level 1 and Level 2 fair value measurements.

Notes to the Standalone Financial Statements

Description of significant unobservable inputs to valuation:

The following table shows the valuation techniques and inputs used for financial instruments

Particulars	As at 31-03-2018	As at 31-03-2017
Non-current security deposits	Discounted Cash Flow method using current interest rate	
Derivative instruments	Based on quotes from Banks and Financial Institutions	
Other financial liabilities (non-current)	Discounted Cash Flow method using risk adjusted discount rate	

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board of Directors.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expense and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies.

Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Notes to the Standalone Financial Statements

Foreign Currency in lakhs

Particulars	USD	EUR	GBP	CHF	Total
Foreign currency exposure as at 31st March, 2017					
Trade Receivables	533.19	–	2.23	–	535.42
Non-Current Borrowings	–	–	–	34.44	34.44
Bank Balances	8.91	–	–	–	8.91
Trade Payables	9.88	–	–	–	9.88
Foreign currency exposure as at 31st March, 2018					
Trade Receivables	473.35	–	2.32	–	475.67
Non-Current Borrowings	–	–	–	24.83	24.83
Bank Balances	7.43	–	–	–	7.43
Trade Payables	9.44	–	–	–	9.44

Forward Contracts

Foreign currency exposures taken by the Company against export trade receivables are as under :-

Particulars	Number of Contracts	Foreign Currency in lakhs (USD)	₹ in lakhs	Buy / Sell
As at 31.03.2018	647	2,856.28	1,93,669.92	Sell
As at 31.03.2017	494	1,279.95	90,324.76	Sell

Foreign Currency Sensitivity

5 % increase or decrease in foreign exchange rates will have the following impact on profit before tax:

(₹ in lakhs)

Particulars	2017-18		2016-17	
	5% Increase	5% decrease	5% Increase	5% decrease
USD	1,597.51	(1,597.51)	1,789.77	(1,789.77)
EURO	0.42	(0.42)	18.75	(18.75)
GBP	13.12	(13.12)	11.71	(11.71)
CHF	85.06	(85.06)	111.63	(111.63)
Increase/(decrease) in Profit or Loss	**1,696.11**	**(1,696.11)**	**1,931.86**	**(1,931.86)**

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring

Notes to the Standalone Financial Statements

on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, they are recognised in profit or loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend., industrial practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on historical data, loss on collection of receivable is not material hence, no additional provision considered.

Exposure to credit risk

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Investments in Debentures or Bonds	10.17	0.20
Long-Term Loans and Advances	115.50	190.88
Cash and Bank Balances	1,114.04	755.73
Bank Deposit	248.55	281.03
Short-Term Loans and Advances	304.27	476.04

Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Trade Receivables	32,498.29	36,655.04

Notes to the Standalone Financial Statements

Balance with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due:

Particulars	₹ in lakhs
As at 31.03.2018	
Not Due	30,573.02
Up to 3 months	1,568.38
3 to 6 months	–
More than 6 months	356.89
	32,498.29
As at 31.03.2017	
Not Due	31,684.97
Up to 3 months	4,672.47
3 to 6 months	94.64
More than 6 months	202.96
	36,655.04

During the year the Company has recognised loss allowance of ₹ Nil Under 12 months expected credit loss model.

No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31.03.2018 (₹ in lakhs)

Particulars	Less than 1 year	1 to 5 years	Total
Non Current Borrowings	–	4,884.05	4,884.05
Current Borrowings	30,889.69	–	30,889.69
Trade Payables	18,131.07	–	18,131.07
Other Financial Liabilities	2,293.32	–	2,293.32

Notes to the Standalone Financial Statements

As at 31.03.2017 (₹ in lakhs)

Particulars	Less than 1 year	1 to 5 years	Total
Non Current Borrowings	–	2,138.64	2,138.64
Current Borrowings	23,822.83	–	23,822.83
Trade Payables	12,737.84	–	12,737.84
Other Financial Liabilities	7,734.98	–	7,734.98

Capital Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Exposure to Credit Risk		
Total Debt	37,061.83	26,695.33
Equity	93,887.32	82,654.65
Capital and Net Debt	**1,30,949.15**	**1,09,349.98**
Gearing Ratio	**28.30%**	**24.41%**

47. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013.

There are no loans given, covered under section 186(4) of the Companies Act, 2013, and investments made are given under the respective heads.

Corporate guarantee given by the Company in respect of loans as at 31st March, 2018

(₹ in lakhs)

Name of the Company	As at 31.03.2018	As at 31.03.2017
Indo Count Global INC., USA	6,192.10	6,160.75
	6,192.10	**6,160.75**

As per our report of even date attached

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

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 4th, 2018

For and on behalf of Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Mohit Jain
Managing Director
DIN: 01473966

Dilip Ghorawat
Chief Financial Officer

Amruta Avasare
Company Secretary

Independent Auditors' Report

To
The Members of
Indo Count Industries Limited

1. Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Indo Count Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

2. Management's Responsibility for the Consolidated Ind AS 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 (including other comprehensive incomes), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) 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 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 financial position of the Group as at 31st March, 2018, and its consolidated profit (including other comprehensive incomes) and its consolidated cash flows and consolidated changes in equity for the year ended on that date.

5. Other Matters

We did not audit the financial statements of two foreign subsidiaries, whose financial statements reflect total assets of ₹ 9,436.05 lakhs as at 31st March, 2018, total revenues of ₹ 18,683.91 lakhs and net cash outflows amounting to ₹ 104.95 lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the management, and our opinion is based solely on the reports of the other auditors.

We relied on the unaudited financial statements of two foreign subsidiaries included in the consolidated year to date financial results, whose consolidated financial statements reflect total assets of ₹ 26.27 lakhs as at 31st March, 2018 and the total revenue of ₹ Nil and consolidated cash flows of ₹ 9.06 lakhs for the year ended 31st March, 2018. These unaudited financial statements as approved by the Board of Directors of that company have been furnished to us by the management of the Holding company and our report in so far as it relates to the amounts included in respect of these subsidiaries is based solely on such approved unaudited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

6. Report on Other Legal and Regulatory Requirements

I. As required by section 143(3) of the Act, we report, to the extent applicable,that: :

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid Consolidated Ind AS 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 of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" based on reports of Holding Company as on 31st March, 2018 and the reports of the statutory auditors of its subsidiary company incorporated in India.

(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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the Consolidated financial position of the Group– Refer Note No. 30 and 39 to the Consolidated Ind AS financial statements.

ii. The Company did not have any long-term contracts including derivative contracts or which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies in corporated in India.

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

Ankur Bagla
Partner
Mumbai, May 4th, 2018 Membership Number: 521915

Annexure "A" to the Independent Auditors' Report

Annexure A referred to in Paragraph 6(I)(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date on the Consolidated Ind AS financial statements of Indo Count Industries Limited and its Subsidiary Companies incorporated in India for the year ended 31st March, 2018.

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March, 2018, We have audited the internal financial controls over financial reporting of Indo Count Industries Limited (hereinafter referred to as "the Holding Company") and received audit report of the statutory auditor of its Subsidiary Company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company and its Subsidiary Company incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable

assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its Subsidiary Companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Ankur Bagla
Partner
Mumbai, May 4th, 2018 Membership Number: 521915

Consolidated Balance Sheet as at 31st March, 2018

(₹ in lakhs)

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
ASSETS			
(1) Non-Current Assets			
a) Property, Plant and Equipment	6	54,065.73	53,083.56
b) Capital Work-In-Progress	6	2,371.98	1,217.63
c) Other Intangible Assets	7	275.75	196.57
d) Financial Assets			
i) Investments	8	10.33	0.36
ii) Loans	9	115.49	190.87
iii) Others	10	0.01	0.01
e) Other Non-Current Assets	11	316.58	163.52
(2) Current Assets			
a) Inventories	12	59,053.65	47,191.20
b) Financial Assets			
i) Trade Receivables	13	28,720.99	31,122.87
ii) Cash and Cash Equivalents	14	1,556.83	891.35
iii) Bank Balances other than (ii) above	15	990.87	967.86
iv) Loans	16	74.22	73.94
v) Others	17	5,932.28	6,180.33
c) Current Tax Assets (Net)	18	915.44	2,197.79
d) Other Current Assets	19	15,518.65	8,914.00
TOTAL ASSETS		**1,69,918.80**	**1,52,391.86**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	20	3,947.99	3,947.99
b) Other Equity		91,688.78	80,670.48
NON CONTROLLING INTEREST		740.36	814.94
LIABILITIES			
(1) Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	21	4,884.06	2,138.64
b) Provisions	22	391.94	239.95
c) Deferred Tax Liabilities (Net)	23	11,998.16	11,756.81
(2) Current Liabilities			
a) Financial Liabilities			
i) Borrowings	24	32,226.10	28,213.58
ii) Trade Payables	25	19,156.33	13,427.46
iii) Other Financial Liabilities	26	2,269.13	7,694.25
b) Other Current Liabilities	27	2,615.95	3,323.53
c) Provisions	28	–	159.78
d) Current Tax Liabilities (Net)	29	–	4.45
TOTAL EQUITY AND LIABILITIES		**1,69,918.80**	**1,52,391.86**
CONTINGENT LIABILITIES AND COMMITMENTS	30, 39		
SIGNIFICANT ACCOUNTING POLICIES	4		

The accompanying notes form an integral part of Financial Statements

As per our report of even date attached

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

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 4th, 2018

For and on behalf of Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Mohit Jain
Managing Director
DIN: 01473966

Dilip Ghorawat
Chief Financial Officer

Amruta Avasare
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
CONTINUING OPERATIONS			
I INCOME			
Revenue from Operations	31	1,85,851.60	2,15,281.83
Other Income	32	9,965.12	10,497.77
TOTAL INCOME		**1,95,816.72**	**2,25,779.60**
II EXPENSES			
Cost of Materials Consumed	33	1,10,308.52	1,13,037.88
Purchase of Stock-In-Trade		756.97	–
Changes in inventories of Finished Goods, Work In Progress and Stock-In-Trade	34	(6,685.11)	2,590.38
Employee Benefits Expense	35	12,671.83	12,415.22
Finance Cost	36	3,474.46	4,212.45
Depreciation and Amortisation Expense	37	3,305.62	3,312.94
Other Expenses	38	52,548.83	54,891.28
TOTAL EXPENSES		**1,76,381.12**	**1,90,460.15**
III Profit before Exceptional Items and Tax (I-II)		**19,435.60**	**35,319.45**
IV Exceptional Items		–	–
V Profit before Tax (III-IV)		**19,435.60**	**35,319.45**
VI Tax Expense			
a) Current Tax		6,669.62	9,251.33
b) Previous Year Tax		14.00	85.89
c) Deferred Tax		224.38	3,134.72
d) Mat Credit Entitlement for Earlier Year		–	(357.64)
VII Profit for the Year (V-VI)		**12,527.60**	**23,205.15**
VIII Other Comprehensive Income			
A Items that will not be reclassified to Profit or Loss			
(i) Remeasurement of the Net Defined Benefit Liability/Asset		49.50	(153.76)
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		(16.97)	53.45
B Items that will be reclassified to Profit or Loss			
(i) exchange difference on translation of Foreign Operations		(39.02)	322.17
IX Total Comprehensive income for the Year (VII+VIII)		**12,521.11**	**23,427.01**
X Profit Attributable to:			
Owners of the Company		12,603.89	23,223.88
Non-Controlling Interests		(76.29)	(18.73)
XI Total Comprehensive Income Attributable to:			
Owners of the Company		12,595.68	23,443.15
Non-Controlling Interests		(74.57)	(16.14)
X Earnings per Equity Share	43		
a) Basic (₹)		**6.38**	**11.76**
b) Diluted (₹)		**6.38**	**11.76**
SIGNIFICANT ACCOUNTING POLICIES	4		

The accompanying notes form an integral part of Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors

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

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 4th, 2018

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Dilip Ghorawat
Chief Financial Officer

Mohit Jain
Managing Director
DIN: 01473966

Amruta Avasare
Company Secretary

Consolidated Statement of Changes in Equity for the year ended 31st March, 2018

A. EQUITY SHARE CAPITAL

Particulars	Note No.	(₹ in lakhs)
As at 1st April, 2016		**3,947.99**
Changes in Equity Share Capital	19(a)	–
As at 31st March, 2017		**3,947.99**
Changes in Equity Share Capital	19(a)	–
As at 31st March, 2018		**3,947.99**

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves & Surplus				Preliminary Expenses	Exchange Differences on translating the financial statements of foreign operations	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Retained Earnings			
Balance as at 01.04.2016	**198.81**	**250.00**	**1,653.72**	**56,806.27**	**-**	**183.70**	**59,092.50**
Total Comprehensive Income for the year	-	-	-	23,443.15	-	-	23,443.15
- Creation during the period for Balance Sheet items	-	-	-	-	-	(114.86)	(114.86)
- Creation during the period for Profit and Loss items	-	-	-	-	-	(322.17)	(322.17)
Final Dividend on Equity Shares	-	-	-	(394.80)	-	-	(394.80)
Dividend Distribution Tax on Final Dividend	-	-	-	(80.37)	-	-	(80.37)
Interim Dividend on Equity Shares	-	-	-	(789.60)	-	-	(789.60)
Dividend Distribution Tax on Interim Dividend	-	-	-	(160.75)	-	-	(160.75)
Created during the year	-	-	-	-	(2.62)	-	(2.62)
Amortised during the year	-	-	-	(0.52)	0.52	-	-
Balance as at 31.03.2017	**198.81**	**250.00**	**1,653.72**	**78,823.38**	**(2.10)**	**(253.33)**	**80,670.48**
Total Comprehensive Income for the year	-	-	-	12,595.68	-	-	12,595.68
- Creation during the period for Balance Sheet items	-	-	-	-	-	284.30	284.30
- Creation during the period for Profit and Loss items	-	-	-	-	-	39.02	39.02
Final Dividend on Equity Shares	-	-	-	(789.60)	-	-	(789.60)
Dividend Distribution Tax on Final Dividend	-	-	-	(160.75)	-	-	(160.75)
Dividend Distribution Tax on Interim Dividend	-	-	-	(160.75)	-	-	(160.75)
Interim Dividend on Equity Shares	-	-	-	(789.60)	-	-	(789.60)
Amortised during the year	-	-	-	(0.26)	0.26	-	-
Balance as at 31.03.2018	**198.81**	**250.00**	**1,653.72**	**89,518.10**	**(1.84)**	**69.99**	**91,688.78**

The accompanying notes form an integral part of Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors

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

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 4th, 2018

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Dilip Ghorawat
Chief Financial Officer

