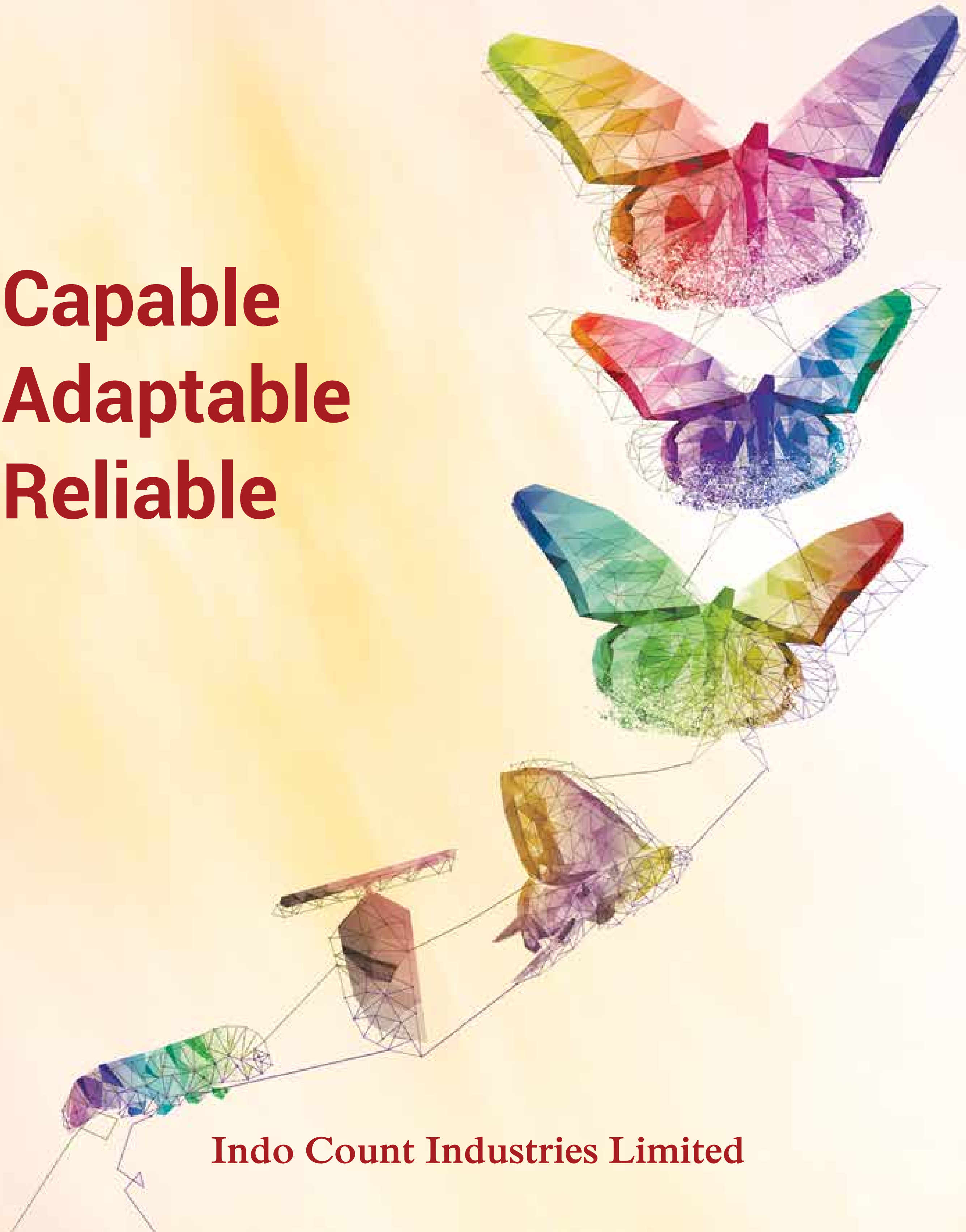
Annual Report 2020-21

INDO COUNT
Complete Comfort

Capable Adaptable Reliable



Indo Count Industries Limited

Inside the Report

Company Information & AGM Details

CIN	L72200PN1988PLC068972
BSE Code	521016
NSE Symbol	ICIL
Dividend Recommended	75% (Rs. 1.5 per equity share of Rs. 2/- each)
32nd AGM through Video Conferencing/ OAVM	Date: September 3, 2021 Time: 12.30 p.m. (IST)
VC Platform & E-voting	NSDL

Please find our online version at:

https://www.indocount.com/investors/financial-reporting/annual-reports

Or simply scan to download:

Disclaimer : This Annual Report contains statements about expected future events and financials of Indo Count Industries Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Capable. Adaptable. Reliable

Capability, adaptability and reliability comprise the primary attributes of a sustainable business. The theme takes a holistic approach to define the creation of value from the resources of the Company to its successful outcome. It positions us at a place where we can seize the upcoming opportunities effectively and provide positive results.

Capability refers to our strong foundation and fundamentals. At Indo Count, we have a strong domain experience and an established brand that is followed globally. Our experienced leadership is our driving force, guiding our focus strategies. We have state-of-the-art manufacturing facilities, a global customer base, innovative product positioning and strong supply chain. All these attributes define our strength and our foundation for the future.

Adaptability is in our DNA, guiding our strategies to stay relevant to the ever-changing preferences of the industry. Continuous learning experience combined with research and development forms the core to deliver consumer satisfaction. We have several value-added products, brands which offer a complete bedding solution that drive our operations.

The Company maintained its position and has grown despite the challenges posed by the pandemic. While addressing the safety of all our employees, we adapted quickly to the 'New Normal' of 'Work from Home', a virtual world. This was possible across our organisation as we promoted digitalisation and various support systems to address the omni-channel distribution, including E-commerce demanded by our customers.

Our performance and reliability experienced by our customers has given us confidence to enter the next orbit of growth, thus progressing towards our vision.

Recognitions for excellence

INDO COUNT
Complete Comfort

WEAVING GOLD, YET AGAIN.

Indo Count Industries wins for a second consecutive year, with two golds at the Texprocil Export Awards 2019-20.

- Gold Trophy for the Highest Export Performance in Cotton Made-Ups - Bed linen / Bed Sheets / Quilts.
- Gold Trophy for the Special Achievement Award in Cotton Made-Ups.

Awards & Accolades

Indo Count has won 2 Gold Trophies for the year 2019-20 from Texprocil, for the second consecutive year

Mr. Anil Kumar Jain, Chairman and Mr. Mohit Jain, Vice Chairman receiving Gold trophies at virtual ceremony of Texprocil Awards.

Gold Trophy for the Highest Export Performance in cotton Made Ups-Bed Linen/Bed Sheets/Quilts

Gold Trophy for the Special Achievement Award in cotton Made-ups

Mr. Mohit Jain, Executive Vice Chairman honoured with the Economic Times Business Leader - Youth Icon Textiles Award 2021

The 2021 edition of the ET Awards aimed to bring to the forefront noteworthy business leaders who are spearheading our economy by inspiring accelerated and sustainable growth in their respective fields post the unprecedented COVID-19 crisis.

Mr. Mohit Jain has been actively steering growth at Indo Count, with his exemplary vision and vast experience in the textile domain.

"At Indo Count, our key focus has always been to weave an unforgettable legacy of corporate excellence and exceptional service. And it is indeed a great honour to be recognised for the same, as we continue to transform the world of textiles, one thread at a time."

Mr. Mohit Jain,
Executive Vice Chairman

Mr. Mohit Jain is also the recipient of various awards in the past:

- **Young Inspirations of India Award 2019 by Confederation of Indian Industry (CII) and Texvalley**
- **India's Hottest Young Business Leaders 2017 - 40 under Forty Award by The Economic Times**
- **India's Most Trusted CEOs 2017 by World Consulting and Research Corporation (WCRC)**

Chairman's Message

> We ended FY21 on a positive note with strong performance. With a record volume growth of 26%, your Company registered a growth of 74% in EBITDA and 241% in Net Profit.

Dear Shareholders

Trust all of you are safe and in good health

The Year under Review

It gives me immense pleasure to share that we ended FY21 on a positive note with strong performance, despite the challenging environment posed by the pandemic. Your Company registered a record volume growth of 26% to 78.2 million metres. Revenue from operations on a consolidated basis grew by 21% to ₹ 2,519 crore. EBITDA registered substantial growth by 74% to ₹ 415 crore and Net profit by 241% to ₹ 249 crore. Our growth during the year was driven by an increased demand for home textiles, globally. Further, our persistent focus on enhancing our domestic brand, expanding our current capacity, catering to more locations globally and creating a sustainable value chain has helped us thrive better.

The pandemic propelled our people to deliver to their full potential. Our growth reflects the resilience, agility and preparedness of our organisation. Our value-driven strategies helped us remain afloat as we navigated through this phase. We primarily focussed on two areas: i) Our employees' safety and ii) meeting the increased global demand for bedding products. As 'Work from Home' has become the 'New Normal', more time is being spent at 'Home' thereby increasing the consumption of Home Textile. 'Home' being the centre stage of life and lifestyle has resulted in traction in demand for home textile products. I am pleased to inform you that your Company has achieved the highest level of sales volume in FY21 and we are now actively adding more capacities to cater to the increasing demand.

Our Expansion Strategy

In March, 2021, we announced a brownfield investment capex plan of ₹200 crore towards increase in the bed linen capacity by 20%, adding adequate cut & sew facilities, enhancing the capacity for Top of the Bed (TOB) products and modernising the existing spinning capacity. These investments will lay foundation for the next phase of growth for the Company.

Introducing New Brands

Your Company launched new innovative brands "Wholistic", "Sleep Rx" and "Pure Earth" in International markets to meet the emerging consumer needs.

In the domestic market, we continued to focus on brand and community building for our domestic brand "Boutique Living". We launched 'Layers', a new value driven brand in the domestic market. We have increased the reach of our domestic brands through various E-commerce platforms, Multi Brand Outlets and Large Format Stores.

The Global Context

The world is still under the effects of the COVID-19 pandemic. However, vaccine rollouts have strengthened business confidence, boosting the morale as the economy gradually moves towards recovery mode. With the easing of lockdown restrictions and resumption of business, the industry is gradually returning to pre-pandemic levels demonstrating a distinctive change in the market dynamics. Demand suggests a recovery with an increase in both e-commerce and brick and mortar stores. Brands are now selling their products online and offering store pickups to ensure customers' safety.

In the global context, the US and EU nations dominate the larger portion of textile and apparel imports. However, India retained its position among the top three textile and apparel exporters, globally. The Indian economy is now witnessing replacement demand, owing to the shift in global sentiments towards China. The same can also be accredited to increased demand from the global big box retailers. During the pandemic, the big box retailers remained open to sell essential commodities.

We are Capable, Adaptable and Reliable

Indo Count's strong foothold places it in a favourable position to leverage on the prevalent opportunities. Our resources, capacities, and a dedicated team supported us to deliver even amid such difficult times. Our state-of-the-art manufacturing facilities, global supply-chain network, a robust balance sheet and liquid financial position, outlines our capabilities.

We are geared up for increased demand and adding the necessary capacities to fill in the gaps. There is a significant disruption in the industry and consumer preference is increasingly evolving to value-added categories like health and wellness. Our superior quality, innovation and knowledge capital have made us adaptable and helped us carve a niche in the market for value-added products.