Mohit Jain
Managing Director
DIN: 01473966

Amruta Avasare
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	For the year ended 31.03.2018		For the year ended 31.03.2017	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Exceptional Items and Tax		19,435.60		35,319.45
Adjustments for:-				
Depreciation and Amortisation		3,305.62		3,312.94
Profit on Sale of Assets		(0.19)		(26.87)
Finance Cost		3,474.46		4,212.45
Interest Income		(332.78)		(694.59)
Other Comprehensive Income		49.50		(153.75)
Loss on Sale of Assets		34.99		149.66
Operating Profit before Working Capital Changes		**25,967.20**		**42,119.29**
Changes in Working Capital:				
Adjustment for (increase)/Decrease In Operating Assets				
Non Current Financial Assets	75.38		17.15	
Other Non Current Assets	(153.06)		767.34	
Inventories	(11,862.45)		(1,551.32)	
Trade Receivables	2,401.88		(6,815.30)	
Current Financial Assets	224.76		(4,215.48)	
Other Current Assets	(6,604.64)	(15,918.13)	1,874.32	(9,923.29)
Adjustment for increase /(decrease) in Operating Liabilities				
Non Current Provisions	151.99		97.72	
Trade Payables	5,728.86		413.59	
Other Current Financial Liabilities	(5,425.12)		(1,911.98)	
Other Current Liabilities	(707.58)		(781.06)	
Current Provisions	(159.78)	(411.63)	152.63	(2,029.10)
Net Taxes (paid)/refund received		(5,405.71)		(8,574.52)
Net Cash Flow from /(used in) Operating Activities (A)		**4,231.73**		**21,592.38**
B) CASH FLOW FROM INVESTING ACTIVITIES				
Capital Expenditure		(5,616.29)		(8,742.18)
Proceeds from Sale of Assets		60.15		228.50
Proceeds from Sale of Non-Current Investments		–		0.03
Purchase of Non-Current Investments		(9.97)		(0.20)
Interest Income		332.78		694.59
Net Cash Flow from/(used in) Investing Activities (B)		**(5,233.33)**		**(7,819.26)**

Consolidated Cash Flow Statement for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
C) CASH FLOW FROM FINANCING ACTIVITIES		
Net increase/(decrease) in Non-Current Borrowings	2,745.41	(3,608.42)
Net increase/(decrease) in Current Borrowings	4,012.52	(5,403.39)
Finance Cost	(3,474.46)	(4,212.45)
Final Dividend on Equity Shares (Including, DDT)	(950.35)	(475.17)
Interim Dividend on Equity Shares (Including, DDT)	(950.35)	(950.35)
Preliminary Expenses	–	(2.62)
Transitional Reserve of Balance Sheet Items	284.31	(114.86)
Net Cash Flow from /(used in) Financing Activities (C)	**1,667.08**	**(14,767.26)**
Net Increase /(decrease) in Cash and Cash Equivalents (A+B+C)	**665.48**	**(994.14)**
Cash and Cash Equivalents at the beginning of the Year	**891.35**	**1,885.49**
Cash and Cash Equivalents at the end of the Year	**1,556.83**	**891.35**
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and cash equivalents as per balance sheet	**1,556.83**	**891.35**
Cash and Cash Equivalents at the end of the Year comprises of:		
(a) Cash in Hand	**13.64**	**8.13**
(b) Balance with Banks in Current Accounts	**1,543.19**	**883.22**

As per our report of even date attached

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

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 4th, 2018

For and on behalf of Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Mohit Jain
Managing Director
DIN: 01473966

Dilip Ghorawat
Chief Financial Officer

Amruta Avasare
Company Secretary

Notes Accompanying to the Consolidated Financial Statements

1. CORPORATE INFORMATION

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

The Group mainly deals in Textiles. The Group has its wide network of operations in local as well as in foreign market. The group is also the preferred partner for some of the best known retail, hospitality and fashion brands in the world. It is fast, agile and responds to the needs of clients with solutions that make a difference in consumers' lives.

The Financial Statements of the Group for the year ended 31st March, 2018 were authorized for issue in accordance with a resolution of the Board of Directors on 4th May, 2018.

2. BASIS OF PREPARATION

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the said roadmap, the Group is required to apply Ind AS starting from financial year beginning on or after 1st April, 2016. Accordingly, the financial statements of the Group have been prepared in accordance with the Ind AS.

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

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

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

3. PRINCIPLES OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns, from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity income and expenses. Intercompany transaction, balances, and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provided evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Notes Accompanying to the Consolidated Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment:

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

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

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

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

In case of some items of plant, depreciation has been provided in range of 3 years (minimum) to 35 years (maximum) based on the technical evaluation of the remaining useful life which is different from the one specified in schedule II to the Companies Act, 2013.

Leased assets

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

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

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

4.2 Investment properties

Investment properties comprise portions of freehold land and office building that are held for long-

Notes Accompanying to the Financial Statements

term rental yields and/or for capital appreciation. Investment properties are initially recognized at cost. Subsequently, investment property comprising of building is carried at cost less accumulated depreciation and impairment losses.

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

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

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

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

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

4.3 Intangible Assets

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

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

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

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

Notes Accompanying to the Financial Statements

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

Research and Development Cost:

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

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

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

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

Patents and Trade Marks:

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

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

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

4.4 Borrowing costs

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

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

Notes Accompanying to the Financial Statements

4.5 Impairment of non-financial assets:

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

Recoverable amount is determined:

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

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

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

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

4.6 Inventories

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

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

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

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

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

Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred upto the date

Notes Accompanying to the Financial Statements

of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

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

4.7 Cash and cash equivalents

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

4.8 Foreign currency transactions

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

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognized as income or expenses in the period in which they are arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on transaction of non-monetary items is recognized in line with the gain or losses of the item that gave arise to the translation difference (i.e. translation differences on items whose gain or loss is recognized in other comprehensive income or the statement of profit and loss is also recognized in other comprehensive income or the statement of profit and loss respectively).

4.9 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

Notes Accompanying to the Financial Statements

4.10 Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the Group.

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

4.11 Revenue Recognition

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

Notes Accompanying to the Financial Statements

it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

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

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

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

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

Dividends:
Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

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

4.12 Government Grants

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

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

4.13 Earnings per share

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

Notes Accompanying to the Financial Statements

4.14 Taxes

Current Income Tax:

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

Deferred Tax:

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

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

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

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

Deferred Tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Group and the same taxation authority.

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

4.15 Segment accounting

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

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

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

b) Expenses that are directly identifiable with / allocable to segments are considered for determining

Notes Accompanying to the Financial Statements

the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.

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

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

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

Inter-Segment transfer pricing

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

4.16 Leases

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

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

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

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

4.17 Employee benefits

i) Short-term employee benefits

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

ii) Post-employment benefits

a) Defined contribution plans

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

Notes Accompanying to the Financial Statements

b) Defined Benefit Plans

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

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gain and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

Net Interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income.

Long-term employee benefit

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits

Termination benefits are recognized as expenses in the period in which they are incurred.

4.18 Provision, Contingent liabilities, Contingent assets and Commitments

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources

Notes Accompanying to the Financial Statements

will be required to settle the obligation;

- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provision, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Warranty Provisions

Provision for warranty-related costs are recognized when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Liquidated damages

Provision for liquidated damages are recognized on contracts for which delivery dates are exceeded and computed in reasonable manner.

Other Litigation claims

Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in appeal.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Group recognizes impairment on the assets with the contract.

4.19 Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activates of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

4.20 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Assets and liabilities classified as held for distribution are presented separately from other assets and liabilities in the balance sheet.

Notes Accompanying to the Financial Statements

A disposal group qualifies as discontinued operation if it is a component of the that either has been disposed of, or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations,
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations,

  Or

- is a subsidiary acquired exclusively with a view to resale.

A Group shall not depreciate (or amortise) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale.

4.21 Financial Instruments

i) Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two broad categories:

- Financial asset at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The objective of the Group's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The Financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Notes Accompanying to the Financial Statements

- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch')that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different basis.

All other financial asset is measured at fair value through profit or loss.

All Equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the Group has elected to present value changes in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position)when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;

a) The Group has transferred substantially all the risks and rewards of the asset, or

b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Investment in associates, joint venture and subsidiaries

The Group has accounted for its investment in associates, joint venture, and subsidiaries at cost.

Notes Accompanying to the Financial Statements

Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12- months expected credit losses(expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognize impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increase in credit risk to be identified on a timely basis.

ii) Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Notes Accompanying to the Financial Statements

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowing are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms of an existing liability are substantially modified, such as exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability .The difference in the respective carrying amounts is recognized in the statement of profit and loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Notes Accompanying to the Financial Statements

iv) Derivative financial instruments and hedge accounting

The Group enters into derivative contracts to hedge foreign currency /price risk on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, expect for the effective portion of cash flow hedges, which is recognized in other comprehensive income and presented as a separate component of equity which is later reclassified to statement of profit and loss when the hedge item affects profit or loss.

4.22 Business combination under common control

Common control business combinations include transactions, such as transfer of subsidiaries or businesses, between entities within a group.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

The financial information in the financial statements in respects of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

4.23 Preference Shares

i) Non-convertible Preference Shares

On issuance of non-convertible preference shares, the fair value is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

ii) Convertible Preference Shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted

Notes Accompanying to the Financial Statements

from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

4.24 The MCA has notified Companies (Indian Accounting Standards) (Amendment) Rules, 2018 to amend the following Ind-AS's. The amendment will come into force from accounting period commencing on or after 1st April, 2018 :

i) Ind AS 115 Revenue from Contracts with Customers

The new standard applies to contracts with customers. The core principle of the new standard is that an entity should recognise revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transaction options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period.

Alternatively an entity can recognize the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information.

ii) Ind AS 21 The effects of changes in Foreign Exchange Rates

The newly inserted Appendix B to Ind As 21, "Foreign Currency Transactions and Advance Consideration" clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The Company intends to adopt these Standards when it becomes effective. The Company is in the process of assessing the possible impact of the above standards and will adopt the amendments on the required effective date.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made judgements, which have the most significant effect on the amounts recognised in the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing

Notes Accompanying to the Financial Statements

circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Notes to the Consolidated Financial Statements

6. PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Land - Leasehold	Land - Freehold	Buildings *	Plant & Machinery **	Furniture & Fixtures	Factory & Office Equipments	Vehicles	Total	Capital Work in Progress ***
Gross Carrying Amount									
As at 01.04.2017	**833.70**	**1,066.66**	**13,714.95**	**70,736.90**	**1,398.99**	**1,189.86**	**453.78**	**89,394.84**	**1,217.63**
Additions	–	–	247.52	3,820.33	28.80	173.99	24.78	4,295.42	1,154.35
Disposals / Transfers	–	–	–	552.37	–	–	10.66	563.03	–
As at 31.03.2018	**833.70**	**1,066.66**	**13,962.47**	**74,004.86**	**1,427.79**	**1,363.85**	**467.90**	**93,127.23**	**2,371.98**
Accumulated Depreciation									
As at 01.04.2017	**41.53**	**–**	**3,513.32**	**31,452.43**	**480.63**	**664.75**	**158.62**	**36,311.28**	**–**
Depreciation charged for the year	3.71	–	405.67	2,431.95	185.52	139.86	51.58	3,218.29	–
Disposals / Transfers	–	–	–	457.95	–	–	10.12	468.07	–
As at 31.03.2018	**45.24**	**–**	**3,918.99**	**33,426.43**	**666.15**	**804.61**	**200.08**	**39,061.50**	**–**
Net Carrying Amount									
As at 31.03.2017	**792.17**	**1,066.66**	**10,201.63**	**39,284.47**	**918.36**	**525.11**	**295.16**	**53,083.56**	**1,217.63**
As at 31.03.2018	**788.46**	**1,066.66**	**10,043.48**	**40,578.43**	**761.64**	**559.24**	**267.82**	**54,065.73**	**2,371.98**

* a) Includes 10 shares of ₹ 50 each of Arcadia Premises Co-operative Society Limited.

b) Includes 10 shares of ₹ 50 each of Vardhman Industrial Complex Premises Co-operative Housing Society Limited.

** Includes addition on account of foreign exchange fluctuations of ₹ 106.78 lakhs (previous year ₹ 153.41 lakhs).

*** Does not include Capital Advances of ₹ 204.64 lakhs (previous year ₹ 122.35 lakhs).

Notes to the Consolidated Financial Statements

7. OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Patents	Total
Gross Carrying Amount			
As at 01.04.2017	**377.10**	**52.21**	**429.31**
Additions	86.64	79.87	166.51
Disposals / Transfers	–	–	–
As at 31.03.2018	**463.74**	**132.08**	**595.82**
Accumulated Depreciation			
As at 01.04.2017	**216.15**	**16.59**	**232.74**
Depreciation charged for the year	75.34	11.99	87.33
Disposals / Transfers	–	–	–
As at 31.03.2018	**291.49**	**28.58**	**320.07**
Net Carrying Amount			
As at 31.03.2017	**160.95**	**35.62**	**196.57**
As at 31.03.2018	**172.25**	**103.50**	**275.75**

8. NON-CURRENT INVESTMENTS

Particulars		No. of Shares		₹ in lakhs	
		As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
- Quoted					
Others					
HDFC Liquid Fund Growth		9.340	6.370	0.32	0.20
Union Prudence Fund		99,990	–	9.85	–
SUB TOTAL	**A**			**10.17**	**0.20**
- Unquoted					
Others					
In fully paid up equity shares of ₹ 10 each					
Shri Datta Nagari Sah Pat Sanstha Ltd.		1,050	1,050	0.11	0.11
Choudeswari Co-Op Bank Ltd.		200	200	0.05	0.05
SUB TOTAL	**B**			**0.16**	**0.16**
TOTAL	**A+B**			**10.33**	**0.36**
Aggregate value of:					
Quoted investments				10.17	0.20
Unquoted investments				0.16	0.16
Market value of Quoted investments				10.17	0.20

9. NON-CURRENT FINANCIAL LOANS (Unsecured-considered good)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Security Deposits	96.74	150.13
Deferred Expenditure	18.75	40.74
TOTAL	**115.49**	**190.87**

Notes to the Consolidated Financial Statements

10. OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Balances with Banks		
Held as margin / Fixed deposits	0.01	0.01
TOTAL	**0.01**	**0.01**

Represents receipt for ₹ 0.01 lakhs (previous year ₹ 0.01 lakhs) lodged with Sales Tax Department.