We have overcome the logistical issues post the pandemic and are now focussed on increasing sales through the B2C, D2C and omni channels. With customer centricity at our core, we are expanding our offerings. As we continue progressing, our successful brand recalls are driving our success.

Sustainability

Sustainability is an integral part of our organisation. It helps us to lead with excellence and create holistic value for all the stakeholders. At Indo Count, as a part of our consistent efforts towards shaping a sustainable future, we have been taking various initiatives towards energy and water conservation, sustainable farming, climate protection. In collaboration with Walmart, Indo Count has contributed towards Project Gigaton for reducing GHG emissions. We have been felicitated with the title 'Giga Guru' for three consecutive years. We have also been recognised as a top performer in the recent Walmart's Global Sourcing Sustainability Summit. Our various sustainability initiatives have always been leading and guiding us by setting standards through HIGG Index. We also launched an initiative called 'GAGAN' to help farmers to cultivate sustainable cotton through Better Cotton Initiative (BCI). Going forward, we continue to contribute to UNSDGs and take a greener approach across our value chain.

> **In the International market, we launched new innovative brands ‘Wholistic’, ‘Sleep Rx’ and ‘Pure Earth’. We also launched ‘Layers’, a new value-driven brand in the Indian market.**

CSR - Every Smile Counts...

The key philosophy that drives our Corporate Social Responsibility (CSR) initiatives is guided by our belief ‘Every Smile Counts’... This legacy will continue to thrive our CSR activities.

The Company’s CSR initiatives have touched the lives of more than 4,00,000 people. Our focus areas continued to be “Healthcare” and “Education” supported by CSR activities in the areas of women empowerment, agriculture and livelihood, water and sanitation.

During the year, we stood by the communities affected by the pandemic and provided ventilators and necessary medical support. We served groceries and meals to daily wage earners, the migrant labours, poor and marginalised tribal population during the period of lockdown.

Keeping in view the larger SDGs, the Company intends to be a significant contributor to the benefit of underprivileged communities.

Outlook

We have set ourselves on a brighter path and are optimistic about the opportunities in the near-term. As the world is recovering from the effects of the pandemic, ‘Home’ has retained its position as a safe haven among people, globally. With this as the backdrop, we are anticipating continued demand from retailers and consumers. We are well poised to accomplish the next phase of our growth.

As an organisation, we are confident of our position as a global textile exporter. We are moving ahead with our prudent strategies and resources, to continue delivering sustainable value and contributing to the larger vision of development. Our focus will always remain towards constantly improving utilisation and expanding the share of our value-added products.

Vote of Thanks

We all went through an unprecedented situation and I would like to thank all our stakeholders for their continued support during these difficult times. I take this opportunity to thank and appreciate all our employees for their hard work, dedication and sacrifice that have helped us to achieve our goals, during such a challenging year. I also thank my fellow Directors on the Board for their advice and guidance from time to time. I would also like to express my deep gratitude to all our customers, suppliers, bankers, the Central and State Governments, shareholders and all other stakeholders for their continued support, confidence and trust on us.

Stay Safe...

Best regards,

Anil Kumar Jain

Executive Chairman

At a Glance: How We Adapted Over the Years...

Indo Count Industries Limited (ICIL) was incorporated as a yarn manufacturer in 1988 under the guidance of Mr. Anil Kumar Jain, Executive Chairman. The Company had commenced production at its spinning export-oriented unit in 1991. In 2006, ICIL forward integrated its operations by setting up state-of-the-art home textile manufacturing facility in Kolhapur, Maharashtra. With time, ICIL has transformed its business model from being a yarn manufacturer to a complete home textiles solution provider.
It possesses strong capabilities due to its vertically integrated manufacturing operations. Over the years, the Company has established itself as a major supplier of home textiles globally, exporting to ~50 countries across the world. Today, ICIL is one of the leading manufacturers and exporters of bed linen from India and the top bed sheet supplier to the US.

ICIL Today

- Highest exporter of cotton textile in Maharashtra
- 90 million metres capacity
- Footprints in 50+ countries
- Presence in domestic market with brands 'Boutique Living' and 'Layers'

Vision

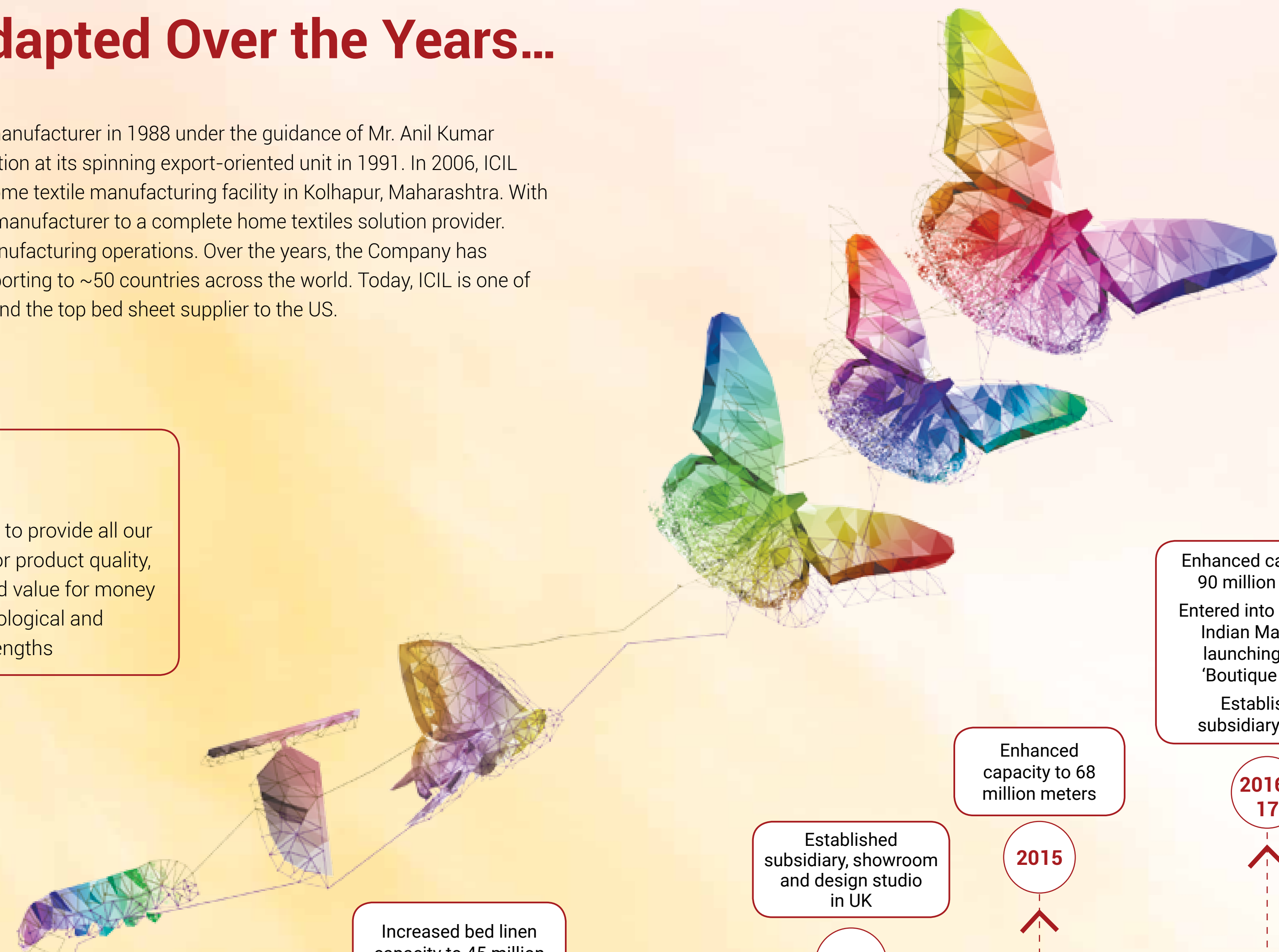
To be one of the leading players in the global home textiles industry on the strengths of technology, experience and innovation

Mission

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

Principles

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



1988
ICIL incorporated

1990-91
Initial Public Issue and commenced spinning operations

2007
Forayed into home textile by setting up 36 million meters integrated capacity for Bed Linen

Acquired Pranavaditya Spinning Mills Limited (PSML) increasing total spindlage capacity around 80,000 spindles

2011
Established Subsidiary, Showroom, Design Studio and Distribution base at USA

2012
Increased bed linen capacity to 45 million meters

2014
Established subsidiary, showroom and design studio in UK

2015
Enhanced capacity to 68 million meters

2016-17
Enhanced capacity to 90 million meters

Entered into Domestic Indian Market by launching brand 'Boutique Living'

Established subsidiary in UAE

2019
Partnered with Walmart for environmental sustainability

2020-21
Recognised by Walmart Corporation as 'Giga Guru' amongst Global Top 20 suppliers

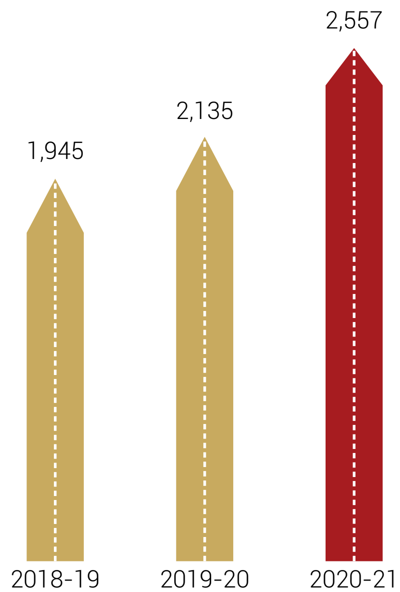
Launched 'Layers' a value-driven brand in Indian Market

Enhancing capacity to 108 Million Metres

Consolidated Financial Performance

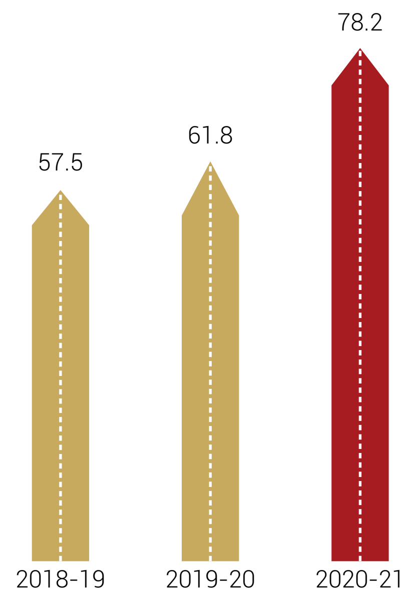
YOY GROWTH **20%**

Total Revenue (₹ in crore)



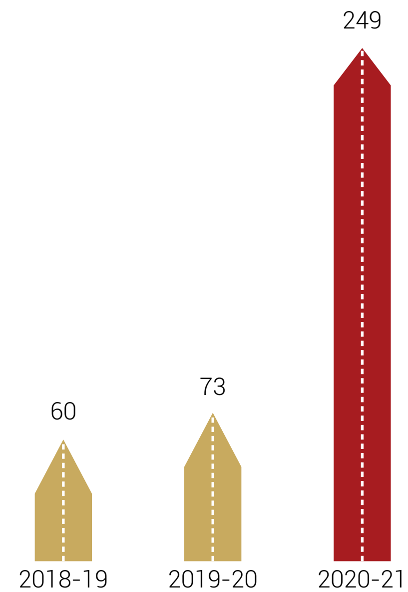
YOY GROWTH **26%**

Sales Volume (in million meters)



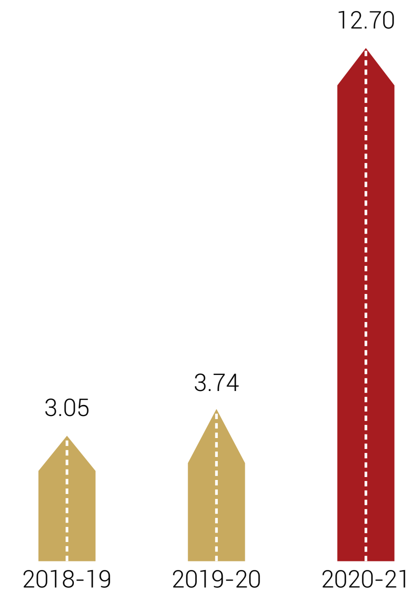
YOY GROWTH **241%**

Profit After Tax (₹ in crore)



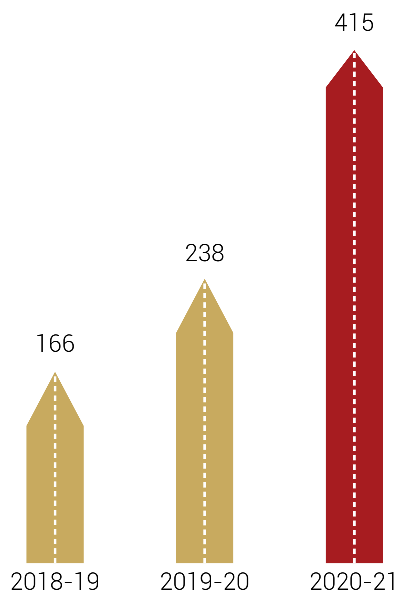
₹12.70

Earnings per Share (₹)



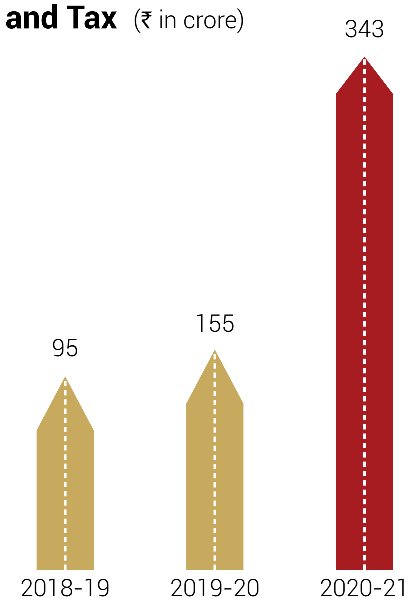
YOY GROWTH **74%**

EBIDTA (₹ in crore)



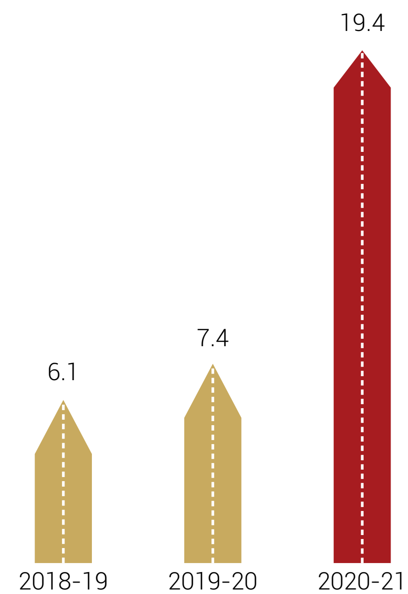
YOY GROWTH **121%**

Profit Before Exceptional Item and Tax (₹ in crore)



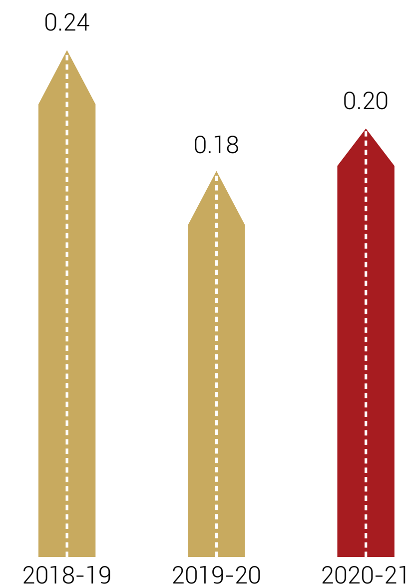
19.4%

Return on Equity (%)



0.20x

Net Debt to Equity (X)



Capable. Adaptable. Reliable

We are well positioned to leverage on the prevalent opportunities in the global home textile space with a strong footing.

Our capability is demonstrated by our zeal to deliver. Our foundation stands strong on our technology-driven production facilities, global supply-chain network, a strong financial position and above all, our core values. Led by our experienced management team, we have developed a strong product presence in the global bedding markets.

GLOBAL PRESENCE WITH A ROBUST SUPPLY CHAIN

With physical presence in India, USA, UK and UAE in terms of showrooms, design studios and warehouse, we export to ~ 50 countries across 6 continents. We are a preferred supplier to many big box retailers in the US and Euro region. It is a crucial aspect of our business to be able to deliver on time. We have necessary processes in place for effective inventory management, efficient production and quick decision making.

TESTIMONY OF OUR CAPABILITY AND CREDIBILITY

Our Credit rating is a testimony of our capability and credibility. Indo Count has a favourable credit position with a low-debt profile and adequate liquidity. The ratings provided by the Credit Rating Agencies signify our financial strength and timely payment of financial obligation.

The Company has a strong balance sheet and liquid financial position. We are in a favourable position with a concrete foundation to seize the upcoming opportunities in the global home textile space. At Indo Count, we have successfully executed all the pre-pandemic orders. Our fundamentals along with our core beliefs define our capability to deliver value.

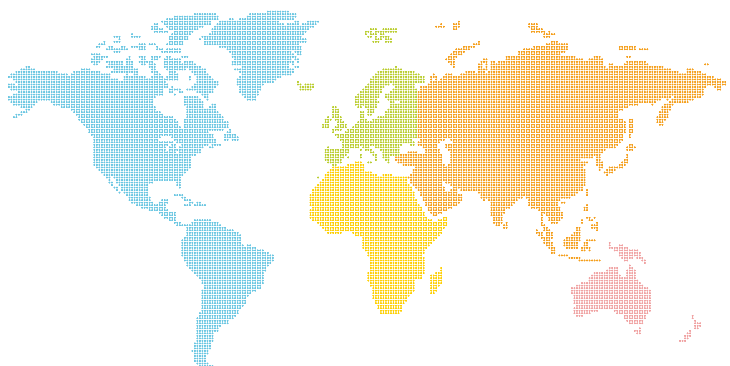
CARE A+ Stable Outlook
ICRA A+ Positive Outlook

Credit Rating on Long Term Debt

CARE A1
ICRA A1+

Credit Rating on Short Term Debt

WE EXPORT ACROSS 6 CONTINENTS



STATE-OF-THE-ART MANUFACTURING FACILITIES

At Indo Count, we have two manufacturing units and one stitching facility in Kolhapur, Maharashtra, serving the dynamic needs of the global home textile industry.

To deliver an outstanding bedding experience and better sleep, we have equipped our facilities with state-of-the-art equipment from around the globe.

We conduct our own consumer surveys and make quality products for our customers, partners and consumers through the latest industry research and technology. In addition, our design teams in India, US and UK are always updated with latest developments in the industry to ensure that we market relevant and sought-after designs and products

OUR PEOPLE – OUR CORE STRENGTH

We believe that our people are our core assets that enable us to deliver quality bedding solutions. We invest in our employees and conduct regular training to nurture them, boost their strengths, improve job skills, ultimately adding to the overall contentment of our workforce and increased productivity.

Our skilled and experienced employees are in control of the entire process including product development and design, sourcing of cotton, spinning, weaving, processing, cut-n-sew, and branding and marketing. The ethos of teamwork and transparency help us to achieve our goals.

90 million meters
Capacity

5,000+
ICIL Family

Home Textile Facility

Eton System

Capable. Adaptable. Reliable

At Indo Count, we are defining our capabilities with a strong foundation. We believe in being adaptable to change and stay relevant.

In the recent times, the world has undergone a major shift in the preferences and interests towards home textiles. With the increasing young and experimenting population who follow digitals trends, we have seen a positive shift in the value-added products in the industry. The pandemic has further propelled this momentum with the people putting more interest in aesthetic upliftment of homes. At Indo Count, we are flexible to adapt to changes, backed by our investments in innovation, quality control, digitalisation among others.

Focussing on omni-channel - B2B, B2C and D2C modes of distribution to unlock multiple sales avenues

OUR EXPANSION STRATEGY

₹ 200 crore
Capex plan

At Indo Count, we are making strategic investments to enhance our production capacity. We continue to leverage the growth opportunities emerging across our global footprint and create value for all stakeholders.

Our strategy to expand is primarily driven by two factors:

i) Cater to the growing demand for home textiles globally and our long-standing brand image and dealer network.

ii) The 'Atmanirbhar Bharat' and 'Make in India' initiatives would propel the growth of home grown cotton products for exports.

Capex plan

90 → 108 Million Meters
Expansion of bed linen capacity by ~20%

Brownfield Investment
For adding commensurate cut & sew facilities and enhancing the capacity for Top of the Bed products

Spinning Modernisation
By adopting compact spinning technology through Capex of ₹ 50 crore

Outlook

The additional capacity is likely to be operational by the second half of FY22. We expect these investments to reap significant benefits over coming years.

ISO CERTIFICATIONS

ISO 9001:2015
Quality Management System

ISO 14001:2015
Environmental Management System

ISO 45001:2018
Occupational Health and Safety Management System

ACCREDITATIONS

ISO/IEC 17025:2017
By National Accreditation Board for Testing and Calibration Laboratories (NABL) Certification for Kagal facility, Kolhapur

Green Building Certification
By LEED (Leadership in Energy and Environmental Design) Green Building Council, USA

QUALITY MANAGEMENT

The Company puts significant emphasis on quality management. We source the best cotton available in India and around the world. The yarn is then spun, woven, bleached, dyed, and printed using cutting-edge technology. Our highly skilled employees are solely concentrated on bedding solutions, managing finishing and branding. As a result, we have full quality management embedded in our entire process to create value for all of our stakeholders.

INNOVATION

Innovation has been the key factor that drives growth at Indo Count. We begin with customer surveys and market research to assess consumer aspirations. The products are developed to match the consumers' preferences.

CHINA+1 STRATEGY

Globally the world is looking for a replacement in supplier for fashion and utility bedding. India is in a very sweet spot and has an opportunity to increase market share in this segment. At Indo Count, we have defined our capacity and adaptability to tap this opportunity and become one of the leading home textile suppliers to the world.

DIGITALLY FOCUSSED

The world has taken a big step towards digitisation incorporating it into all tranches of the business processes. At Indo Count, we have also focussed on e-commerce, digital marketing to remain future ready as well overcome logistic issues and keep up with demand. We have also integrated our supply chain management with digital process to further enhance our B2B, B2C and D2C presence.

Capable. Adaptable. **Reliable**

> **We have a proven track record and are reliable suppliers to global home textile markets. We are confident of achieving the next orbit of growth.**

Relying on our capability and adaptability, we have undertaken various strategic measures to propel the next phase of growth. We have decided to expand our output capacity to serve the increased demand in the home textile space globally. Furthermore, we have also focussed on optimising our supply chain mechanism, overcome logistic challenges and expand in the domestic market, increasing brand value.