11. OTHER NON-CURRENT ASSETS (Unsecured-considered good)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Capital Advances	204.64	122.35
Security Deposits	111.94	41.17
TOTAL	**316.58**	**163.52**

12. INVENTORIES

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Raw Materials *	18,245.73	14,398.23
Work in Progress	18,452.03	14,542.55
Finished Goods **	18,770.89	16,000.63
Waste	30.54	25.17
Stores & Spares ***	3,036.98	1,840.83
Dyes and Chemicals ****	517.48	383.79
TOTAL	**59,053.65**	**47,191.20**

* includes goods in transit ₹ 3,380.66 lakhs (previous year ₹ 1,115.07 lakhs)

** includes goods in transit ₹ 3,673.82 lakhs (previous year ₹ 2,492.91 lakhs)

*** includes goods in transit ₹ 75.12 lakhs (previous year ₹ 55.03 lakhs)

**** includes goods in transit ₹ 85.80 lakhs (previous year ₹ 59.90 lakhs)

13. CURRENT TRADE RECEIVABLES (Unsecured-considered good)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Exceeding Six Months	356.89	202.96
Others	28,364.10	30,919.91
TOTAL	**28,720.99**	**31,122.87**

Notes to the Consolidated Financial Statements

14. CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Cash in hand	13.64	8.13
Balances with Banks		
In Current Accounts *	1,543.19	883.22
TOTAL	**1,556.83**	**891.35**

* Includes balance in current account with The Kolhapur Urban Co-operative Bank Ltd. ₹ 2.13 lakhs (previous year ₹ 2.01 lakhs) maximum amount outstanding anytime during the year ₹ 7.77 lakhs (previous year ₹ 2.54 lakhs).

15. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Balances with Banks		
Held as margin / Fixed deposits	990.87	967.86
TOTAL	**990.87**	**967.86**

a) Includes receipts for ₹ 163.49 lakhs (previous year ₹ 195.97 lakhs) held with bank as margin money against guarantee for Letters of Credit.

b) Includes receipts for ₹ 0.05 lakhs (previous year ₹ 0.05 lakhs) lodged with Excise Department.

c) Includes receipts for ₹ 173.34 lakhs (previous year ₹ 96.84 lakhs) held with bank as margin money against guarantee given to MSEDCL, and ₹ Nil (previous year ₹ 26.50 lakhs) held with bank as margin money against guarantee given to private supplier of electricity.

d) Includes receipts for ₹ 651.75 lakhs (previous year ₹ 648.50 lakhs) held with bank as margin money against guarantee for cash credit facility by a Foreign Subsidiary.

16. CURRENT FINANCIAL LOANS (Unsecured-considered good)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Security Deposits	74.22	73.94
TOTAL	**74.22**	**73.94**

17. OTHER CURRENT FINANCIAL ASSETS (Unsecured-considered good)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Advance to Subsidiary	20.77	–
Derivative Asset	5,660.98	5,726.52
Others	250.53	453.81
TOTAL	**5,932.28**	**6,180.33**

Notes to the Consolidated Financial Statements

18. CURRENT TAX ASSETS

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Advance Income Tax (including tax deducted at source)	692.54	1,589.57
Refund Due	65.32	69.76
MAT Credit Entitlement	157.58	538.46
TOTAL	**915.44**	**2,197.79**

19. OTHER CURRENT ASSETS (Unsecured-considered good)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Export Incentives / Claims recoverable	6,323.65	6,092.64
Balances with Excise / Service Tax Authorities	102.48	289.26
Balances with VAT/GST Authorities	7,746.50	1,404.97
Interest accrued on Deposits	10.00	7.52
Advance to Suppliers	419.77	153.09
Others	912.24	957.27
Security Deposits	4.01	9.25
TOTAL	**15,518.65**	**8,914.00**

20. SHARE CAPITAL

(₹ in lakhs)

Particulars		As at 31.03.2018	As at 31.03.2017
Authorised:			
Equity Shares			
27,50,00,000 shares of ₹ 2 each	**A**	5,500.00	5,500.00
Preference Shares			
50,00,000 shares of ₹ 10 each	**B**	500.00	500.00
TOTAL	**A+B**	**6,000.00**	**6,000.00**
Issued, subscribed and paid-up :			
Equity Shares			
19,73,99,670 shares of ₹ 2 each		3,947.99	3,947.99
TOTAL		**3,947.99**	**3,947.99**

Notes to the Consolidated Financial Statements

Notes:

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Authorised				
Equity Shares of ₹ 2 each				
Balance at the beginning of the year	27,50,00,000	5,500.00	5,50,00,000	5,500.00
Increase due to Sub-Division *	–	–	22,00,00,000	–
Balance at the end of the year	**27,50,00,000**	**5,500.00**	**27,50,00,000**	**5,500.00**
Preference Shares of ₹ 10 each				
Balance at the beginning of the year	50,00,000	500.00	50,00,000	500.00
Balance at the end of the year	50,00,000	500.00	50,00,000	500.00
TOTAL	**28,00,00,000**	**6,000.00**	**28,00,00,000**	**6,000.00**
Issued, subscribed and paid-up				
Equity Shares of ₹ 2 each				
Balance at the beginning of the year	19,73,99,670	3,947.99	3,94,79,934	3,947.99
Increase due to Sub-Division *	–	–	15,79,19,736	–
Balance at the end of the year	**19,73,99,670**	**3,947.99**	**19,73,99,670**	**3,947.99**

* Pursuant to the approval of Board of Directors and members of the Group, w.e.f. 15th November, 2016 ("Record Date"), an equity share of face value of ₹ 10 each was sub-divided into 5 equity shares of face value of ₹ 2 each.

(b) Terms / rights attached to equity shares

(i) The Company has only one class of equity shares having a par value of ₹ 2 each. Each holder of equity shares is entitled to one vote per share, 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 Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the Shareholder	As at 31.03.2018		As at 31.03.2017	
	No. of shares	Percentage	No. of shares	Percentage
Indo Count Securities Limited	3,10,41,385	15.73%	3,10,41,385	15.73%
Sandridge Investments Limited (Formerly Swastik Investment Corporation)	6,20,02,455	31.41%	6,20,02,455	31.41%
Elm Park Fund Ltd.	–	–	1,17,40,955	5.95%

d) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

Notes to the Consolidated Financial Statements

(e) Dividend paid and proposed (₹ in lakhs)

Particulars	2017-18	2016-17
Final Dividend for F.Y. 2015-16: ₹ 1 per share (face value of ₹ 10 each)	-	394.80
Interim Dividend for F.Y. 2016-17: ₹ 0.40 per share (face value of ₹ 2 each)	-	789.60
Final Dividend for F.Y. 2016-17: ₹ 0.40 per share (face value of ₹ 2 each)	789.60	-
Interim Dividend for F.Y. 2017-18: ₹ 0.40 per share (face value of ₹ 2 each)	789.60	-

Nature and purpose of reserves:

i) Capital Reserve:
Capital Reserve standing in books against capital subsidy received for establishing manufacturing unit.

ii) Capital Redemption Reserve:
Capital Redemption Reserve was created for redemption of Preference Shares as per requirement of provisions of Companies Act, 2013. The Group may issue fully paid bonus shares to its members out of the capital redemption reserve account.

iii) Securities Premium Reserve:
Securities premium reserve is created when shares issued at premium. The Group may issue fully paid up bonus shares to its members or can buy-back of shares out of the security premium reserve account.

21. NON-CURRENT BORROWINGS (SECURED)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
1) Term Loan		
Rupee loans		
From Banks (a)	1,395.82	-
From Financial Institutions (a)	2,445.02	440.00
2) Foreign Currency Loan		
Buyers Credit (b)	1,043.22	1,698.64
TOTAL	**4,884.06**	**2,138.64**

a) Secured by first pari-passu charge by way of mortgage of immovable properties of the company situated at Kolhapur, and by second pari-passu charge on hypothecation of all movable properties and current assets of the Company both present and future. Loans (including amounts appearing in current maturities of long term debts of ₹ 630.16 lakhs, (previous year ₹ 200.00 lakhs).

b) Secured against machinery acquired, (including amount appearing in current maturity of long term debts ₹ 657.92 lakhs (previous year ₹ 533.87 lakhs).

Non-Current Borrowings Repayment Schedule (₹ in lakhs)

Particulars	Maturity Profile				
	1-2 Years	2-3 Years	3-4 Years	4-5 Years	5-6 Years
1) Term Loan					
Rupee loans					
From Banks	492.89	500.00	375.00	-	-
From Financial Institutions	520.62	520.62	520.62	520.62	390.48
2) Foreign Currency Loan					
Buyers Credit	657.92	291.50	93.79	-	-
TOTAL	**1,671.43**	**1,312.12**	**989.41**	**520.62**	**390.48**

Notes to the Consolidated Financial Statements

22. NON-CURRENT PROVISIONS

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for Employee Benefits	391.94	239.95
TOTAL	**391.94**	**239.95**

23. INCOME TAX

The major components of Income Tax expense for the years ended 31st March, 2018 and 31st March, 2017 are:

Statement of Profit and Loss:

Profit or Loss Section

(₹ in lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Current Income Tax:		
Current Income Tax charge	6,669.62	9,251.33
Adjustments in respect of Current Income Tax of previous year	14.00	(271.75)
Deferred Tax:		
Relating to origination and reversal of temporary differences	224.38	3,134.72
Income Tax expense reported in the Statement of Profit or Loss	**6,908.00**	**12,114.30**

Other Comprehensive Income (OCI) section

Deferred Tax related to items recognised in OCI during in the year:

(₹ in lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Net loss/(gain) on remeasurements of Defined Benefit Plans	16.97	(53.45)
Income Tax charged to OCI	**16.97**	**(53.45)**

DEFERRED TAX

(₹ in lakhs)

Particulars	Balance Sheet		Profit & Loss	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Deferred Tax relates to the following:				
Expenses allowable on payment basis	216.83	318.00	101.17	(87.14)
Incomes allowable on receipt basis	(2,018.86)	(1,992.18)	26.68	1,685.30
Unused Tax losses / depreciation	708.16	490.11	(218.05)	(44.98)
Accelerated depreciation for tax purpose	(10,904.29)	(10,572.74)	331.55	1,528.09
	(11,998.16)	**(11,756.81)**	**241.35**	**3,081.27**
Deferred Tax expenses /(income)				
- Recognised in Profit & Loss	–	–	224.38	3,134.72
- Recognised in OCI	–	–	16.97	(53.45)
Deferred Tax Assets/ (Liabilities)	(11,998.16)	(11,756.81)	–	–
	(11,998.16)	**(11,756.81)**	**241.35**	**3,081.27**

Deferred tax asset in respect of long term capital losses of ₹ 67.50 lakhs (previous year ₹ 67.50 lakhs) has not been recognised in view of uncertainity of its realisation.

Notes to the Consolidated Financial Statements

Reflected in the Balance Sheet: (₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Deferred tax assets	924.98	808.11
Deferred tax liabilities	(12,923.14)	(12,564.92)
Deferred tax liabilities (net)	**(11,998.16)**	**(11,756.81)**

Reconciliation of Deferred Tax Liabilities (Net) (₹ in lakhs)

Particulars	2017-18	2016-17
Opening balance as of 1st April	(11,756.81)	(8,675.54)
Tax income/(expense) during the year recognised in Profit or Loss	(224.38)	(3,134.72)
Tax income/(expense) during the year recognised in OCI	(16.97)	53.45
Closing balance as at 31st March	**(11,998.16)**	**(11,756.81)**

24. CURRENT BORROWINGS (SECURED)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Loans repayable on Demand		
From Banks (a)		
- In Rupees	30,889.70	23,822.83
- In Foreign Currency	1,336.40	4,390.75
TOTAL	**32,226.10**	**28,213.58**

(a) Secured by first pari-passu charge by hypothecation on all Current Assets and movable assets and further secured by second pari-pasu charge on immovable properties of the company situated at kolhapur both present and future.

25. TRADE PAYABLES

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Total outstanding dues of Micro Enterprises and Small Enterprises (a)	-	-
Others	19,156.33	13,427.46
TOTAL	**19,156.33**	**13,427.46**

(a) The Group has not received any intimation from 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.

Notes to the Consolidated Financial Statements

26. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Current Maturities of Long Term Debts	1,288.08	733.87
Interest accrued but not due on Borrowings	9.30	12.78
Acceptances	–	5,883.25
Security Deposit	0.35	0.35
Unpaid Dividend (a)	70.77	37.14
Other Payables	900.63	1,026.86
TOTAL	**2,269.13**	**7,694.25**

(a) There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.

27. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Advance from Customers	123.25	34.16
Other Payables	2,492.70	3,289.37
TOTAL	**2,615.95**	**3,323.53**

28. CURRENT PROVISIONS

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for Employee Benefits	–	159.78
TOTAL	**–**	**159.78**

29. CURRENT TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for Income Tax (Net of MAT Credit Entitlement)	–	4.45
TOTAL	**–**	**4.45**

Notes to the Consolidated Financial Statements

30. Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent Liabilities and Contingent Assets.

(a) Movement in provisions :

(₹ in lakhs)

Particulars	Bank Guarantees *		Excise duty/ Customs duty/ Service Tax	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Carrying amount at the beginning of the year **	534.91	671.72	168.17	212.58
Additional provision made during the year #	83.83	–	–	–
Amounts used during the year	–	136.81	19.54	43.41
Unused amounts reversed during the year #	–	–	–	1.00
Carrying amount at the end of the year **	**618.74**	**534.91**	**148.63**	**168.17**

(₹ in lakhs)

Particulars	Other litigation claims		Corporate Bank Guarantee		Total	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Carrying amount at the beginning of the year **	24.37	22.11	6,160.75	6,294.23	6,888.20	7,200.64
Additional provision made during the year #	2.11	2.26	31.35	–	117.29	2.26
Amounts used during the year	–	–	–	–	19.54	180.22
Unused amounts reversed during the year #	–	–	–	133.48	–	134.48
Carrying amount at the end of the year **	**26.48**	**24.37**	**6,192.10**	**6,160.75**	**6,985.95**	**6,888.20**

* Includes ₹ 85.00 lakhs provided by Holding Company on behalf of an Indian Subsidiary as margin money with banks in form of fixed deposit.

** Carrying amounts comprise of non-current and current provisions.

Additional provision made during the year and reversal of unused amounts are included in the respective head of accounts.

(b) Nature of provisions:

(i) Bank guarantee amount is held by banks by way of margin money in the form of fixed deposits, for various credit facilities.

(ii) Provision for excise duty /customs duty / service tax represents the differential duty liability that is expected to materialise in respect of matters in appeal.

(iii) Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

(iv) Corporate Bank guarantee amount represents guarantee given to a foreign bank on behalf of a foreign subsidiary and to MSEB for power supply by way of margin money in the form of fixed deposits, provided on behalf of an Indian subsidiary company.