OUR RETAIL STRATEGY

At Indo Count we leverage our long-standing relationships with global retailers to increase our brand equity, increase penetration and cater to the growing demand. We enjoy a good brand recall from the US and European big box retailers. This was reflected during the pandemic when we catered to both the replenishment demand as well as promotional demand. In the domestic sector, we have launched new brands and are actively increasing dealers/distributors to increase penetration.

NEW PRODUCTS LAUNCHED

Indo Count believes in staying updated with the latest trends and consumer preferences in the home textile industry. We launched 4 brands during the year FY21 keeping consumers' preference as centre point :

Wholistic - In Health and Wellness segment

Sleep Rx and Pure Earth - Performance and sustainable brands

Layers - Value driven brand

DIVERSIFIED BRAND PORTFOLIO

17 Brands

Wholistic	Sleep Rx	Pure earth	Color Sense	Kids Corner
Layers	Boutique Living	Purity Home	The Cotton Exchange	Heirlooms of India
Atlas Resort	Haven Utility Bedding Co.	Revival New York City	Linen Closet	simply put
whole comfort	True Grip Stays in Place			

INNOVATIONS AND TECHNOLOGIES

AllerCot Ever Fresh	Aireolux	aero Balance	Signature Sateen	Natural Sheets
Pure earth	Duratec	DryMax Complete Comfort	Bio-Oils	Infinity
The Complete Sheet	Dura Shine	Ecopress	ProShield Shield & Clear	Active Cooling sleep cool

The Retail Brand Story

Expanding Lifestyle Capabilities

BOUTIQUE
LIVING

Unfold the moment

Boutique Living is an aspirational brand launched in 2017 for Indian consumers offering them refined quality of bed linen. It represents a line of sophisticated bedding for the discerning customer.

"Boutique Living" is making its mark in India by its own terms on design, fabric range and texture.

The bedding solutions are a statement of style, exceptional designs with unmatched quality. The product range includes Bed Sheet sets, Dohars, Towels, Pillows and Comforters.

Boutique Living has omni-channel presence with more than 500 premium MBO stores across India. We work with multiple large-format store chains such as Shoppers Stop, @Home and Home Centre. A strong marketplace presence across Amazon, Myntra and Flipkart has fuelled our digital growth story further. It is available online on Company's website www.boutiquelivingindia.com

https://www.facebook.com/BoutiqueLivingIndia

https://www.instagram.com/boutiquelivingindia

ttps://www.youtube.com/channel/UCh2EAwqSVDVGZhl9oBKSjDQ

500+

premium MBO stores across India

Layers®
Dress Up Your Home

Layers presents the finest collection of smart and aesthetic bed linen. The products are backed by Innovation, Technology and Experience. Hinged on contemporary styles and developed using cutting-edge technology, the brand has special antimicrobial and anti-fungal properties in the health and wellness space.

"Layers" has a variety of products to offer with Bed Sheet Sets, Dohars, Comforters and Pillows. Our range of beautiful prints and vibrant colours are designed to let customers add a layer of style and elegance to their home.

The brand is an amalgamation of Indo Count's three decade-long experience of serving consumers around the world that has given the company a deep understanding of a variety of design styles that suits well with the Indian audience. With Layers, Indo Count presents a first-of-its-kind affordable Bed Linen offerings for India's fast-growing aspirational class that is actively seeking means to upgrade their lifestyles, starting with their homes.

Felicitated by Femina Power Brands for its unmatched quality and exceptional designs, Layers is all set to lead by example with an omni-channel approach across 1500+ stores in MBOs and large retail outlets like @Home and Home Centre. Layers has a strong marketplace dominance over Amazon, Flipkart and Myntra.

https://www.facebook.com/LayersSmartBedding/

https://www.instagram.com/layerssmartbedding/

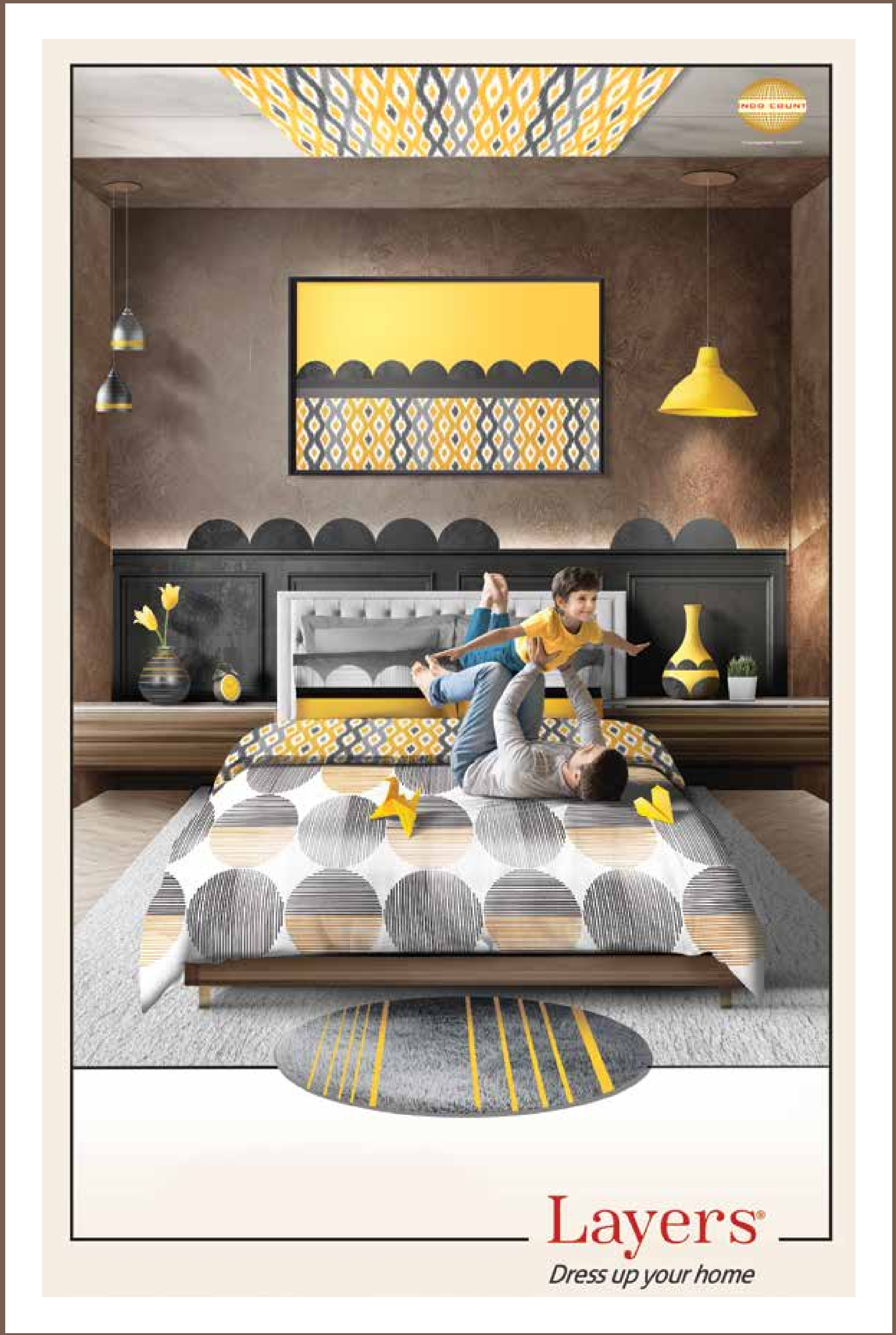
https://www.youtube.com/channel/UCdy_fi6kQqDLG2iD_GABkuA

Felicitated by Femina Power Brands

Layers leads with example of quality and uniqueness

1,500+

Stores in MBOs



Our Value-Creation Process

RESOURCES WE RELY ON

FINANCIAL CAPITAL

Our pool of funds

Total Equity	₹ 39.47 crore
Net Worth	₹ 1,280.58 crore

MANUFACTURED CAPITAL

State-of-the-art facilities in and around Kolhapur

Showroom and design studios at New York (USA), Manchester (UK) and Dubai (UAE)

Warehouses for retail and e-commerce fulfillment in USA, UK and India

INTELLECTUAL CAPITAL

Continuous R&D activities and Innovation to develop relevant products and bedding solutions

HUMAN CAPITAL

Our employees and their collective knowledge and skills form the backbone of our organisation

Team Size	5,000+

SOCIAL AND RELATIONSHIP CAPITAL

We rely upon the relationships with our consumers, distributors and vendors. Further we contribute to our society through our social welfare and CSR activities.

CSR spend over 6 years	₹ 15.14 crore

NATURAL CAPITAL

We undertake various sustainability initiatives to ensure optimum utilisation of natural resources and reduce our environmental footprint

TO ENABLE VALUE-CREATION

BUSINESS MODEL

STRATEGIC PILLARS

- Developing environmentally conscious, health and wellness products
- Expanding sustainable utility bedding portfolio
- Increasing digital presence in US, Europe, Middle-East and India
- Focusing on B2B, B2C and D2C retail supply chain model
- Expanding the reach of brands 'Boutique Living' and 'Layers' to gain consumer trust and market share
- Brownfield expansion to increase capacity and cater to increased demand
- Leveraging our strong domain experience and Government's 'Make in India' initiative to further increase brand equity
- Increasing compliance to ESG standards

FOR THE BEST OUTPUTS

FINANCIAL CAPITAL

Revenue	₹ 2,519 crore
EBITDA	₹ 414 crore
PAT	₹ 249 crore
Debt to Equity Ratio	0.20x

MANUFACTURED CAPITAL

Sales volume during the year	78.2 million metres
Capacity	90 million metres

INTELLECTUAL CAPITAL

17 In-House brands developed

Boutique Living	Haven
Revival	Pure Collection
Linen Closet	Simply-put
Whole Comfort	Purity Home
The Cotton Exchange	Color sense
Kids Corner	True Grip
Heirlooms of India	Atlas
Wholistic	SleepRx
Layers	

HUMAN CAPITAL

Enhancement of employee skillsets

Health & Safety training

Zero accidents

SOCIAL AND RELATIONSHIP CAPITAL

Patients Treated Till Date	3,50,000+
Students Benefited	50,000+
Farmers Benefited	4,000+

NATURAL CAPITAL

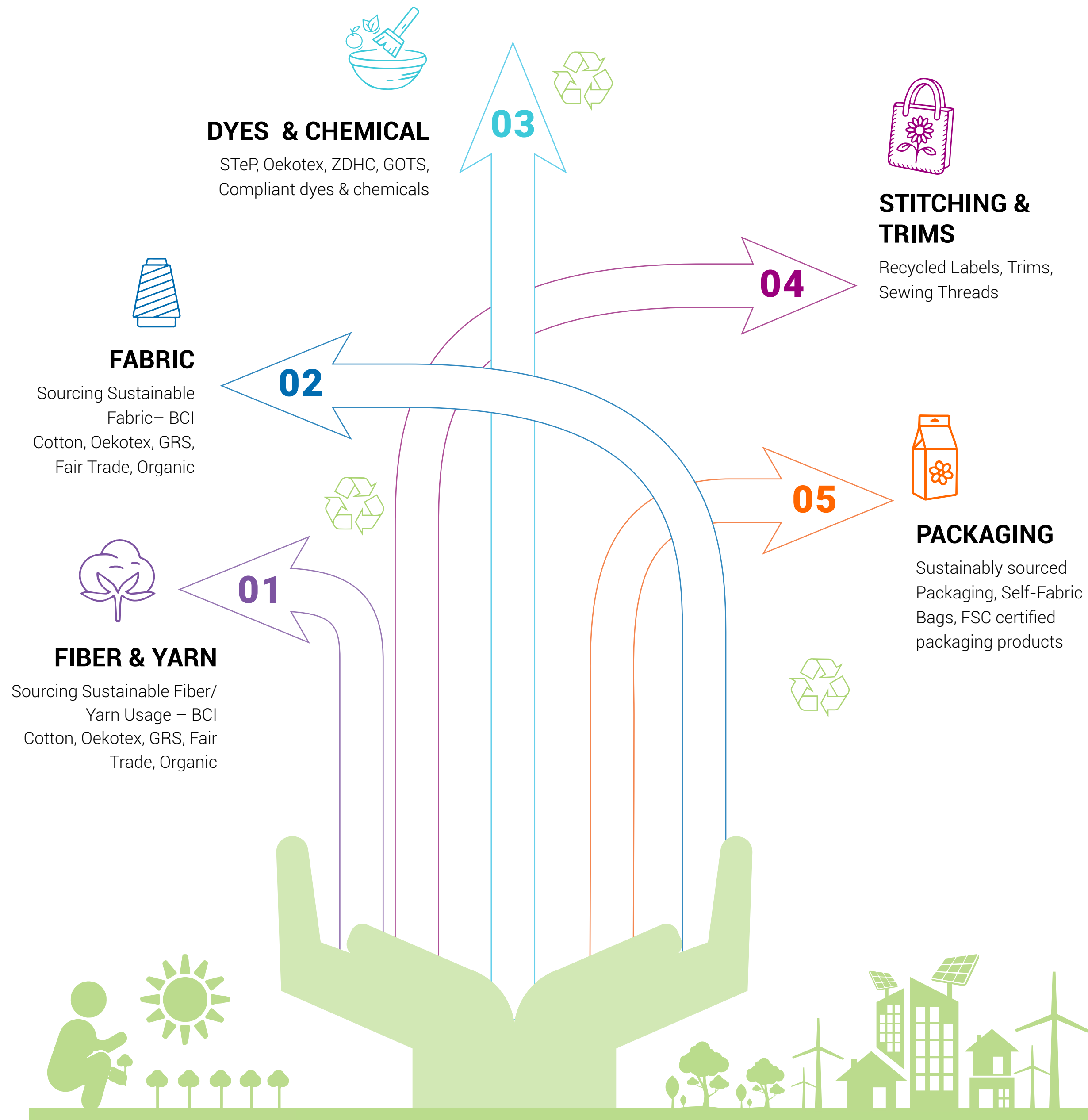
Improvement in cotton yield	31% against baseline
Reduction in fresh water consumption	55%
Water recycled and reused	90%

ESG - Environment, Social and Governance

> **At Indo Count, our endeavour is not only towards business growth but also to ensure environmental stewardship and social upliftment. Our efforts are underpinned by our strong commitment to sustainability. As a responsible corporate, we strive to minimise the negative impact on the environment, operate the business with good governance principles and contribute to the well-being of community.**

Developing Sustainable Value Chain

At Indo Count, responsibility and sustainability are ingrained in our philosophy and culture. Our products, processes and worldwide operations are designed to create value for all our stakeholders. We ensure sustainability across our value chain right from procurement to packaging, we act responsibly, balancing profitability with environmental and societal commitments.



Environment

Towards a greener tomorrow

At Indo Count we are focused to consistently create value for our consumers and conserve natural resources at the same time. We strive to protect the environment in which we operate, minimising the negative impacts on our surroundings, creating a sustainable supply chain and contributing to a greener tomorrow.

HIGG INDEX

87 (Level 3)

Indo Count's HIGG Index verified FEM (Facility Environmental Module) Score (This score is one of the Best scores Globally across Home Textile Segment)

An efficient and sustainable supply chain management is what we believe drives us. We are associated and certified with SAC (Sustainable Apparel Coalition) for two of our facilities at Gokul Shirgaon and Kagal. Using the Higg Index suite of tools, we assess and score our supply chain and our products' sustainability performance periodically. The HIGG Index provides a comprehensive overview that enables us to make significant changes to benefit our factory employees, local communities, and the environment.

Our Sustainability Initiative

Indo Count is determined to protect the planet and people by adopting various sustainability initiatives.

GIGATON

> 25000 MT Green House Gas Emissions

Reduction across various Gigaton Pillars

We partnered with Walmart in Project GIGATON. The project was launched by Walmart in the year 2017 with the objective to inspire suppliers to reduce upstream and downstream (beyond-the-shelf) greenhouse gas (GHG) emissions from the global supply chain. Indo Count has contributed towards Project Gigaton for reducing GHG emissions through various initiatives such as installation of solar plant, multiple initiatives across operations to reduce GHG emissions and reduction in fresh water consumption via water recycling plant. We have also been awarded with the title of "Giga Guru" consecutively for the last three years. Globally the Project aims to reduce one billion metric tons, or one Gigaton, of CO_2 emissions from the global supply chains by 2030.

Recognised as Top Performer at Walmart's Global Sourcing Sustainability Summit

PROJECT GAGAN

31%

Cotton Yield improved against base line

8,500 Acreage

Area Covered

4,000+

Farmers Benefited

We had started Project "Gagan" in 2019-20 to improve sustainability in cotton farming for farmers in Warora, Chandrapur District, Maharashtra. We further expanded the said project in two more districts in 2020-21. The project aims to cover around 30 villages. Main thrust of this program is to help farmers in Increasing Productivity of their farms, Backward Integration from Farm to Fashion, Promotion of BCI & organic cotton and secured traceable supply chain.

Positive outcome of project Gagan

Plant Protection

- Creating mass awareness about the pink ball worm and mitigation measures for tackling extreme weather conditions like rains, floods, droughts
- Safe and economical use of pesticides
- Giving understanding of better seed varieties to farmers which in turn assure higher lint percentage

Education

- Keeping farmers informed in advance about the irrigation, water conservation, likely pest-disease attack
- Successful training imparted to farmers on compost preparation, soil and water conservation techniques, sustainable yield production, seed selection technique, etc

Quality improvement

- Better harvesting practices to reduce trash and contamination in lint cotton

CLIMATE PROTECTION

11%

Reduction in Scope 2 Green House Gas Emission (GHG) from 2018 (base line year)

We endeavour to align our GHG emission reduction target with the goals of the Paris Agreement which aims to limit global warming well-below 2°C above pre-industrial levels. To achieve the said objective we are collaborating with "The Science Based Targets initiative" (SBTi). SBTi offers various resources and guidance to companies worldwide to reduce carbon footprints and ensure a greener tomorrow.

MADE IN GREEN

We are a Sustainable Textile Production (STep) certified Company with our facilities authorised to use the 'Made in Green' labelling on all of our products. OEKO-TEX® Made in Green is a traceable product label for all forms of textiles. A Made in Green product ID verifies that the item has been thoroughly inspected for hazardous substances. This is achieved by certification according to STANDARD 100 by OEKO-TEX®. It also ensures that the textile product was made with environment-friendly techniques and under socially responsible working conditions.

DYES FROM NATURAL WASTE EXTRACT

To foster our sustainable offerings, we are using plant-based dyes on organic cotton for our PureEarth collection. These dyes are synthesised from non-edible waste by-products from agriculture and herbal industries, such as turmeric, tamarind and residues from plants, leaving the edible part still available for food consumption. They are fully traceable from raw material to point of sale.

Water Conservation Initiatives

We have taken following Water Conservation initiatives and have installed:

Effluent Treatment Plant	RO System	Rainwater Harvesting System

55%
Reduction in Fresh Water Consumption Annually

680 Million litres
Fresh Water intake reduced

RECYCLE AND REUSE

>90%
Processed water is recycled and reused through ETP & RO System

ETP Plant

Renewable Energy

- Solar Power Plant Installed across organisation to harness renewable energy
- Biogas Plant installed for power generation

Creating Sustainable Packaging

ECO-FRIENDLY PACKAGING

>40%
of our products are shipped in Self-Fabric bags annually to global brands such as Walmart, Kohl's, ASDA, BBB, Costco among others.

We have been actively working towards reducing our dependency on plastic packaging. To achieve this, we have introduced alternative packaging options in the form of 'Self-Fabric' bags, FSC certified packaging etc.

THE WAY AHEAD

Keeping in view the larger SDGs the Company intends to make special efforts in the areas of environment and sustainability. We believe that a sustainable environment is a better place for business to grow. Going forward we will work on innovative models of environment care and will work towards following a green approach in everything that we do to contribute to the environment.

AWARDS

- Received the Vasundhara Award for Environmental Conservation
- Received the Jalbindu Award for water conservation

Social

Philosophy of fostering stability and sustainability is embedded in our DNA. This helps us nurture and contribute to the development of our employees and communities. We have always encouraged our employees to engage in continuous learning and grow. We continue to contribute to enhance lives and build communities wherever we operate.

Thermal scanning at entry point

EMPLOYEES FIRST

We take care of our employees and ensure their welfare at every stage. They remain the nucleus of our thought processes.

EMPLOYEE SAFETY

We have established and implemented ISO 45001: 2018 management system, the world's international standard for occupational health and safety (OH&S) to expand occupational health and safety practices of the Company, eliminate hazards and minimise OH&S risks & system deficiencies.

The Company has developed a proactive safety culture wherein we focus not only in known hazards but also identify sources or situations that have the potential to cause harm. Our safety framework is designed in such a manner that it identifies potential threat or hazard and alerts immediately. The Company has developed various Safety Policies like OHS improvement, SOPs, work instructions, daily record-keeping and reporting. All activities are carried out on a routine basis and ensure adherence to the Safety Management System.

EMPLOYEE ENGAGEMENT

We have processes in place to upgrade our employees and work towards enhancing their skills. During the pandemic and even today, all employees are being imparted safety and PPE drills. Training is also given in case of new safety device before putting it to use. We also train our workers for chemical handling, machine handling and waste handling. We have training centres at our manufacturing locations to enhance the skill levels of our workers. This empowers them to handle multiple sewing operations in our manufacturing chain, leading to raised productivity and quality standards of our employees.

We partnered with Samarth Scheme, also known as Scheme for Capacity Building in the Textile Sector (SCBTS), initiated by Govt. of India, Ministry of Textiles and in order to ensure steady supply of skilled manpower in the labor intensive textile sector. Through Samarth Scheme, training is provided to potential youth in developing skills required in textile sector.

Our Response to COVID-19

The pandemic caused unprecedented disruptions in global economies and declaration of lockdowns by the governments in the countries all over the world. Ensuring health and safety of our employees was top priority with uninterrupted customer servicing. We quickly adapted to new normal way of working.

COVID-19 VACCINATION

Realising the importance of vaccination as a precautionary measure, the Indo Count senior management, in partnership with the Government, took the lead in organising a series of Covid-19 vaccination camps in the MIDC area at Kagal and Gokul Shirgaon. The area was particularly important to us because there is a large number of daily wage industrial workers who needed help during the pandemic.