Notes to the Consolidated Financial Statements

31. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
Sale of Products	1,69,670.87	1,96,387.65
Sale of Services	8.26	2.48
Export Incentives / Benefits	16,172.47	18,891.70
TOTAL	**1,85,851.60**	**2,15,281.83**

32. OTHER INCOME

(₹ in lakhs)

Particulars	For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
Interest - Banks	21.48	37.63
Interest - Others	311.30	656.96
Claims Received	52.56	924.81
TUFS Subsidy Received	-	10.01
Miscellaneous Receipts	389.66	61.09
Insurance Claim Received	14.17	10.56
Profit on Sale of Assets	0.19	26.86
Exchange Rate Difference (Net)	9,079.21	3,734.94
Rent Received	0.71	-
Mark to Market on Forward Contracts	-	4,863.75
Previous Year Income	2.29	-
Sundry balances / Excess provision written back (Net)	5.83	12.00
Liability no longer payable written back	87.72	159.16
TOTAL	**9,965.12**	**10,497.77**

33. COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
Raw Material & components Consumed		
Opening Stock	14,398.23	10,764.28
Add : Purchases	1,14,156.02	1,16,671.83
SUB-TOTAL	**1,28,554.25**	**1,27,436.11**
Less : Closing Stock	18,245.73	14,398.23
COST OF MATERIALS CONSUMED	**1,10,308.52**	**1,13,037.88**

Notes to the Consolidated Financial Statements

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

(₹ in lakhs)

Particulars		For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
Opening Stock			
Finished Goods		16,000.63	21,150.84
Stock in Process		14,542.55	11,988.66
Waste		25.17	19.23
SUB-TOTAL	**A**	**30,568.35**	**33,158.73**
Less: Closing Stock			
Finished Goods		18,770.89	16,000.63
Stock in Process		18,452.03	14,542.55
Waste		30.54	25.17
SUB-TOTAL	**B**	**37,253.46**	**30,568.35**
(INCREASE)/ DECREASE IN STOCK	**A-B**	**(6,685.11)**	**2,590.38**

35. EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
Salaries & Wages	10,612.85	9,439.75
Director's Remuneration	961.68	1,738.87
Contribution to Provident & Other Funds	649.51	735.02
Gratuity	133.72	178.93
Staff Welfare Expense	264.08	269.73
Recruitment & Training Expense	49.99	52.92
TOTAL	**12,671.83**	**12,415.22**

36. FINANCE COST

(₹ in lakhs)

Particulars	For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
Interest Expense		
-On Term Loans	129.14	156.41
-Banks	2,018.56	2,867.69
-Others	130.54	31.68
Bank Charges	1,114.61	1,092.76
Finance Procurement Charges	81.61	63.91
TOTAL	**3,474.46**	**4,212.45**

37. DEPRECIATION & AMORTISATION EXPENSE

(₹ in lakhs)

Particulars	For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
Depreciation	3,305.62	3,312.94
TOTAL	**3,305.62**	**3,312.94**

Notes to the Consolidated Financial Statements

38. OTHER EXPENSES

(₹ in lakhs)

Particulars	For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
Consumption of Stores/Dyes and Packing Materials	15,035.87	15,360.30
Jobwork Charges	16,079.73	16,432.28
Power & Fuel	8,535.87	7,366.34
Loss due to decline in value of inventory	-	1,577.59
Rent (a)	637.22	689.13
Rates, Taxes & Fees	371.28	285.23
Insurance	241.66	298.45
Repairs to Machinery	456.87	639.41
Repairs to Buildings	183.54	131.91
Commission & Brokerage	1,582.40	1,986.29
Freight Outward	2,482.32	2,908.54
Other Selling Expenses	1,965.93	2,950.08
Loss on Sale of Assets	34.99	149.66
Loss in value of NAV of Mutual Funds	0.13	-
Bad debts/Advances written off	717.57	-
Mark to Market on Forward Contracts	65.54	1.25
Miscellaneous Expenses (b)	4,157.91	4,114.82
TOTAL	**52,548.83**	**54,891.28**

(a) Including Operating Lease as a Lessee:

(₹ in lakhs)

Particulars	For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
A) The total of future minimum lease payments under non-cancellable operating leases for each of the following years:		
i) Not later than one year	298.99	288.95
ii) Later than one year and not later than five years,	297.71	499.47
iii) Later than five years,	-	-
B) Lease payments recognized in the Statement of Profit and Loss	146.18	272.60

(b) Includes Payment to Auditors

(₹ in lakhs)

Particulars	For the year 01.04.2017 to 31.03.2018	For the year 01.04.2016 to 31.03.2017
As Statutory Audit Fee	41.62	39.98
As Quarterly Audit / Limited Review Fees	10.50	10.50
As Tax Audit Fee	3.50	3.50
For Tax Representations	2.75	1.50
For Certification Work	0.18	0.43
In Other Capacity	1.25	1.30
For Reimbursement of Expenses	1.97	3.22
TOTAL	**61.77**	**60.43**

Notes to the Consolidated Financial Statements

39. CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

A. Contingent Liabilities (₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
i) Bank Guarantees	618.74	534.91
ii) Excise duty / Custom duty / Service Tax demands disputed in appeals	148.62	168.16
iii) Pending Labour cases	26.49	24.37
iv) Corporate Guarantee given to a Foreign Bank outside India for securing financial assistance to:		
- A Foreign Subsidiary	6,192.10	6,160.75

(a) Bank Guarantee includes ₹ 85.00 lakhs provided by Holding Company on behalf of an Indian Subsidiary as margin money with banks in form of fixed deposit.

(b) In terms of EPCG Licence issued, the Group has undertaken an export obligation for ₹ 53,669 lakhs, which is to be fulfilled over a period of 8 years. The Group has completed the export obligation to the extent of ₹ 47,719 lakhs till the year end, of which licenses of ₹ 38,722 lakhs redeemed by the DGFT and the application for redemption of licenses submitted for ₹ 8,997 lakhs. The export obligation for ₹ 5,950 lakhs is to be fulfilled over the remaining period of 8 years.

(c) In terms of advance license obtained for import of raw materials the Group has undertaken an export obligation for USD 18.950 Mn. which is to be fulfilled over a period of 2 years. The Group has completed the obligation to the extent of USD 15.441 Mn. The license redeemed by the DGFT amounting to USD 12.708 Mn. The balance obligation of USD 3.508 Mn. is to be fulfilled over the remaining period.

(d) Under the package scheme of incentives of Government of Maharashtra for Mega Projects, the Group was eligible for VAT and Electricity duty refund benefits. However, if it contravenes any of the conditions of the scheme or eligibility certificate of entitlement or agreement, it shall repay forthwith the entire benefits drawn / availed alongwith 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 lakhs (previous year ₹ 292.07 lakhs) excluding interest, as the Group has won the case against MSEDCL vide order number 2204 of 2007 dated 07.11.2009 of the Hon'ble High Court of Jurisdiction at Mumbai 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.

(f) i) The Board for Industrial and Financial Reconstruction (BIFR) in its order dated 16th September 2010 has directed that an Indian Subsidiary 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 there would be implemented by the Group Company/Promoters and the concerned agencies and implementation would be monitored by the Board of Directors of the Group Company

Notes to the Consolidated Financial Statements

iii) The Group Company would complete necessary formalities with the concerned Registrar of Companies as may be required.

(g) The Group Company had accordingly not made any provision of MAT/Income tax in earlier years on the basis of scheme of rehabilitation sanctioned by the BIFR. In the order dated 16.09.2010, the "Board" has stated that the un implemented provisions of SS-07 would be implemented by the Group Company /promoters and concerned agencies. Against this order DGIT had filed an appeal before AAIFR challenging the validity of the order. The Company is confident 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 lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
a) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	1,399.34	1,520.41
b) Letters of Credit opened for which the material has not yet been shipped	-	138.47

40. RELATED PARTY DISCLOSURES

Related party disclosures as required by IND-AS 24 "Related Party Disclosures" are given below:

i) Key Management Personnel

1.	Shri Anil Kumar Jain	Executive Chairman
2.	Shri Mohit Jain	Managing Director (w.e.f. 09.05.2016)
3.	Shri R. N. Gupta	Joint Managing Director (upto 09.05.2016)
4.	Shri K. R. Lalpuria	Executive Director (upto 13-11-2017)
5.	Shri Kamal Mitra	Director (Works)
6.	Shri P. N. Shah	Independent Director
7.	Shri R. Anand	Independent Director
8.	Shri Dilip Thakkar	Independent Director
9.	Shri Prem Malik	Independent Director
10.	Shri Sushil Kumar Jiwarajka	Independent Director (upto 13-11-2017)
11.	Dr. (Mrs.) Vaijayanti Pandit	Independent Director

ii) Relatives of Key Management Personnel

1. Smt. G. D. Jain
2. Smt. Shikha Jain

iii) Parties where Control Exists

A. Associates

1. Unic Consultants
2. A. K. Jain HUF

B. Others

Indo Count Foundation

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Associates	Relatives of Key Management Personnel	Key Management Personnel	Others	Total
Remuneration Paid	–	38.99	902.28	–	941.27
	(–)	(35.28)	(1,889.48)	(–)	(1,924.76)
Commission Paid	–	–	6.00	–	6.00
	(–)	(–)	(6.00)	(–)	(6.00)
Sitting Fees	–	–	14.00	–	14.00
	(–)	(–)	(6.90)	(–)	(6.90)
Rent Received	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)
Lease Rent Paid	75.17	–	–	–	75.17
	(70.16)	(–)	(–)	(–)	(70.16)
CSR Expenses	–	–	–	225.29	225.29
	(–)	(–)	(–)	(248.75)	(248.75)
Balance outstanding at the end of year					
Other Payables					
Remuneration Payable	–	–	214.21	–	214.21
	(–)	(–)	(974.41)	(–)	(974.41)
Commission Payable	–	–	6.00	–	6.00
	(53.38)	(–)	(6.00)	(–)	(59.38)

a) Previous year figures are given in brackets.

b) Related parties enlisted above are those having transactions with the Group.

41. It is management's opinion that since the Group is exclusively engaged in the activity of manufacture of textile products which are governed by the same set of risks and returns. The same are considered to constitute a single reportable segment in the context of Indian Accounting Standard (Ind AS) 108 on "Operating Segments" issued by the Institute of Chartered Accountants of India.

42. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITIES (CSR)

The particulars of expenditure are as follows:

a) Gross amount required to be spent by the Group during the year is ₹ 619.92 lakhs (previous year ₹ 463.05 lakhs).

b) Amount incurred during the year on:

Particulars	₹ in lakhs
i) Construction / Acquisition of Asset	–
ii) On purpose other than (i) above	225.29

Out of the above, the Group has paid ₹ 225.29 lakhs (previous year ₹ 248.75 lakhs) to Indo Count Foundation.

Notes to the Consolidated Financial Statements

43. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 33 EARNINGS PER SHARE

Particulars	UOM	For the year ended 31.03.2018	For the year ended 31.03.2017
Face value of Equity Shares	₹	2.00	2.00
Weighted average number of Equity Shares outstanding	Nos.	19,73,99,670	19,73,99,670
Profit for the year (continuing operations)	₹ In lakhs	12,603.89	23,223.88
Weighted average Earnings Per Share (basic and diluted)	₹	6.38	11.76

44. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS

Defined contribution plans

Amount of ₹ 643.88 lakhs (previous year ₹ 735.27 lakhs) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans (Refer Note 35, supra):

(₹ in lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Benefits		
Provident Fund	550.77	664.60
Employee State Insurance Scheme	90.13	67.68
Labour Welfare Scheme	2.98	2.99
TOTAL	**643.88**	**735.27**

Defined benefit plans:

Gratuity

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

The Group makes annual contributions to the Life Insurance Corporation of India, which is funded defined benefit plan for qualifying employees.

Leave Encashment benefit

The Group provides for leave encashment, a defined benefit retirement plan covering eligible employees. The Leave Encashment Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 12 days salary for each completed year of service, subject to maximum of 90 days till retirement.

The Group makes annual contributions to the Life Insurance Corporation of India, which is funded defined benefit plan for qualifying employees.

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Gratuity		Leave Encashment	
	2017-18 (funded)	2016-17 (funded)	2017-18 (funded)	2016-17 (funded)
Change in present value of defined benefit obligation during the year				
Present Value of defined benefit obligation at the beginning of the year	1,525.62	1,134.30	362.38	237.20
Interest cost	117.47	79.85	27.90	16.70
Current service cost	173.72	165.21	133.82	101.76
Past service cost	–	–	–	–
Liability transfer within Group	–	–	–	–
Liability transferred out/ divestment	–	–	–	–
Benefits paid directly by employer	–	–	–	–
Benefits paid	(70.24)	(24.10)	(39.52)	(26.71)
Actuarial changes arising from changes in demographic assumptions	–	–	–	–
Actuarial changes arising from changes in financial assumptions	(107.98)	250.01	(23.83)	(142.60)
Actuarial changes arising from changes in experience adjustments	50.57	(79.65)	25.90	176.04
Present Value of defined benefit obligation at the end of the year	**1,689.16**	**1,525.62**	**486.65**	**362.38**
Change in fair value of plan assets during the year				
Fair value of plan assets at the beginning of the year	1,131.86	988.83	412.41	382.16
Interest Income	84.80	88.16	30.77	32.94
Contributions paid by the employer	210.28	78.97	19.27	24.03
Benefits paid from the fund	(65.51)	(24.10)	(39.52)	(26.71)
Assets transferred out/ divestments	–	–	–	–
Return on plan assets excluding interest income	–	–	–	–
Fair value of plan assets at the end of the year	**1,361.43**	**1,131.86**	**422.94**	**412.41**
Net asset/ (liability) recognised in the balance sheet				
Present Value of defined benefit obligation at the end of the year	1,689.16	1,525.62	486.65	362.38
Fair value of plan assets at the end of the year	1,361.43	1,131.86	422.94	412.41
Amount recognised in the balance sheet	327.74	264.64	63.71	(50.03)
Net (liability)/ asset- current	–	–	–	–
Net (liability)/ asset- non-current	(327.74)	(393.76)	(63.71)	50.03
Expenses recognised in the statement of profit and loss for the year				
Current service cost	171.83	165.21	132.38	101.76
Interest cost on benefit obligation (Net)	24.75	8.31	(1.57)	(10.11)
Total expenses included in employee benefits expense	**196.57**	**173.52**	**130.81**	**91.65**

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Gratuity		Leave Encashment	
	2017-18 (funded)	2016-17 (funded)	2017-18 (funded)	2016-17 (funded)
Actuarial changes arising from changes in demographic assumptions	–	–	–	–
Actuarial changes arising from changes in financial assumptions	–	–	(23.83)	(142.60)
Actuarial changes arising from changes in experience adjustments	–	–	25.90	176.04
Return on plan assets excluding interest income	–	–	0.20	(6.13)
Total expenses included in employee benefits expense	**–**	**–**	**263.89**	**211.60**
Recognised in other comprehensive income for the year				
Actuarial changes arising from changes in demographic assumptions	–	–	–	–
Actuarial changes arising from changes in financial assumptions	(107.98)	250.01	–	–
Actuarial changes arising from changes in experience adjustments	50.57	(79.65)	–	–
Return on plan assets excluding interest income	7.93	(16.61)	–	–
Recognised in other comprehensive income	**(49.48)**	**154.75**	**–**	**–**
Maturity profile of defined benefit obligation				
Within the next 12 months (next annual reporting period)	216.01	154.34	177.91	101.75
Between 2 and 5 years	303.38	317.49	63.14	64.83
Between 6 and 10 years	404.07	309.72	35.45	26.68
Quantitative sensitivity analysis for significant assumption is as below:				
Increase/ (decrease) on present value of defined benefits obligation at the end of the year				
(i) One percentage point increase in discount rate	(1,423.50)	(144.08)	427.29	365.45
(ii) One percentage point decrease in discount rate	1,708.83	169.02	496.09	425.80
(i) One percentage point increase in rate of salary Increase	1,711.29	170.46	496.67	426.10
(ii) One percentage point decrease in rate of salary Increase	(1,419.18)	(147.55)	426.30	365.97
(i) One percentage point increase in employee turnover rate	1,552.36	23.66	462.46	398.11
(ii) One percentage point decrease in employee turnover rate	1,525.54	(26.53)	455.18	387.52

Notes to the Consolidated Financial Statements

Sensitivity Analysis Method

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

The major categories of plan assets as a percentage of total

(₹ in lakhs)

Particulars	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Insurer managed funds	100%	100%	100%	100%

Actuarial assumptions

Particulars	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Actuarial assumption				
Discount Rate (p.a.)	7.04%	7.70%	7.04%	7.70%
Salary Escalation (p.a.)	7.00%	7.00%	7.00%	7.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	NA	NA
Mortality post retirement rate	Indian Assured Lives Mortality (2006-08)	NA	NA	NA
Employee turnover rate (p.a.)	5.00%	4.00%	5.00%	4.00%
Future benefit cost inflation	NA	NA	NA	NA

Expected contribution to the defined benefit plan for the next annual reporting period

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2017. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(iii) The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

45. DETAILS OF CAPITAL EXPENDITURE INCURRED DURING THE YEAR FOR RESEARCH AND DEVELOPMENT IS GIVEN BELOW

(₹ in lakhs)

Particulars	2017-18	2016-17
Plant and Machinery	47.23	–
TOTAL	**47.23**	**–**

46. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Notes to the Consolidated Financial Statements

The following methods and assumptions were used to estimate the fair values:

a) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected lossess of these receivables.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(₹ in lakhs)

Particulars	Carrying amount	Fair value		
	As at 31-03-2017	Level 1	Level 2	Level 3
Financial Assets at Amortised Cost:				
Trade Receivables	31,122.87	–	–	–
Loans and Other Receivables (Non-Current)	190.87	–	–	190.87
Loans and Other Receivables (Current)	527.75	–	–	527.75
Cash and Bank Balances	891.35	–	–	–
Bank Deposit	967.86	–	–	–
TOTAL	**33,700.70**	**–**	**–**	**718.62**
Financial Assets at Fair Value through Profit or Loss:				
Derivative Instruments	5,726.52	–	5,726.52	–
Investments	0.35	0.17	0.19	–
TOTAL	**5,726.87**	**0.17**	**5,726.71**	**–**
Financial Liabilities at Amortised Cost:				
Non Current Borrowings	2,138.64	–	–	–
Current Borrowings	28,213.58	–	–	–
Trade and Other Payables	13,427.46	–	–	–
Other Financial Liabilities (Current)	7,694.25	–	–	1,027.21
TOTAL	**51,473.93**	**–**	**–**	**1,027.21**

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Carrying amount	Fair value		
	As at 31-03-2018	Level 1	Level 2	Level 3
Financial Assets at Amortised Cost:				
Trade Receivables	28,720.99	–	–	–
Loans and Other Receivables (Non-Current)	115.49	–	–	115.49
Loans and Other Receivables (Current)	345.52	–	–	345.52
Cash and Bank Balances	1,556.83	–	–	–
Bank Deposit	990.87	–	–	–
TOTAL	**31,729.70**	**–**	**–**	**461.01**
Financial Assets at Fair Value Through Profit or Loss:				
Derivative Instruments	5,660.98	–	5,660.98	–
Investments	10.32	0.16	10.17	–
TOTAL	**5,671.30**	**0.16**	**5,671.15**	**–**
Financial Liabilities at Amortised Cost:				
Non Current Borrowings	4,884.06	–	–	–
Current Borrowings	32,226.10	–	–	–
Trade and Other Payables	19,156.33	–	–	–
Other Financial Liabilities (Current)	2,269.13	–	–	900.98
TOTAL	**58,535.62**	**–**	**–**	**900.98**

During the reporting period ending 31st March, 2018 and 31st March, 2017, there were no transfers between Level 1 and Level 2 fair value measurements.

Description of significant unobservable inputs to valuation:

The following table shows the valuation techniques and inputs used for financial instruments

Particulars	As at 31-03-2018	As at 31-03-2017
Non-Current Security Deposits	Discounted Cash Flow method using current interest rate	
Derivative Instruments	Based on quotes from Banks and Financial Institutions	
Other Financial Liabilities (Non-Current)	Discounted Cash Flow method using risk adjusted discount rate	

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a

Notes to the Consolidated Financial Statements

change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expense and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The Group is not exposed to significant interest rate risk as at the respective reporting dates.

Foreign currency risk

The Group operates internationally and portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies.

Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign Currency in lakhs

Particulars	USD	EURO	GBP	CHF	TOTAL
Foreign Currency Exposure as at 31st March, 2017					
Trade Receivables	490.95	5.16	2.23	–	498.34
Non-Current Borrowings	–	–	–	34.44	34.44
Bank Balances	8.91	–	–	–	8.91
Trade and Other Payables	9.88	0.25	0.66	–	10.79
Foreign Currency Exposure as at 31st March, 2018					
Trade Receivables	479.18	–	2.32	–	481.50
Non-Current Borrowings	–	–	–	24.83	24.83
Bank Balances	7.43	–	–	–	7.43
Trade and Other Payables	9.45	0.10	0.52	–	10.07

Notes to the Consolidated Financial Statements

Forward Contracts

Foreign currency exposures taken by the Company against export trade receivables are as under :-

Particulars	Number of Contracts	Foreign Currency in lakhs (USD)	₹ in lakhs	Buy / Sell
As at 31.03.2018	647	2,856.28	1,93,669.92	Sell
As at 31.03.2017	494	1,279.95	90,324.76	Sell

Foreign Currency Sensitivity

5 % increase or decrease in foreign exchange rates will have the following impact on profit before tax:

(₹ in lakhs)

Particulars	2017-18		2016-17	
	5% Increase	5% decrease	5% Increase	5% decrease
USD	1,616.51	(1,616.51)	1,652.84	(1,652.84)
EUR	0.42	(0.42)	18.75	(18.75)
GBP	13.12	(13.12)	11.71	(11.71)
CHF	85.06	(85.06)	111.63	(111.63)
Increase/(decrease) in Profit or Loss	**1,715.11**	**(1,715.11)**	**1,794.93**	**(1,794.93)**

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. Individual risk limits are set accordingly.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

Actual or expected significant adverse changes in business,

Actual or expected significant changes in the operating results of the counterparty,

Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

Significant increase in credit risk on other financial instruments of the same counterparty,

Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, there are recognised in profit or loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industrial practices and the business environment in which the entity operates.

Notes to the Consolidated Financial Statements

Loss rates are based on actual credit loss experience and past trends. Based on historical data, loss on collection of receivable is not material hence no additional provision considered.

Exposure to Credit Risk (₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Investments in Debentures or Bonds	10.17	0.17
Investments in Unqouted Shares	0.16	0.19
Non-Current Loans and Advances	115.50	190.88
Cash and Bank Balances	1,556.83	891.35
Bank Deposit	990.87	967.86
Current Loans and Advances	345.52	527.75

Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Trade Receivables	28,720.99	31,122.87

Balance with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

Particulars	₹ in lakhs
As at 31.03.2018	
Not Due	26,805.73
Up to 3 months	1,373.84
3 to 6 months	184.53
More than 6 months	356.89
TOTAL	**28,720.99**
As at 31.03.2017	
Not Due	25,741.57
Up to 3 months	5,107.14
3 to 6 months	71.20
More than 6 months	202.96
TOTAL	**31,122.87**

During the year the Group has recognised loss allowance of ₹ Nil Under 12 months expected credit loss model. No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Notes to the Consolidated Financial Statements

Maturity Profile of Financial Liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ in lakhs)

Particulars	LESS THAN 1 YEAR	1 TO 5 YEARS	TOTAL
As at 31.03.2018			
Non Current Borrowings	–	4,884.05	4,884.05
Current Borrowings	32,226.10	–	32,226.10
Trade Payables	19,156.33	–	19,156.33
Other Financial Liabilities	2,269.13	–	2,269.13

(₹ in lakhs)

Particulars	LESS THAN 1 YEAR	1 TO 5 YEARS	TOTAL
As at 31.03.2017			
Non Current Borrowings	–	2,138.64	2,138.64
Current Borrowings	28,213.58	–	28,213.58
Trade Payables	13,427.46	–	13,427.46
Other Financial Liabilities	7,694.25	–	7,694.25

Capital Management

For the purposes of the Group's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Group's Capital Management is to maximise shareholder value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Total Debt	38,398.24	31,086.08
Equity	95,636.77	84,618.47
Capital and Net Debt	**1,34,035.01**	**1,15,704.55**
Gearing Ratio	**28.65%**	**26.87%**

As per our report of even date attached

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

Ankur Bagla
Partner
Membership No.: 521915
Mumbai, May 4th, 2018

For and on behalf of Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Mohit Jain
Managing Director
DIN: 01473966

Dilip Ghorawat
Chief Financial Officer

Amruta Avasare
Company Secretary

NOTES

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A TRISYS PRODUCT
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Indo Count
COMPLETE COMFORT

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INDO COUNT INDUSTRIES LIMITED

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Tel No: (0230)-2483105,Fax No: (0230)-2483275
Website: www.indocount.com; **E-mail:** icilinvestors@indocount.com

NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of Indo Count Industries Limited will be held on Tuesday, 11th September, 2018 at 12.30 p.m., at Hotel Vrishali Executive, Conference Hall, 39 A/2, Tarabai Park, District Kolhapur – 416 003, Maharashtra to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2018 together with the reports of the Board of Directors and Auditors thereon.

2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2018 together with the report of the Auditors thereon.

3. To confirm the payment of Interim Dividend of Re. 0.40/- per Equity Share of face value of ₹ 2/-each made during Financial Year 2017-18.

4. To declare Final Dividend of Re. 0.40/- per Equity Share of face value of ₹ 2/- each for the Financial Year ended 31st March, 2018.

5. To appoint a Director in place of Mr. Mohit Anilkumar Jain (DIN: 01473966), who retires by rotation and being eligible, offers himself for the re-appointment.

6. **Ratification of appointment of Statutory Auditors**

   To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and any other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 including any statutory amendment(s) thereof, the appointment of M/s. Suresh Kumar Mittal & Co, Chartered Accountants (Firm Registration No. 500063N), as the Statutory Auditors of the Company, to hold office from the conclusion of the Twenty Ninth Annual General Meeting till the conclusion of the Thirtieth Annual General Meeting, be and is hereby ratified on such remuneration as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS:

7. **Appointment of Mr. Kailash R. Lalpuria as a Director of the Company**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, Mr. Kailash R. Lalpuria (DIN: 00059758) who was appointed as an Additional Director of the Company w.e.f. 4th May, 2018 and who holds office upto the date of this Annual General Meeting ('AGM'), and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of a Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. **Appointment of Mr. Kailash R. Lalpuria as an Executive Director of the Company**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "RESOLVED THAT in accordance with the provisions of sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule V thereto and the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board, consent of the members of the Company be and is hereby accorded for the appointment of Mr. Kailash R. Lalpuria (DIN: 00059758) as a Whole-Time Director designated as "Executive Director" of the Company for a period of 3 years w.e.f. 4th May, 2018 at the remuneration and other terms and conditions as set out below, with liberty to the Board of Directors (hereinafter referred to as "the Board") to alter and vary the terms and conditions including remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);

(A) Salary and Perquisites

Basic Salary: ₹ 6,80,000/- p.m. with an annual increment as may be approved by the Nomination and Remuneration Committee and the Board of Directors.

Perquisites and Allowances

Category I

1. House Rent Allowance - Upto 50% of the Basic Salary.
2. Special Allowance - upto 50% of the basic salary
3. Servant Allowance, Medical Allowance, or any other Allowance as may be decided by the Board - Upto 45% of Basic Salary.
4. Chauffer Driven Company Car for both business and personal use. Fuel cost, repairs, maintenance and operating and running expenses for the car.
5. Telephone, Mobile & other Communication facilities, computers, laptops at the Residence for official purpose and expenses incurred thereof.
6. Leave Travel Allowance (LTA) - As per the policy of the Company for Executive Chairman / Managing Director / Whole-Time Directors of the Company.
7. Travelling Expenses – As per the policy of the Company for Directors of the Company.
8. Medical / Health Insurance - As per the Medical Insurance policy of the Company for Executive Chairman / Managing Director / Whole-Time Directors of the Company. Further, if any other group insurance policies are taken in future, premium of the said policy for Mr. Kailash R. Lalpuria shall be borne by the Company.

Category II

The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, 1961, gratuity payable at a rate not exceeding half a month's leave shall not be included for the purpose of computation of the overall ceiling of remuneration.

B) Commission

The Commission as may be approved by the Board (or a Committee thereof) for each financial year provided overall remuneration of all Executive Directors / Managing Director is within 10% of the Net profits of the Company, as prescribed under section 197 of the Companies Act, 2013 read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

RESOLVED FURTHER THAT any increment / revision in salary and perquisites and remuneration by way of incentive / bonus / ex-gratia / performance linked incentives payable to Mr. Kailash R. Lalpuria during his tenure of office be determined by the Board, pursuant to the recommendation of Nomination and Remuneration Committee provided overall remuneration of all Executive Directors / Managing Director is within 10% of the Net profits of the Company, as prescribed under section 197 of the Companies Act, 2013 read with Schedule V of the

Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);

RESOLVED FURTHER THAT in the case of absence or inadequacy of profits in any financial year during the tenure of office of Mr. Kailash R. Lalpuria, Executive Director, total remuneration payable to him by way of salary, perquisites and other benefits shall be within the limits as specified under Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);

RESOLVED FURTHER THAT Mr. Kailash R. Lalpuria, Executive Director shall be liable to retire by rotation;

RESOLVED FURTHER THAT the Board and Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution."