- Developed and implemented SOPs for all employees, workers and visitors in alignment with the directions given by Government and local authorities
- Trained all the employees on SOPs, guidelines & protocols
- Circulated pamphlets of information and precautionary guidelines in local language
- Distribution of PPE kits, masks and adhering social distancing
- Hand sanitisation at all entry points
- Thermal scanning of all employees and workers who entered the plant premises
- Regular spraying of disinfectant
- Bio-metric attendance at all entry points

CSR Initiatives - Every Smile Counts...

COMMUNITY ENGAGEMENT

Communities are at the heart of what we do at Indo Count. We are committed to fostering a culture of care and education for everyone. We believe this empowers the lives of our local communities and our programmatic efforts thus have a positive social impact.

Every Smile Counts...

Our CSR activities thrive under the philosophy umbrella **'Every Smile Counts'.** It matters to us in totality!

Indo Count Foundation (ICF) continues to make a difference in the lives and livelihoods of the communities in which it operates. Over the past few years, ICF has been instrumental in supporting various social causes and in raising the quality of lives of the people who live in and around the vicinities of our factories.

CSR PROJECTS

OUR CSR PROJECTS ARE DIRECTED IN FOLLOWING AREAS:

- EDUCATION
- HEALTHCARE
- AGRICULTURE & LIVELIHOOD
- WOMEN EMPOWERMENT
- WATER & SANITATION
- DISASTER MANAGEMENT

CSR COMMITTEE & CSR STRATEGY

The CSR Committee of experienced board members leads and provides directions on CSR projects to be undertaken. The CSR budget is recommended by the committee to the Board. The CSR execution team implements the projects under the directions of CSR committee and within the approved CSR budget.

We undertake regularly the need assessment exercise and based on these assessed needs various projects for implementation are identified which are congruent with our CSR policy. As part of larger CSR strategy, we give preference to local areas near our plants for implementation of different CSR projects, identify 3-4 main CSR focus areas and implementation of CSR program through ICF, local Govt. and other Nonprofit partners.

EDUCATION

Advancing learning and promoting education has always been one of the key CSR focus areas at Indo Count

E-LEARNING INITIATIVES

Digital education is changing the lives of students by stimulating a fresh zeal to learn more. With a vision to give exposure to students from marginalised communities by promoting E learning system and making the education more interesting, we had provided E-learning support to 100+ schools in and around Kolhapur, Maharashtra. Through E-learning, we are reaching out to more than 50,000 students, thereby enhancing their knowledge and quality of education and it has helped both students and teachers to have meaningful learning outcomes.

We have also improved accessibility to quality education through:

Infrastructure development
Improving the existing infrastructure of schools and providing them with the necessary facilities

Support to the brave
Supporting the schools which provide education to specially-abled children

Essentials
Provided online education to tribal students in the remote areas

Enhancing knowledge through digital means

100+ Schools
E-learning support in and around Kolhapur, Maharashtra

50,000+ Students
Covered under E-learning

WOMEN EMPOWERMENT

Vocational skills and job placements help in giving a better social status to women

VOCATIONAL SKILLS TRAINING

We support and encourage youth and women to participate in vocational training programmes. Such training is aimed at developing vocational skills required in the textile industry. It has also helped women to earn a source of livelihood and contribute to the income of the family thereby uplifting their standard of living. These trainings have enhanced women's social life and have made them confident and independent.

Enhancing stitching skills

HEALTHCARE

Indo Count actively promotes preventive and curative healthcare programmes as a part of the CSR activities. A major chunk of our CSR contribution revolves around Healthcare.

MOBILE MEDICAL VANS

We facilitate free health check- ups and primary healthcare through 4 mobile medical vans reaching more than 100 remote rural villages and urban slums. These vans are fully equipped with various medical facilities and with a team of doctors and paramedics for primary treatment and care as well as referral.

These vans are playing a vital role during pandemic times in creating awareness amongst communities about COVID appropriate behavior and vaccination.

These vans have benefitted more than 3.5 lakh people since inception.

4 medical vans
Reaching out to 100 remote villages

Helped outreach through medical vans

3.5 lakh+
Patients Treated Till Date

IMPROVING HOSPITALS INFRASTRUCTURE

Indo Count has been actively working towards infrastructure development of the district hospitals in local areas. Our initiatives are focused towards upgrading the public health facilities in hospitals viz. maternity wards, cardiology wards and AIDS center.

During the year, the existing District AIDS Control Society office within the campus of the CPR hospital at Kolhapur was in need of extensive repairs, and the District Collector had requested Indo Count to provide support in repairing and upgrading the facility and its 15 centres. We undertook this project and renovated the District AIDS Prevention and Control Unit (DAPCU) center and provided various equipment used for increasing efficiency of services to AIDS patients. This has increased the motivation level of the staff to provide enhanced and more efficient AIDS patient care and support.

WATER AND SANITATION

Clean drinking water and maintaining good hygiene are important for healthy life.

We have provided clean drinking water through water purifiers and RO systems in and around Kolhapur. This has benefitted over 1 lakh people.

CSR SUPPORT DURING PANDEMIC

> **We have brought back SMILES on faces of people to fight the pandemic with determination.**

We as an Organisation has always stood up with communities in their difficult times and made available all possible resources to tackle the various emergency situation like Flood and more recently during the Covid pandemic. These timely supports, greatly helped the communities to confidently navigate through their tough times.

COVID-19 pandemic disrupted every sphere of our lives. In these challenging times when everything was thrown out of gear, the relentless efforts of Covid warriors and likewise various supporting hands went ahead of boundaries of risk and fear, and played a crucial role in saving many lives. Various corporate organisations including Indo Count offered resources to combat the pandemic by taking part themselves, through driving and supporting various relief efforts in the community.

ICF SUPPORT DURING PANDEMIC

- Distributed food packets and grocery during lockdown in remote areas for migrant workers, daily wage earners and COVID warriors
- Provided masks, PPE Kits, face shields, sanitisers and gloves to local authorities
- Given ventilators to hospitals
- Donated bedsheets and mattresses for patients in isolation
- Contributed to PM Cares Funds

Food packets distribution

Supporting COVID warriors

AGRICULTURAL LIVELIHOOD

GAGAN

"Gagan" is a project conceived to promote sustainable textiles targeting to benefit all its stakeholders with a sole aim at increasing the income of farmers. We work with farmers, Scientist, Researchers and Trainers of CITI CDRA and other agricultural institutions to impart Good agriculture practices (GAP) for bettering the yield of cotton, keeping in mind sound principles of environmental conservation. As part of interventions, we are reaching out to around 4,000 farmers and helping them to adopt GAP. The result is encouraging as farmers have started to adopt various suggested practices and it has improved their income from farming.

Trained farmers sowing cotton seeds

CSR RECOGNITIONS

Local authorities and communities have recognised the CSR activities of Indo Count Foundation from time to time.

THE WAY AHEAD

Our focus areas have always been Healthcare and Education. We will continue to grow in our outreach on both these crucial determinants of human development. We continuously strive to be in touch with our communities and take up different CSR Projects based on various assessed needs. The CSR projects in the areas of environment, agricultural livelihood will be carried out. These will help us align our actions within the set boundaries of SDGs.

Going forward in alignment with SDG, we will continue our various CSR initiatives.

Governance: We Trust

Effective corporate governance is essential for long-term value creation. Indo Count is committed towards upholding the best governance practices and adhering to them at all stages. Our goal is to achieve the highest levels of transparency, accountability, and ethical behaviour in all aspects of operations and communications with our stakeholders.

OUR BOARD

The Board of Directors is at the core of our corporate governance practice and oversees that the management serves the long-term interests of all our stakeholders. Our Board of Directors has the right mix of skills, expertise, and experience to steer the Company's business and strategy. The Board has an optimum combination of Executive and Non-Executive Independent directors including Woman Director. All Directors bring with them varied and rich experience, expertise, skills and competencies that allows the Board to take effective decisions and guide the management to achieve the Company's objectives and enhance stakeholders' value.

BOARD DIVERSITY

We have a Diversified Board in terms of educational and functional background, industry experience, age etc.

6 out of 10

Directors are Independent

EFFECTIVE BOARD COMMITTEES

We have following Board Committees which discharge their role and responsibilities in effective manner and make recommendations to the Board:

01 **Audit Committee**
3 out 4 Independent Directors.
Chairman being Independent Director

02 **Nomination and Remuneration Committee**
3 out 4 Independent Directors.
Chairman being Independent Director

03 **Stakeholders Relationship Committee**
Chairperson – Independent Director

04 **Corporate Social Responsibility (CSR) Committee**
Chairperson – Independent Director

05 **Risk Management Committee**
Majority being Independent Directors

EFFECTIVE POLICIES & CODES

The policies and Codes are foundation of the organisation. We have various policies and codes in place which provides guiding principles. The various policies/Code includes Code of Conduct of Board of Directors and Senior Management Personnel, Whistle-blower Policy, Risk Management Policy, Related Party Transactions Policy, Policy on Prevention of Sexual Harassment at Work Place.

Corporate Information

Board of Directors

Mr. Anil Kumar Jain
Executive Chairman

Mr. Mohit Jain
Executive Vice Chairman

Mr. Kailash R. Lalpuria
Executive Director & CEO

Mr. Kamal Mitra
Director (Works)

Independent Directors

Mr. Dilip J. Thakkar

Mr. Prem Malik

Mr. Sushilkumar Jiwarajka

Dr. (Mrs.) Vaijayanti Pandit

Dr. Sanjay Kumar Panda

Mr. Siddharth Mehta

Chief Financial Officer

Mr. K. Muralidharan

Company Secretary & Compliance Officer

Mrs. Amruta Avasare

Auditors

Suresh Kumar Mittal & Co.

Registrar & Share Transfer Agent

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

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

Bankers

Union Bank of India
HDFC Bank Ltd.
Bank of Baroda
CITI Bank
HSBC
Export-Import Bank of India
Axis Bank Limited

Corporate Identification Number

L72200PN1988PLC068972

Email

info@indocount.com

Website

www.indocount.com

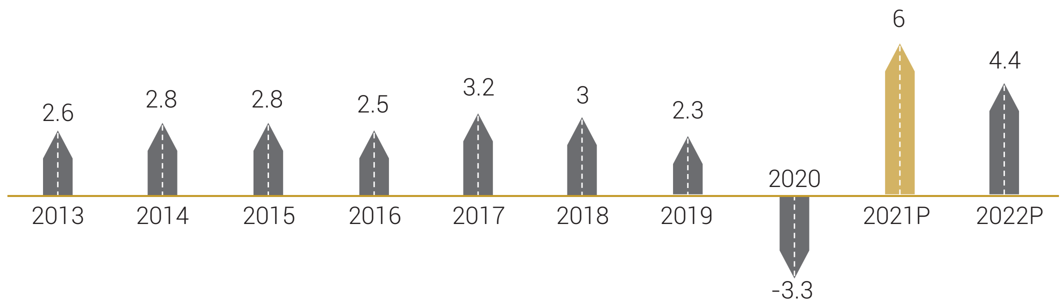
MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY REVIEW

The year 2020 unfolded quite unusually as the world saw the biggest contraction since the Great Depression of 1929. Globally, economies witnessed a significant demand slowdown and increased protectionism. A year which was already reeling under the after-effects of deteriorating US-China trade relationships, uncertainties around the US Presidential elections, volatile crude prices and the closure of Brexit deal, got further aggravated by the outbreak of the Covid-19 pandemic.