9. **Appointment of Mr. Sushil Kumar Jiwarajka as an Independent Director of the Company**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Sushil Kumar Jiwarajka (DIN: 00016680), who was appointed as an Additional Independent Director of the Company w.e.f 4th May, 2018 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of a Director and who meets the criteria for independence as specified in Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has submitted a declaration to that effect and who is eligible for the appointment be and is hereby appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation for a second term of five consecutive years w.e.f. 4th May 2018 to 3rd May, 2023."

10. **Change in designation of Mr. Mohit Anilkumar Jain to "Vice Chairman" of the Company**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board, consent of the members of the Company be and is hereby accorded for change in designation of Mr. Mohit Anilkumar Jain (DIN: 01473966), from "Managing Director" to "Vice Chairman" of the Company w.e.f. 1st July, 2018, liable to retire by rotation on such terms and conditions as specified in the Explanatory Statement;

RESOLVED FURTHER THAT the Board and the Key Managerial Personnel of the Company be and are hereby severally authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

11. **Appointment of Dr. Sanjay Kumar Panda as an Independent Director of the Company**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Dr. Sanjay Kumar Panda (DIN: 02586135), who was appointed as an Additional Independent Director of the Company w.e.f 3rd August, 2018 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of a Director and who meets the criteria for independence as specified in Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has submitted a declaration to that effect and who is eligible for the appointment be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years w.e.f. 3rd August, 2018 to 2nd August, 2023."

12. **Appointment of Mr. Siddharth Mehta as an Independent Director of the Company**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Siddharth Mehta (DIN: 03072352), who was appointed as an Additional Independent Director of the Company w.e.f. 3rd August, 2018 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of a Director and who meets the criteria for independence as specified in Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has submitted a declaration to that effect and who is eligible for the appointment be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years w.e.f. 3rd August, 2018 to 2nd August, 2023."

13. **Continuation of existing term of Mr. Pradyumna N. Shah, Independent Director of the Company upto 15th August, 2019**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions, if any of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded for continuation of the existing term of Mr. Pradyumna N. Shah (DIN: 00096793), who has attained the age of seventy five years, as the Non-Executive Independent Director of the Company upto 15th August, 2019."

14. **Continuation of existing term of Mr. Anand Ramanna, Independent Director of the Company upto 15th August, 2019**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions, if any of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded for continuation of the existing term of Mr. Anand Ramanna (DIN: 00040325), who has attained the age of seventy five years, as the Non-Executive Independent Director of the Company upto 15th August, 2019."

15. **Continuation of existing term of Mr. Dilip J. Thakkar, Independent Director of the Company upto 15th August, 2019**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions, if any of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded for continuation of the existing term of Mr. Dilip J. Thakkar (DIN: 0007339), who has attained the age of seventy five years, as the Non-Executive Independent Director of the Company upto 15th August, 2019."

16. **Continuation of existing term of Mr. Prem Malik, Independent Director of the Company upto 15th August, 2019**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions, if any of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded for continuation of the existing term of Mr. Prem Malik (DIN: 00023051), who has attained the age of seventy five years, as the Non-Executive Independent Director of the Company upto 15th August, 2019."

17. **Payment of Commission to Non-Executive Independent Directors of the Company**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT in partial modification of the resolution passed by the shareholders at the Annual General Meeting held on 23rd August, 2014 and in accordance with the provisions of section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), as amended from time to time, and subject to a maximum limit as per the provisions of section 198 of the Act and in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, the consent of the Members be and is hereby accorded to pay a sum not exceeding one percent, per annum of the net profits of the company to the Non-Executive Independent Directors of the Company in such manner or proportion as may be directed by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors
For Indo Count Industries Limited

Date: 3rd August, 2018
Place: Mumbai

Amruta Avasare
Company Secretary

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of the Special Business under Item Nos. 7 to 17 of the Notice, is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   Proxy forms, in order to be effective, must be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Annual General Meeting. Proxy form should be duly completed, stamped and signed.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent (10%) of the total paid up share capital of the Company carrying voting rights. A member holding more than ten percent (10%) of the total paid up share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or member.shall not act as a proxy for any other person or member.

3. The dividend on equity shares as recommended by the Board of Directors, if approved by the Members at the Annual General Meeting, will be paid to those Equity Shareholders whose names appear in the Register of Members / Register of Beneficial Owners as at the close of business hours on Saturday, 1st September, 2018 ("Record Date").

4. In order to enable the Company to remit dividend electronically through National Electronic Clearing Services (NECS), National Electronic Fund Transfer (NEFT), etc., members are requested to provide / update details of their bank accounts indicating the name of the bank, branch, account number, nine-digit MICR code and IFSC code (as appearing on the cheque) along with photocopy of the cheque / cancelled cheque. The said information should be submitted to the Company, if the shares are held in physical form and to the concerned Depository Participants ("DP"), if the shares are held in electronic form.

5. Corporate Members intending to send their authorized representatives are requested to send to the Company a duly certified copy of the Resolution passed by the Board of Directors under Section 113 of the Companies Act, 2013 authorizing their representatives to attend and vote at the Annual General Meeting.

6. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings, relevant details of the Directors seeking appointment / re-appointment are provided in the Annexure to this Notice.

7. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company are requested to submit Form SH -13 to the Registrar and Transfer Agent of the Company. Members holding shares in demat form may contact their respective Depository Participant ("DP") for recording of nomination.

8. In case of joint members attending the Annual General Meeting ("AGM"), the member whose name appears as first holder in the order of names as per Register of Members of the Company will be entitled to vote, in case first holder has not done e-voting.

9. Members holding shares:
   a) in electronic/demat form are advised to inform the particulars of their bank account, change of address and E-mail address to their respective Depository Participant ("DP") only. The Company or its Registrar and Share Transfer Agent ('RTA') i.e. Link Intime India Private Limited cannot act on any request received directly from the members holding shares in demat mode for changes in any bank mandates or other particulars etc. and such instructions are required to be given directly by the Members to their DP.

   b) in physical form are advised to inform the particulars of their bank account, change of address and E-mail address to the RTA.

10. Members, whether holding shares in electronic/ physical mode, are requested to quote their DP ID & Client ID or Folio No. for all correspondence with the Company / RTA.

11. NRI Members are requested to:
    a) change their residential status on return to India permanently.
    b) furnish particulars of bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank with PIN Code No., if not furnished earlier.
12. To support green initiative and to disseminate all the communications promptly, members who have not registered their E-mail address are requested to register the same with the DP / RTA in respect of shares held in electronic/physical mode respectively for receiving all the communications including Annual Reports, Notices, etc, by email. Email addresses made available by the DP/RTA will be treated as registered email address for serving notices/documents.
13. Members holding shares under different Folio Nos. in the same names are requested to apply for consolidation of folios and send relevant original share certificates to the Company's RTA for doing the needful.
14. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in dematerialized form are, therefore, requested to submit their PAN to their respective DP. Members holding shares in physical form are requested to submit their PAN details to the Company / RTA.
15. Members are requested to note that in case of transfer of shares held in physical form, submission of self-attested photocopy of PAN card of the transferee(s) as well as transferor(s) is mandatory along with the Transfer Deed(s) and Original Share Certificate(s) at the time of lodgement of transfer of shares.
16. Pursuant to SEBI Circular dated 8th June, 2018, transfer of Shares in physical form will not be carried out w.e.f. 5th December, 2018. Hence, members holding equity shares of the Company in physical form are requested to dematerialize the same at the earliest.
17. Electronic copy of the Annual Report for Financial Year 2017-18 and Notice of the 29th AGM of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email addresses are registered with the Company/DP for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for Financial Year 2017-18 and Notice of the 29th AGM of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being send through permitted mode. The Notice of 29th AGM and Annual Report for FY 2017-18 will be available on website of Company at www.indocount.com and also on the website of NSDL.
18. Copies of any documents referred to in the Notice and Explanatory Statement are available for inspection at the Registered Office of the Company on all days except Saturdays, Sundays or Public holidays between 2.00 p.m. to 4.00 p.m. upto the date of the AGM and also at the AGM.

    In terms of Section 124 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Interim Dividend for the FY 2015-16, Final Dividend for the FY 2015-16, Interim Dividend for the FY 2016-2017, Final Dividend for 2016-17 and Interim Dividend for 2017-18 are due for transfer to IEFP in the year 2022, 2023, 2024 and 2025 respectively. Members are requested to ensure that they claim the respective dividend(s) before transfer of the said amount to IEPF. Members who have not encashed their dividend warrants for said dividend(s) are requested to contact the Company or/Registrar and Transfer Agent.
19. Route Map to reach the venue of the 29th AGM is given at the end of this Notice.

E-voting:

Pursuant of section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2015 as amended from time to time, and Regulation 44 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through National Securities Depository Limited (NSDL) as an alternative, for all Members of the Company to enable them to cast their votes electronically, on

the resolutions mentioned in the notice of the 29th Annual General Meeting of the Company.

General Instructions:

a) It is clarified that it is not mandatory for a member to cast vote using e-voting facility. The facility for voting, through poll paper / ballot paper shall also be made available at the venue of the 29th AGM. The members attending the AGM, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the AGM. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.

b) The voting rights of members shall be in proportion to the shares held by them, of the paid up equity share capital of the Company as on the cut-off date i.e. Tuesday, 4th September, 2018.

c) The remote e-voting period begins on Friday, 7th September, 2018 at 9.00 a.m. (IST) and ends on Monday, 10th September, 2018 at 5.00 p.m. (IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, 4th September, 2018 may cast their votes by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting after 5.00 p.m. (IST) on Monday, 10th September, 2018.

d) Mr. Shrenik Nagaonkar, Partner of M/s. PPS & Associates, Practicing Company Secretaries (Membership No.: F7067; CP No: 11682), has been appointed as a Scrutinizer to scrutinize the remote e-voting process and voting through poll paper / ballot paper at the venue of AGM in a fair and transparent manner.

e) The Scrutinizer shall submit his consolidated report to the Chairman within 48 hours from the conclusion of the AGM.

f) The result declared along with the Scrutinizer's Report shall be placed on the website of the Company at www.indocount.com and on the website of NSDL and shall simultaneously be communicated Stock Exchanges i.e. National Stock Exchange of India and BSE Limited.

Process and manner for members opting to vote through remote e-voting:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote. The password is printed on attendence slip.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open

Step 2 : Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e- voting system

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After clicking on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.

3. Select 'EVEN' of Indo Count Industries Limited for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.

6. Upon confirmation, the message 'Vote cast successfully' will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Members

i) Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to shrenik.nagaonkar@ppscs.in with a copy marked to evoting@nsdl.co.in.

ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.

iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NOS. 7 and 8

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 4th May, 2018 appointed Mr. Kailash R. Lalpuria as an Additional Director of the Company w.e.f. 4th May, 2018 to hold office till the date of the next Annual General Meeting. Further, the Board of Directors of the Company also approved his appointment as the Whole Time Director designated as "Executive Director" of the Company for a period of 3 years with effect from 4th May, 2018 subject to approval of the members of the Company on the terms and conditions including remuneration as set out in resolution at Item No. 8 of the Notice.

Pursuant to the provisions of Sections 196, 197, 198 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder read with Schedule V of the Companies Act, the appointment and remuneration of Whole Time Director requires approval of the shareholders in General Meeting.

The brief profile of Mr. Kailash R. Lalpuria and other details required as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 is provided in Annexure to the Notice. Considering rich knowledge and varied experience of Mr. Kailash R. Lalpuria, the Board was of the opinion that his association as an Executive Director will benefit the Company. Mr. Kailash R. Lalpuria satisfies the conditions specified in Part I of Schedule V of the Companies Act, 2013. Further, Mr. Kailash R. Lalpuria has confirmed that he is not disqualified to act as a Director of the Company pursuant to the filing made under Condonation of Delay (Scheme), 2018.

The Board of Directors recommends the resolutions at Item No. 7 and 8 of the Notice for the approval of members of the Company by way of Ordinary and Special Resolution respectively.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Kailash R. Lalpuria are concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 9

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 4th May, 2018 appointed Mr. Sushil Kumar Jiwarajka as an Additional Director and Independent Director of the Company for a second term of five consecutive years w.e.f. 4th May, 2018.

Mr. Sushil Kumar Jiwarajka has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Mr. Sushil Kumar Jiwarajka fulfills the conditions specified in the Companies Act, 2013 the Rules framed thereunder and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and he is independent of the management. Mr. Sushil Kumar Jiwarajka has given consent to act as a Director of the Company pursuant to Section 164 of the Companies Act, 2013. Further, Mr. Sushil Kumar Jiwarajka has confirmed that he is not disqualified to act as a Director of the Company pursuant to the filing made under Condonation of Delay (Scheme), 2018. The performance evaluation report was considered by NRC while making appointment of Mr. Sushil Kumar Jiwarajka.

The brief profile of Mr. Sushil Kumar Jiwarajka and other details required as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in Annexure to the Notice. Considering rich knowledge, varied experience and contributions made by him during his earlier tenure as Director, the Board of Directors of the Company is of the opinion that his association on the Board would immensely benefit the Company.

A copy of the draft Letter of Appointment of Independent Director, setting out the terms and conditions of appointment, is available for inspection at

the Registered Office of the Company during business hours on any working day.

The Board of Directors recommends the resolution at Item No. 9 of the Notice for the approval of members of the Company by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Sushil Kumar Jiwarajka are concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 10

At the Annual General Meeting of the Company held on 26th July, 2016, members of the Company had approved appointment of Mr. Mohit Jain as a Managing Director of the Company for a period of 5 years w.e.f 9th May, 2016.

As a part of global business strategy, the Company needs to envisage the upcoming opportunities as well as challenges. In view of dynamic business environment and to build a strong roadmap for future, leading to next phase of growth, it is necessary for the Company to focus on further strengthening global business, increasing global reach by tapping new geographies, broadening the customer base, exploring new channels of businesses, introducing new products and brand portfolio. In order to implement the same in an effective manner and considering knowledge, skills and experience of Mr. Mohit Jain in Global Marketing, the Board of Directors of the Company approved that Mr. Mohit Jain should play a leading role in further global expansion through international subsidiaries by taking up position of Chief Executive Officer in any of the foreign subsidiary of the Company. In view of said CEO position and considering provisions of Part I of Schedule V of Companies Act, 2013 and pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 4th May, 2018, also approved change in the designation of Mr. Mohit Jain from 'Managing Director" to "Vice Chairman" of the Company w.e.f. 1st July, 2018 in Non-Executive category. As a Vice Chairman, Mr. Mohit Jain will not draw any remuneration from the Company other than reimbursement of travelling expenses and any other incidental expenses for business purpose and for attending the Board Meetings/General Meetings.

Pursuant to the provisions of the Companies Act, 2013, change in terms of appointment of Managerial Personnel requires approval of members in general meeting.

The Board of Directors recommends the resolution at Item No. 10 of the Notice for the approval of members of the Company by way of Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Mohit Jain, Mr. Anil Kumar Jain and their relatives are concerned or interested, financially or otherwise, in the said resolution.

Item No. 11

Dr. Sanjay Kumar Panda is a retired IAS officer. Dr Panda had a brilliant academic career; with Gold medals as the Best Graduate, in Post Graduation, Silver medal in Public Administration, Diploma in Forestry, PhD in Economics and International Louis Pasteur Award for outstanding contribution to silk industry. In the Indian Administrative Service (1980 batch), he worked in Tripura, Odisha and Government of India including as Chief Secretary, Tripura (2010-14) and Secretary, Ministry of Textiles (2014-15). He has various publications in his name.

The Brief Profile and other details of Dr. Sanjay Kumar Panda required as per Listing Regulations and Secretarial Standard - 2 are provided in Annexure to this Notice.

Considering the rich knowledge, expertise and vast experience of Dr. Sanjay Kumar Panda, the Board was of the opinion that his appointment on the Board would immensely benefit the Company. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 3rd August, 2018 appointed Dr. Sanjay Kumar Panda (DIN: 03609419) as an Additional (Independent) Director of the Company for a period of five consecutive years with effect from 3rd August, 2018 on the terms specified in the letter of appointment.

Dr. Sanjay Kumar Panda fulfils the criteria of independence specified in the Companies Act 2013 read with the rules made thereunder and the Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and have furnished declaration to that effect. Accordingly, the Board is of the opinion that Dr. Sanjay Kumar Panda is independent of the management and fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder with regard to appointment of Director. Further, Dr. Sanjay Kumar Panda is not disqualified to act as Director of the Company.

A copy of the draft Letter of Appointment of Independent Director, setting out the terms and conditions of appointment, is available for inspection at the Registered Office of the Company during business hours on any working day.

Pursuant to Section 149 of the Companies Act, 2013 read with Schedule IV of the Act, the Board recommends the Ordinary Resolution with respect to the appointment of Dr. Sanjay Kumar Panda as an Independent Director of the Company, set out in Item No. 11 of the Notice, for approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Dr. Sanjay Kumar Panda and his relatives are concerned or interested, financially or otherwise, in the said resolution.

Item No. 12

Mr. Siddharth Mehta holds L.L.M. degree from Columbia University School Of Law, New York; General Course on Intellectual Property, World Intellectual Property Organization, Geneva. Mr. Mehta is the Managing Partner of M/s Mehta & Padamsey and in charge of the Corporate & Transactional Practice. Mr. Mehta focuses on financings, mergers & acquisitions, capital markets, & regulatory areas for businesses with an emphasis on cross-border transactions.

The Brief Profile and other details of Mr. Siddharth Mehta required as per Listing Regulations and Secretarial Standard - 2 are provided in Annexure to this Notice.

Considering the rich knowledge, expertise and vast experience of Mr. Siddharth Mehta, the Board was of the opinion that his appointment on the Board would immensely benefit the Company. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 3rd August, 2018 appointed Mr. Siddharth Mehta (DIN: 03609419) as an Additional (Independent) Director of the Company for a period of five consecutive years with effect from 3rd August, 2018 on the terms specified in the letter of appointment.

Mr. Siddharth Mehta fulfils the criteria of independence specified in the Companies Act 2013 read with the rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and have furnished declaration to that effect. Accordingly, the Board is of the opinion that Mr. Siddharth Mehta is independent of the management and fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder with regard to appointment of Director. Further, Mr. Siddharth Mehta is not disqualified to act as Director of the Company.

A copy of the draft Letter of Appointment of Independent Director, setting out the terms and conditions of appointment, is available for inspection at the Registered Office of the Company during business hours on any working day.

Pursuant to Section 149 of the Companies Act, 2013 read with Schedule IV of the Act, the Board recommends the Ordinary Resolution with respect to the appointment of Mr. Siddharth Mehta as an Independent Director of the Company, set out in Item No. 12 of the Notice, for approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Siddharth Mehta and his relatives are concerned or interested, financially or otherwise, in the said resolution.

Item No. 13, 14, 15 and 16

At the Annual General Meeting held on 23rd August, 2014, Mr. P.N. Shah, Mr. R. Anand, Mr. Dilip J. Thakkar and Mr. Prem Mailk were appointed as the Non-Executive Independent Directors of the Company for a term of 5 consecutive years i.e. upto 15th August, 2019.

As per Regulation 17(1) (a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 notified on 8th May 2018, no listed entity shall appoint or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless the same is approved by members of the Company by way of special resolution. The said provision is effective from 1st April 2019.

Mr. P. N. Shah is a qualified Chartered Accountant having rich and wide experience of more than 65 years in the fields of finance, accounts and audit. Further, Mr. Dilip J. Thakkar is also qualified Chartered Accountant with vast experience of around 53 years in Finance, FEMA & tax matters. Mr. R Anand and Mr Prem Malik are having wide experience of more than 50 years in textile industry. Though Mr P.N. Shah, Mr. R. Anand, Mr. Dilip J. Thakkar and Mr. Prem Malik have crossed age of 75 years, they are fit and capable of discharging their duties as Independent Directors of the Company. They attend board / committee meetings of the Company and provide their valuable suggestions to the Board. Over the years, the Company has immensely benefited from their rich experience, knowledge and contributions from time to time.

Considering all the aforesaid factors, pursuant to the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 3rd August, 2018 approved continuation of existing term of Mr. P. N. Shah, Mr. R. Anand, Mr. Dilip J. Thakkar and Prem Malik as Non-Executive Independent Directors of the Company till 15th August, 2019.

The Board of Directors therefore recommends the resolutions as set out in Item No. 13 to 16 of the Notice for approval of members of the Company by way of Special Resolutions.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. P. N. Shah, Mr. R. Anand, Mr. Dilip J. Thakkar and Mr. Prem Malik and their relatives are concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 17

The Members of the Company at their Annual General Meeting held on 23rd August, 2014 had approved payment of commission to the Non-Executive Independent Directors (NEDs) of the Company upto ₹ 1,00,000/- each per annum in addition to sitting fees.

Considering the crucial role and the enhanced responsibilities and duties of NEDs under the Companies Act, 2013 and the Listing Regulations, it is considered appropriate that the commission payable to the Directors by the Company should be reviewed.

It is proposed that, in addition to the sitting fees, NEDs be paid commission not exceeding 1% of Net profits calculated as per section 198 of the Act per annum, in such manner or proportions, as may be decided by the Board of Directors.

The Board of Directors therefore recommends the resolution as set out in Item No. 17 of the Notice for approval of members of the Company by way of Special Resolution.

All Independent Directors and their relatives are deemed to be interested in the said resolution set out at Item No. 17 of the Notice.

By Order of the Board of Directors
For Indo Count Industries Limited

Date: 3rd August, 2018 **Amruta Avasare**
Place: Mumbai **Company Secretary**

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

Annexure to AGM Notice

Additional Information as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 & Secretarial Standard – 2 on General Meetings

Name of the Directors	Mr. Mohit Anilkumar Jain	Mr. Kailash Ramniwas Lalpuria	Mr. Sushil Kumar Jiwarajka
Age	41 years	58 years	61 years
DIN	01473966	00059758	00016680
Category (as on 31st March 2018)	Executive & Non-Independent	Executive & Non-Independent	Non-Executive Independent
Date of first appointment on the Board	9th May, 2016	11th November, 2010	29th September, 1999
Brief Resume and nature of expertise in specific functional areas	Mr. Mohit Jain has graduated from Babson College, United States of America and is specialized in the fields of Marketing, Economics, Finance and Entrepreneurial Studies. He has over 16 years' experience in Global Marketing and Entrepreneurship. He has vast experience on overseas business and has established networking with the global customers.	A qualified Chartered Accountant, Mr. Lalpuria is a Science graduate from St. Xavier's College in Mumbai and has more than 35 years of experience in the Textile Sector. His expertise includes Strategic Growth of Organization, Planning Joint Ventures, Developing Overseas Sales Team, Contribution in overall Value Chain, New Areas of Business Development, Commercial Aspects of Export Business, Sales & Marketing and Customer Relationship Management. He has the entrepreneur skills to conceptualize business and establish it as a successful enterprise. He has travelled worldwide and has good network for business development globally.	Mr. Sushil Jiwarajka, a prominent industrialist and is the Chairman of Artheon Group of companies which are in the business of Telecom, Renewable energy and E-commerce. Some of the important Positions held by him are mentioned viz. Chairman - FICCI (Federation of Indian Chambers of Commerce & Industry), WRC (2000-2014); Chairman - Indo Arab Chamber of Commerce and Industry, (2005-2013); President-Infrastructure & Logistics Federation of India (ILFI); National Vice President: Air Passengers Association of India; International Chamber of Commerce: India Past President; Managing Trustee : Dwarkadas Jiwarajka Memorial Trust, Mumbai; All India Organization of Employers: Past President. He has been a member of several Central and State Government Committees.
Terms and conditions of re-appointment	Mr Mohit Jain is liable to retire by rotation as per resolution passed in Annual General Meeting of the Company held on 26th July, 2016.	Appointed as an Executive Director of the Company for a period of 3 years w.e.f. 4th May, 2018 liable to retire by rotation on the terms and conditions mentioned in Item No. 8 of the notice.	Mr. Sushil Kumar Jiwarajka is appointed as a Non-Executive Director for a second term of five consecutive years w.e.f. 4th May, 2018 and shall not be liable to retire by rotation.

Name of the Directors	Mr. Mohit Anilkumar Jain	Mr. Kailash Ramniwas Lalpuria	Mr. Sushil Kumar Jiwarajka
Details of remuneration sought to be paid and remuneration last drawn.	Remuneration of Mr Mohit Jain for FY 2017-18 was ₹ 352.80 Lakhs. Members are requested to refer explanatory statement to Item No. 10 of the Notice for further details.	During the financial year 2017-18, remuneration of ₹ 68.67 Lakhs was paid towards his tenure of Executive Director of the Company in FY 2017-18. The remuneration sought to be paid to Mr. Kailash R. Lalpuria is mentioned in Item No 8 of the Notice.	During the financial year 2017-18, remuneration of ₹ 1.10 lakh was paid towards sitting fees and commission of ₹ 0.50 lakhs was paid to Mr. Sushil Kumar Jiwarajka during his tenure as an independent Director of the Company in FY 2017-18. Mr. Sushil Kumar Jiwarajka being appointed as an Non-Executive Independent Director of the Company and therefore he will be eligible for sitting fees for attending Board and committee meetings and commission on the profit of the Company as may be determined by the Board from time to time.
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Mohit Jain is son of Mr. Anil Kumar Jain (Executive Chairman). Apart from this, Mr. Mohit Jain does not have any relationship with other Directors and Key Managerial Personnel of the Company.	None	None
Number of Board Meetings attended during the year	During the year 2017-18, four (4) Board meetings were held and Mr. Mohit Jain attended all the meetings.	During the year 2017-18, Mr. Kailash R. Lalpuria attended 2 Board meetings and thus was present for all meetings held during his tenure as Executive Director of the Company	During the year 2017-18, Mr. Sushil Kumar Jiwarajka was entitled to attend 2 board meetings and attended both the meetings.
Directorships held in other public Companies, including listed Companies [excluding foreign and private Companies] as on 31st March, 2018	NIL	1. Vallabh Textiles Company Ltd 2. Confederation of Indian Textile Industry	Nil
Memberships / Chairmanships of Audit and Stakeholders Relationship Committees of other Public Companies as on 31st March, 2018	NIL	Nil	Nil
Number of shares held in the Company as on 31st March, 2018	692850 Equity Shares of ₹ 2/- each	Nil	Nil

Name of the Directors	Dr. Sanjay Kumar Panda	Mr. Siddharth Mehta	Mr. Pradyumna N. Shah
Age	62 years	40 years	89 years
DIN	02586135	03072352	00096793
Category (as on 31st March 2018)	Non-Executive Independent	Non-Executive Independent	Non-Executive Independent
Date of first appointment on the Board	3rd August, 2018	3rd August, 2018	30th September, 1992
Brief Resume and nature of expertise in specific functional areas	Dr. Sanjay Kumar Panda is a retired IAS officer. Dr Panda had a brilliant academic career; with Gold medals as the Best Graduate, in Post-Graduation, Silver medal in Public Administration, Diploma in Forestry, PhD in Economics and International Louis Pasteur Award for outstanding contribution to silk industry. In the Indian Administrative Service (1980 batch), he worked in Tripura, Odisha and Government of India including as Chief Secretary, Tripura (2010-14) and Secretary, Ministry of Textiles(2014-15). He has various publications in his name.	Mr. Siddharth Mehta holds L.L.M. degree from Columbia University School Of Law, New York; General Course on Intellectual Property, World Intellectual Property Organization, Geneva. Mr. Mehta is the Managing Partner of M/s Mehta & Padamsey and in charge of the Corporate & Transactional Practice. Mr. Mehta focuses on financings, mergers & acquisitions, capital markets, & regulatory areas for businesses with an emphasis on cross-border transactions.	Mr. P. N. Shah is a Fellow Member of Institute of Chartered Accountants of India. He is a past President of ICAI and is a renowned professional and has more than 65 years of experience in Finance, Accounts & Auditing
Terms and conditions of re-appointment	Dr. Sanjay Kumar Panda is appointed for a term of five consecutive years w.e.f. 3rd August 2018 as Non-Executive Independent Director, not liable to retire by rotation	Mr. Siddharth Mehta is appointed for a term of five consecutive years w.e.f 3rd August 2018 as Non-Executive Independent Director, not liable to retire by rotation.	Mr. P. N. Shah was appointed for a term of five consecutive years upto 15th August 2019 as Non-Executive Independent Director, not liable to retire by rotation.
Details of remuneration sought to be paid and remuneration last drawn.	Dr. Sanjay Kumar Panda shall be entitled to receive sitting fees of ₹ 50,000/- for attending each board meeting and commission as may be decided by the Board.	Mr. Siddharth Mehta shall be entitled to receive sitting fees of ₹ 50,000/- for attending each board meeting and commission as may be decided by the Board.	During the financial year 2017-18, sitting fees of ₹ 2.50 Lakhs was paid to Mr. P. N. Shah for attending Board and other Committee meetings of the Company and ₹ 1.00 lakh was paid towards commission. He will be entitled for sitting fees of ₹ 50,000/- for attending each board meeting, ₹ 10,000/- for attending each committee meeting and commission as may be decided by the Board.