This pandemic brought the world down to its knees as both developed and developing economies were hit hard by an unseen health and economic crisis. Trade and tourism came to a screeching halt, business across sector came to a sudden stand still, and the entire demand-supply mechanism was interrupted almost instantaneously. According to the World Economic Outlook, the global growth contracted by 3.3% in CY 2020 *(Source: World Economic Outlook, April 2021).*

World Real GDP Growth (%)



P. Projected

(Source: World Economic Outlook, April 2021)

The fast spread of the Covid-19 virus in CY 2020 prompted authorities around the world to implement strict measures. These measures intended containing further spread of the virus for safety and health reasons. Governments around the world announced monetary and fiscal stimulus packages to boost business activities for mitigating long-term economic impacts. The restrictions definitely helped reduce the impact of the virus on public health and economy in the short term. The gradual resumption of operations across sectors and geographies, in Q4 2020-21, indicated a long-term optimistic outlook for the global output, still looming with hints of uncertainty.

AN OVERVIEW ON KEY ECONOMIES

United States (US) Economy

The US economy was reeling with a recessionary trend due to the Covid-19 pandemic since the beginning of the year. The forthcoming economic contraction was indicated by an inverted US yield curve. Unemployment levels went on record-highs during May 2020, with the US Bureau of Labour Statistics reporting U-3 unemployment figures of 14.7% – the highest recorded since 1941. Apart from this, in April 2020, construction of new homes in the US dropped by 30%, reaching the lowest in the last five years. The US Department of Commerce reported a fall in consumer spending by 7.5% during March 2020. This was the largest monthly drop since the record keeping began in 1959. As a result, the country's gross domestic product (GDP) reduced by 4.8% during the first quarter of CY 2020. To cushion the economic against the impact, a USD 2 trillion package under the CARES Act was signed into law in March 2020 – the largest economic stimulus legislation in the US history.

The fall in the GDP continued in the second quarter as well. However, during the third quarter, the US economy started to turn around due to number of reasons. An improved consumer buying sentiment post the stimulus packages announcement by the Government, gradual resumption of economic activities along with a fainting impact of Covid-19 in the US economy were the major contributors here. The nation's real GDP increased at an annual rate of 4.3%, reflecting the continued economic recovery, reopening of establishments, and continued Government response to the pandemic. According to the National Retail Federation (NRF), the retail sales are expected to grow between 6.5% and 8.2% to more than USD 4.33 trillion in CY 2021 as more individuals get vaccinated and the economy reopens.

Outlook

With gradual recovery of the economy from Covid-19 through increased vaccination drives, and normalisation of economic activities, the US economy is already on a path to turnaround.

MANAGEMENT DISCUSSION AND ANALYSIS

According to the most recent forecast released at the Federal Open Market Committee (FOMC) meeting in December 2020, the US GDP growth is expected to rebound up to 4.2% in CY 2021, and moderate to 3.2% in CY 2022, and 2.4% in CY 2023. Although uncertainties due to the subsequent Covid-19 waves is imminent, a faster recovery in the US economy is expected in the CY 2021.

European Union (EU) Region

The European economy was already under stress due to the Brexit deal, slower economic activity and other factors. And so, the Covid-19 pandemic only struck the economy further. Governments were forced to take drastic and stringent measures to contain the spread of the virus. As a result, activities across sectors fell substantially, recording the real GDP fall at double-digit rates in both, the euro zone and European Union (EU) in the first half of the year.

The confinement measures taken to limit the spread of Covid-19 caused a slump in the economy. It slipped into contraction after almost seven years of uninterrupted growth. Compared to the last quarter of CY 2019, GDP contracted by 3.6% in the euro area, and fell by 3.2% in the EU. The European Purchase Manager's Index, a key indicator of the economic activity, crashed to a record low of 13.5 in April 2020. However, with massive stimulus packages and policy support announced by the Governments, the economic activities slowly started resuming in the EU region since the second half of CY 2020.

Outlook

Despite the high and rising human toll of the pandemic, economic activities appear to be adapting to the new ways of doing business. The additional policy measures announced at the end of CY 2020 are expected to provide further support to the economy in CY 2021. A growth rate of 4.1% is forecasted in CY 2021 – the fastest the European economy has grown since CY 2017. The vaccine drive has raised hopes of a turnaround in the pandemic this year. However, renewed waves and new variants of the virus pose concerns for the outlook.

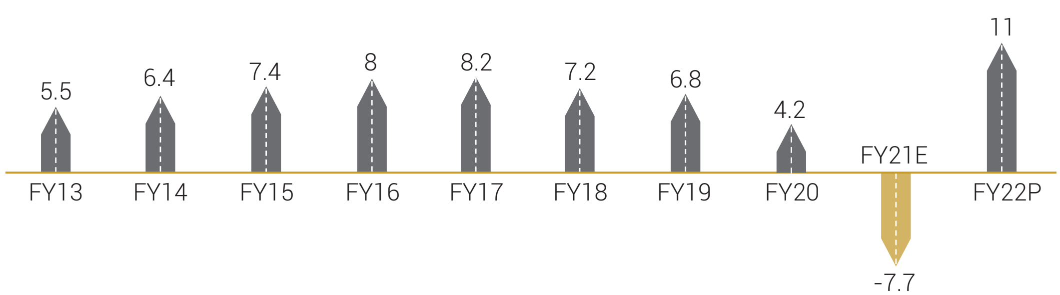
INDIAN ECONOMY REVIEW

The Indian economic growth, like major world economies, has been muted in the year 2020. Lower consumption across sectors, slower economic activities across regions and lockdown measures for curbing the ongoing pandemic across the country hold the blame for this.

With the onset of the pandemic and lockdown restrictions on economic activities, GDP growth for June quarter of 2020-21 declined by 23.9% *(Source: Ministry of Statistics and Programme Implementation, August 2020)*. To counter the effects of the pandemic, the Indian Government and RBI announced a Covid-19 relief package to the tune of ₹ 29.87 lakh Crores in aggregate, touching all spheres of the economy *(Source: Press Information Bureau, Government of India, Ministry of Finance, 12th November 2020)*.

As a result of these fiscal and monetary stimulus measures, the Indian economy went on to register a 0.4% GDP growth in December 2020 *(Source: Ministry of Statistics and Programme Implementation, February 2021)*. In the fourth quarter, important indicators such as the unemployment rate showed signs of improvement. It went from 9.06% in December 2020 to 6.9% in February 2021 *(Source: Centre for Monitoring Indian Economy)*. Manufacturing PMI increased for the seventh month in a row to 57.7 in February 2021, surpassing global levels *(Source: Boston Consulting Group India Economic Monitor, March 2021)*. In 2020, the country received a remarkable 13% increase in FDI. GST collections have been steadily increasing over the last six months, and in February 2021, it surpassed the USD 1 trillion mark *(Source: Boston Consulting Group India Economic Monitor, March 2021)*.

Indian Economic Growth Output (%)



(Source: Economic Survey 2020-21)

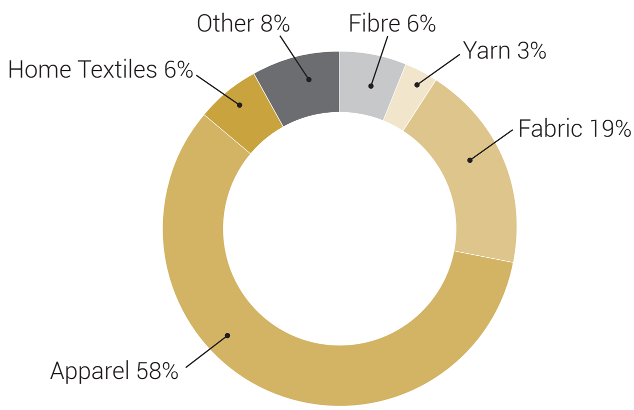
Outlook

The Indian economy is undergoing a V-shaped recovery. This gradual turnaround is underpinned by the largest inoculation drive, uplifting consumer sentiment, increasing investments and revival of business activities across sectors to their pre-Covid-19 levels. In the next financial year, 2021-22, the domestic economy is projected to register growth of around 11% *(Source: Economic Survey 2020-21).*

GLOBAL TEXTILE INDUSTRY

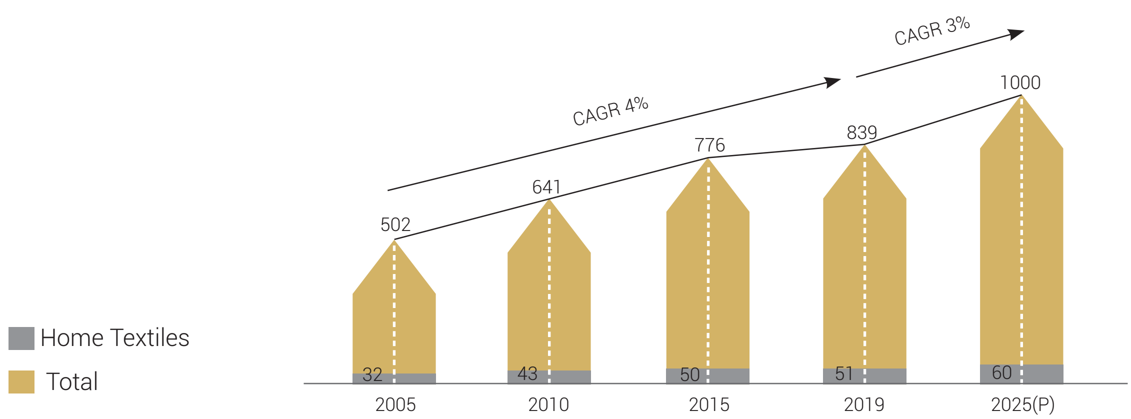
The global textile and apparel industry comprises fibres, yarn, household and technical fabric, as well as garments. The global apparel market fell by 22%, coming down from USD 1,635 billion in CY 2019 to USD 1,280 billion in CY 2020, due to challenges posed by the pandemic. There was an overall deterioration in the performance of the textile industry in CY 2020. However, the demand started picking up from the slump during the second half of CY 2020 This came in as a ray of hope for the textile manufacturers and the related incumbents in the entire value chain. As per the International Textile Manufacturers Federation (ITMF), starting from CY 2021 to CY 2024, there are positive turnover expectations in the sector. On a global level, sales expectations are especially strong for CY 2021 and CY 2022, indicating a stronger recovery.

Category-wise Share of Global T&A Trade (2019)



Source: UN Comtrade & Wazir Analysis

Global Textile and Apparel Trade (USD Billion)



Source: UN Comtrade & Wazir Analysis

Outlook

The Global textile industry is expected to record a CAGR of 3% and reach USD 2,007 billion by CY 2025. Increasing consumer awareness, rising disposable incomes, rapid urbanisation and growing e-commerce platforms, coupled with fast pace changing trends in the fashion industry are together projected to drive the global textiles market. This demand is largely expected to be driven by developing countries like China, India, Mexico and Bangladesh.