Name of the Directors	Dr. Sanjay Kumar Panda	Mr. Siddharth Mehta	Mr. Pradyumna N. Shah
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	None	None	None
Number of Board Meetings attended during the year	Not Applicable	Not Applicable	During the year 2017-18, four (4) Board meetings were held and Mr. P.N. Shah attended all the meetings.
Directorships held in other public Companies, including listed Companies [excluding foreign and private Companies] as on 31st March, 2018	NIL	1. Bajaj Electricals Limited 2. TCI Industries Limited	1. Pranavaditya Spinning Mills Ltd 2. Secure Meters Limited 3. Wolkem India Limited 4. Garware Bestretch Limited 5. Garware Healthcare Limited
Memberships / Chairmanships of Audit and Stakeholders Relationship Committees of other Public Companies as on 31st March, 2018	NIL	TCI Industries Limited - Chairman of Audit Committee	1. Pranavaditya Spinning Mills Ltd- Member of Audit Committee 2. Secure Meters Limited - Chairman of Audit Committee 3. Wolkem India Limited - Chairman of Audit Committee 4. Garware Bestretch Limited - Chairman of Audit Committee 5. Garware Healthcare Limited - Chairman of Audit Committee
Number of shares held in the Company as on 31st March, 2018	NIL	NIL	NIL

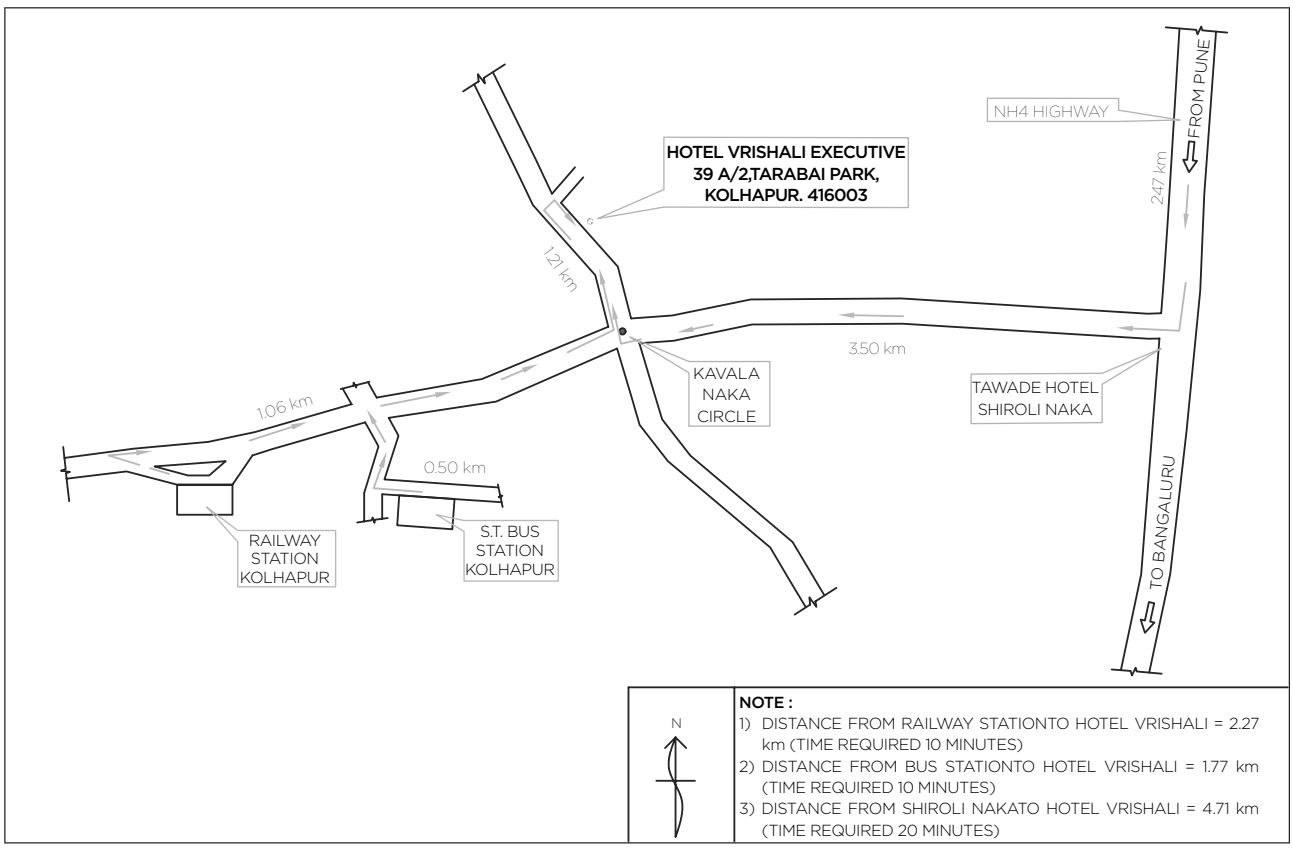
Name of the Directors	Mr. Anand Ramanna	Mr. Dilip J. Thakkar	Mr. Prem Malik
Age	84 years	82 years	76 years
DIN	00040325	00007339	00023051
Category (as on 31st March 2018)	Non-Executive Independent	Non-Executive Independent	Non-Executive Independent
Date of first appointment on the Board	27th November, 1995	28th January, 2003	30th October, 2009
Brief Resume and nature of expertise in specific functional areas	Mr. R. Anand has wide experience of more than 50 years in Textile Industry. He is also a Director of Ferrari Eastern Fans India Pvt. Ltd., a joint venture with Italian industrial fan manufacturer, Ferrari Ventilatori Industriali S.P.A. He has also been involved in setting up joint ventures with companies in the textile engineering industry. Apart from the Textile Industry, he is also involved in other segments like cement, engineering, etc. Mr. Anand is a Director of The Indo Italian Chamber of Commerce & Industry and Trustee of ITAMMA (Indian Textile Accessories & Machinery Manufacturers' Association).	Mr. Dilip Jayantilal Thakkar is a Chartered Accountant (FCA) and fellow member of Indian Institute of Bankers. He has around 53 years of experience in the fields of Accounting, Finance, FEMA and Taxation. He serves as a Senior Partner of M/s Jayantilal Thakkar & Co. and M/s Jayantilal Thakkar Associates, Mumbai. He specializes in Foreign Exchange Management Act and extensively advises Non Resident Indians, Overseas Corporations and large Indian Companies on Investments, Taxation, collaboration etc.	Mr. Prem Malik is having wide experience of more than 53 years in textile and clothing at top management. Mr. Malik was Past Chairman of Confederation of Indian Textile Industry (CITI), Cotton Textile Export Promotion Council and Bombay Textile Research Association (BTRA). Mr. Prem Malik holds directorships in various textile companies.
Terms and conditions of re-appointment	Mr. R Anand was appointed for a term of five consecutive years upto 15th August 2019 as Non-Executive Independent Director, not liable to retire by rotation.	Mr. Dilip J. Thakkar was appointed for a term of five consecutive years upto 15th August 2019 as Non-Executive Independent Director, not liable to retire by rotation.	Mr. Prem Malik was appointed for a term of five consecutive years upto 15th August 2019 as Non-Executive Independent Director, not liable to retire by rotation.
Details of remuneration sought to be paid and remuneration last drawn.	During the financial year 2017-18, sitting fees of ₹ 2.50 Lakhs was paid to Mr. R Anand for attending Board and other Committee meetings of the Company and ₹ 1.00 lakh was paid towards commission. He will be entitled for sitting fees of ₹ 50,000/- for attending each board meeting, ₹ 10,000/- for attending each committee meeting and commission as may be decided by the Board.	During the financial year 2017-18, sitting fees of ₹ 2.30 Lakhs was paid to Mr. Dilip J. Thakkar for attending Board and other Committee meetings of the Company and ₹ 1.00 lakh was paid towards commission. He will be entitled for sitting fees of ₹ 50,000/- for attending each board meeting, ₹ 10,000/- for attending each committee meeting and commission as may be decided by the Board.	During the financial year 2017-18, sitting fees of ₹ 2.80 Lakhs was paid to Mr. Prem Malik for attending Board and other Committee meetings of the Company and ₹ 1.00 lakh was paid towards commission. He will be entitled for sitting fees of ₹ 50,000/- for attending each board meeting, ₹ 10,000/- for attending each committee meeting and commission as may be decided by the Board.

Name of the Directors	Mr. Anand Ramanna	Mr. Dilip J. Thakkar	Mr. Prem Malik
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	None	None	None
Number of Board Meetings attended during the year	During the year 2017-18, four Board meetings were held and Mr. R. Anand attended all 4 meetings.	During the year 2017-18, four Board meetings were held and Mr. Dilip J. Thakkar attended 3 meetings.	During the year 2017-18, four Board meetings were held and Mr. Prem Malik attended all 4 meetings.
Directorships held in other public Companies, including listed Companies [excluding foreign and private Companies] as on 31st March, 2018	1. Pranavaditya Spinning Mills Limited 2. NCL Industries Limited 3. NSL Textiles Limited	1. Westlife Development Limited 2. Podar Housing and Development Limited 3. Walchandnagar Industries Limited 4. Premier Limited 5. AGC Networks Limited 6. Essar Ports Ltd	1. Lahoti Overseas Ltd 2. GTN Textiles Ltd 3. Patspin India Ltd 4. Hindoostan Mills Ltd 5. NSL Textiles Ltd 6. Ginni International Limited
Memberships / Chairmanships of Audit and Stakeholders Relationship Committees of other Public Companies as on 31st March, 2018	1. NSL Textiles Limited - Member of Audit Committee 2. Pranavaditya Spinning Mills Ltd – Member of Audit Committee	1. Westlife Development Limited - Member of Audit Committee 2. Walchandnagar Industries Limited – Member of Audit Committee and Stakeholder Relationship Committee 3. Premier Limited – Member of Audit Committee 4. AGC Networks Limited - Member of Audit Committee 5. Essar Ports Ltd - Chairman of Audit Committee	1. Lahoti Overseas Ltd - Member of Audit Committee 2. GTN Textiles Ltd - Member of Audit Committee and Chairman of Stakeholder Relationship Committee 3. Patspin India Ltd - Member of Audit Committee & Stakeholders Relationship Committee 4. Ginni International Limited – Chairman of Audit Committee
Number of shares held in the Company as on 31st March, 2018	NIL	NIL	1500 Equity Shares of ₹ 2/- each

ROUTE MAP TO THE 29th AGM VENUE

Venue: Hotel Vrishali Executive, Conference Hall ,

39A/2, Tarabai Park, District Kolhapur 416003, Maharashtra



INDO COUNT INDUSTRIES LIMITED

CIN: L72200PN1988PLC068972

Registered Office: Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, TalukaHatkanangale, District Kolhapur-416109, Maharashtra

Tel No: (0230)-2483105,Fax No: (0230)-2483275

Website: www.indocount.com; **E-mail:** icilinvestors@indocount.com

PROXY FORM- MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :	
Registered address :	
E-mail Id:	
DP ID Client Id/ Regd. Folio No :	

I/We, being the member (s) of ....shares of Indo Count Industries Limited, hereby appoint

1. Name: ..... Address : .....

   .....

   E-mail Id: .....Signature:....., or failing him

2. Name: ..... Address : .....

   .....

   E-mail Id: .....Signature:....., or failing him

3. Name: ..... Address : .....

   .....

   E-mail Id: .....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held on Tuesday, 11th September, 2018 at 12.30 p.m. at Hotel Vrishali Executive, Conference Hall, 39 A/2, Tarabai Park, District Kolhapur - 416 003, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated here in overleaf.

Item No.	Resolution	For*	Against*
	Ordinary Business		
1.	To receive, consider and adopt the Audited Standalone Financial Statements of the Company including Balance Sheet as at 31st March 2018, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and reports of the Board of Directors and Auditors thereon		
2.	To receive, consider and adopt the Audited Consolidated Financial Statements of the Company including Balance Sheet as at 31st March 2018, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and reports of the Auditors thereon		
3.	To confirm the payment of Interim Dividend of ₹ 0.40/- per Equity Share of ₹ 2/- each made during Financial Year 2017-18		
4.	To declare a Final Dividend of ₹ 0.40/- per Equity Share of ₹ 2/- each for the Financial Year ended 31st March, 2018		
5.	To appoint a Director in place of Mr. Mohit Anilkumar Jain (DIN: 01473966), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment		
6.	Ratification of appointment of Statutory Auditors		
	Special Business		
7.	Appointment of Mr. Kailash R. Lalpuria as a Director of the Company		
8.	Appointment of Mr. Kailash R. Lalpuria as an Executive Director of the Company		
9.	Appointment of Mr. Sushil Kumar Jiwarajka as an Independent Director of the Company		
10.	Change in designation of Mr. Mohit Anilkumar Jain to "Vice Chairman" of the Company		
11.	Appointment of Dr. Sanjay Kumar Panda as an Independent Director of the Company		
12.	Appointment of Mr. Siddharth Mehta as an Independent Director of the Company		
13.	Continuation of existing term of Mr. Pradyumna N. Shah, Independent Director of the Company upto 15th August, 2019		
14.	Continuation of existing term of Mr. Anand Ramanna, Independent Director of the Company upto 15th August, 2019		
15.	Continuation of existing term of Mr. Dilip J. Thakkar, Independent Director of the Company upto 15th August, 2019		
16.	Continuation of existing term of Mr. Prem Malik, Independent Director of the Company upto 15th August, 2019		
17.	Payment of Commission to Non-Executive Independent Directors of the Company		

* Optional

Signed this ..... day of 2018

Affix Revenue Stamp ₹ 1/-

Signature of Shareholder(s): ..... Signature of Proxy holder(s): .....

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting. i.e. before 12.30 p.m. (IST) 9th September, 2018.

INDO COUNT INDUSTRIES LIMITED

CIN: L72200PN1988PLC068972

Registered Office: Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, TalukaHatkanangale, District Kolhapur-416109, Maharashtra

Tel No: (0230)-2483105,Fax No: (0230)-2483275

Website: www.indocount.com; **E-mail:** icilinvestors@indocount.com

ATTENDANCE SLIP

29th Annual General Meeting on Tuesday, 11th September, 2018 at 12.30 p.m.

Registered Folio No./ DP ID-Client ID:	
Name and Address of the Member :	
DP ID Client Id/ Regd. Folio No :	

I/We hereby record my/our presence at the 29th Annual General Meeting of the Company held on Tuesday, 11th September, 2018 at 12.30 p.m. at Hotel Hotel Vrishali Executive, Conference Hall, 39 A/2, Tarabai Park, District Kolhapur – 416 003, Maharashtra.

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Name of the Member / Proxy Signature of Member / Proxy

Notes :

1. Only Member/Proxy holder can attend the meeting.
2. Please fill up the details in this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.

Electronic Voting Particulars

Electronic Voting Event Number (EVEN)	USER ID	Password/PIN
108933		

Please read the instructions on e-voting printed in the Notice of 29th Annual General Meeting. The Voting Period starts from 9.00 a.m. (IST) on Friday, 7th September, 2018 and ends at 5.00 p.m. (IST) on Monday, 10th September, 2018. The voting module shall be disabled by NSDL for voting thereafter.