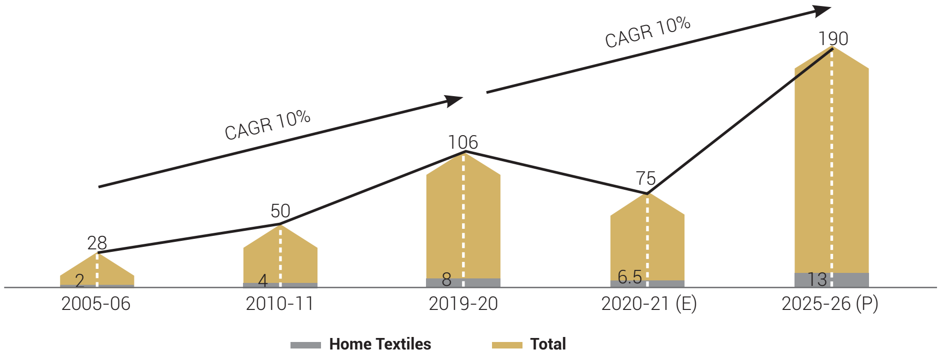
INDIAN TEXTILE AND APPAREL INDUSTRY

The Indian Textile Industry comprises spinning, weaving and knitting, fabric finishing and apparel segments. It continues to be India's second-largest employment generating sector. The Indian textile and apparel market fell by 30% from USD 106 billion in

MANAGEMENT DISCUSSION AND ANALYSIS

2019-20 to USD 75 billion in 2020-21. This was attributed to the economic impacts and trade restrictions due to the Covid-19 pandemic. India's textiles industry contributed around 7% to the industry output (by value) in 2019-20. The Indian textiles and apparel industry contributed 2% to GDP, 12% to export earnings, and maintained a share of 5% of global textiles and apparel trade in 2019-20 *(Source: IBEF, Indian Textile Industry Report, February 2021).*

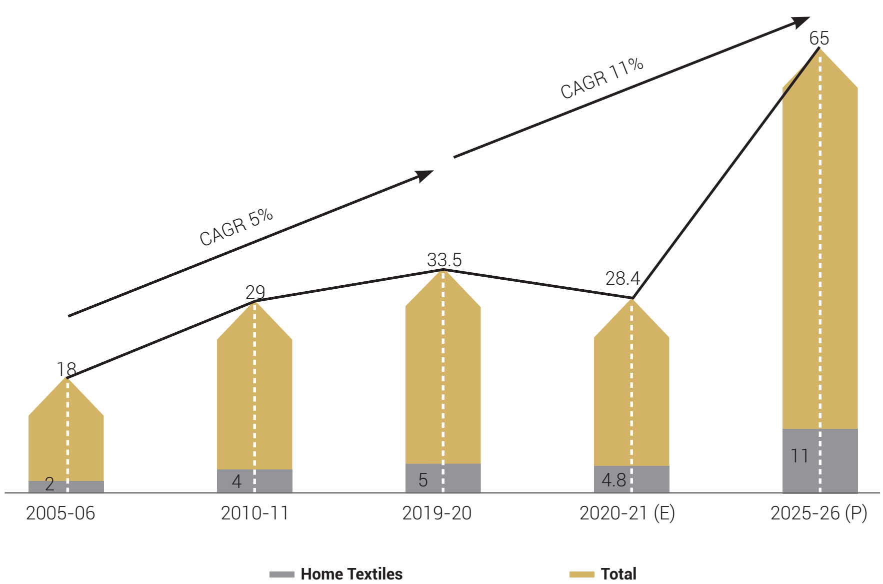
INDIA'S DOMESTIC TEXTILE AND APPAREL MARKET SIZE (USD BILLION)



Source: DGCI&S and Wazir Analysis

With exports worth USD 33.5 billion in 2019-20, India is the world's fifth largest exporter of textile and apparel. In 2020-21, India's T&A exports were projected to drop about 15% as a result of Covid-19, reaching USD 28.4 billion. However, with improvement, it is projected to rise at an 11% CAGR to USD 65 billion by 2025-26.

INDIAN TEXTILE AND APPAREL EXPORTS (USD BILLION)



Source: DGCI&S and Wazir Analysis

The textile industry sources its raw material from the agriculture sector and its by-products. Thus, making all-round sustainable development of the textile industry is imperative to the development of the Indian economy.

Impact of Covid-19 on the Indian Textile Industry

With the outbreak of Covid-19, lockdowns across regions were imposed and economic activities came to a standstill, barring few essential goods and services. The Indian textile industry was also severely affected by this pandemic during 2020-21.

Discontinuation of Manufacturing Sector

The Indian manufacturing industry came to a near standstill in the initial months of 2020-21. Post unlocking, most manufacturing units in the country operated primarily with 50% workforce across industries. Thus, translating into sub-optimal levels of capacity utilisation.

Logistics and Supply Interruption

Logistics and supply chain interruption and disruptions in exports due to the Government measures taken to curb the virus impacted the entire value chain. During the period April-September 2020, India's net trade was down by around 50% on month-on-month basis as against the similar period of the previous year.

Order Termination

Many international and domestic buyers either terminated or deferred their consignments, sighting the uncertain market conditions. Thus causing further slump across the industry.

Collapse in Brick-n-Mortar Form of Retail Sales

Retail sales of garments and other apparels through physical stores completely stopped due to the lockdown restrictions in the country. Even post unlocking, the festive and wedding season sales were profoundly impacted by the negative sentiments across the country.

Development of New Consumption Channels/Patterns

Due to interruption in the physical form of sales, the online and e-commerce sales of goods and apparel witnessed a sharp rise in 2020. Furthermore, with the advent of 'Work-From-Home' culture, the demand for casual wear apparels over formals surged significantly.

Among the sub-sections of the Indian textile industry, lockdowns affected the production of cotton yarn and manmade fibres (MMF). It resulted in a slump in their output by around 33.7% and 24.6%, respectively, during the April-October 2020 period. Also, the pandemic-related disruptions affected exports as the outbound shipments of MMF decreased by 19.6% during April-September 2020 while that of readymade garments (RMG) fell by 30.4% during April-November 2020.

The Indian textile industry's heavy dependency on exports dented its domestic production as reflected in the Index of Industrial Production (IIP) figures for textiles and wearing apparels – registering a de-growth of 24% and 34%, respectively, during April-February 2021.

(Source: CARE Ratings, India's foreign trade update, April 2021)

Several initiatives were taken by the Government in the Union Budget 2021-22 to uplift the Indian textile sector. The grant to the sector was increased from ₹ 3,300 crores previously to ₹3,614.64 crores. The budget increased the allocation of Amended Technology Upgradation Scheme (ATUFs) from ₹ 545 crores previously to ₹ 700 Crores. This will help clear the pending capital subsidy. It also allocated ₹ 30 crore for Export Promotion Studies against ₹ 5 crore in the last budget, and ₹ 100 crore for Integrated Scheme for Skill Development. With these boosting measures taken by the Centre, textile industry is expected to see a rebound in 2021-22.

(Source: The Union Budget, 2021-22)

INDIAN TEXTILE TRADE IN THE EUROPEAN UNION (EU)

EU remains the largest market for the Indian textile and apparel products. It consists of home linen, women's apparels, knitted t-shirts and a variety of packing goods such as sacks and bags. India's export of textile products towards EU remained muted during 2020-21 due to challenges posed by the pandemic. The Indian textile exports also face higher trade barriers from other competitor countries like Vietnam, Bangladesh, and Pakistan in the form of higher trade tariff.

INDIAN TEXTILE TRADE IN THE US

US is one of the major export markets for the Indian textile and clothing industry. Readymade garments held the highest share of exports to the US, followed by the home textiles in CY 2020. India's exports during the year to the US was about 47% for garments, followed by home textiles making an extensive share of 38%.

COMPETITIVE ADVANTAGE OF INDIAN TEXTILE INDUSTRY

The Indian textile industry has varied segments and gamut of opportunities to offer the end users. Amidst the Covid-19 pandemic affecting the economies drastically, customers across regions are increasingly looking to de-risk their dependence on a single geography. This 'China+1' strategy across the prime textile consuming markets has brought in several opportunities for the Indian textile industry. Through these opportunities, India can capture higher market share of global economies from China, primarily focusing the EU and the US.

- **Abundance of raw materials:** The Indian textile industry's prime strength lies in its strong production base. This is further led by the abundant availability of the different types of yarn/fibres (ranging from natural fibres like cotton, jute, silk, wool to man-made fibres like polyester, viscos, nylon and acrylic).

- **Skilled manpower:** India enjoys a comparative advantage in terms of skilled manpower and cost of production when compared to other major textile producers.
- **Robust demand:** For emerging markets like India, the demand growth is driven by several factors. These include rising per capita income level, shift of behavioural pattern towards discretionary spending amongst the consumers and increasing brand consciousness.
- **Policy support:** Several policy support initiatives taken by the Government of India favourably puts the country in the higher growth thrust sector. These policies range from fund allocation to the capital subsidy scheme, infrastructure development of textile value chain to 100% FDI in the sector (through automatic route).

OUTLOOK

With the Government's boost to the sector, rise in the public buying sentiments and large-scale vaccination drive, a turnaround in the textile industry is evident. Since the last quarter of 2020-21, the economy has been witnessing an increasing consumption pattern across customer segments along with a higher export demand. During 2021-22, demand for textile is expected to improve even as industry will continue facing challenges till the restricted movement of people is completely uplifted (work from home norm, online colleges/ education). Further, the discretionary nature of the industry is also expected to affect its sales to an extent. The market is expected to recover and grow at 10% CAGR from 2019-20 to reach USD 190 billion by 2025-26. However, with the rising and rapid spread of the second wave of Covid-19, the actual achievement of the growth projections may be delayed.

GLOBAL HOME TEXTILE INDUSTRY OVERVIEW

Home textile offers a wide range of categories such as furnishing fabrics, curtains, carpets, table covers, kitchen accessories, made-ups, bedspreads, bath linen, and other home furnishings.

The global home textile market is one of the most lucrative segments in the global textile industry, expected to report a CAGR of 2.9% during the period CY 2021-CY 2025. The global home textile market stands at USD 155 billion in 2021 and is expected to reach to USD 174 billion in 2025. The industry is witnessing a steady growth driven by factors, like rising consumer spending on home renovation and fashion sensitivity towards household furnishing.

(Source: Mordor intelligence report)

The United States and Europe are the biggest consumers constituting 60% of the home textiles imports. Here again, countries like India, China, and Pakistan are the key suppliers. Rising focus on market by the governments and favourable regulatory policies are expected to be one of the prime drivers for market movements. Such support, along with growth in investments in market, provide further opportunities for the global home textile industry to prosper. The growing real estate market, along with increasing consumer spending on a home renovation is expected to drive market growth going ahead.

GLOBAL BED LINEN AND BED SPREAD SEGMENT OVERVIEW

Bed linen includes bedspreads, blankets, mattress, mattress cover, pillows, duvets, duvet covers, and bed covers, among others. This segment is anticipated to register a CAGR of 6% between CY 2021-CY 2026. This is due to the growth of end-use sectors such as hospitality, housing, growing fashion sensitivity of urban consumers toward home furnishings, increasing demand for digitally printed home textiles, and rapidly mounting fashion trends in home textiles. *(Source: Mordor intelligence report)*

The major drivers of the industry include rising disposable incomes, increasing population, rising housing industry, technological developments, and the growing availability of goods in a wide range of fibre types, textures, fabrics, styles, and colours. Also, the rising interest of consumers in organic and eco-friendly bed linen products is expected to be a key trend guiding the sector's growth.

INDIAN HOME TEXTILE INDUSTRY OVERVIEW

Last few years have seen the Indian home textile segment emerge as one of the most attractive textile segments. This emergence is in terms of growth potential and the exclusive product offerings put together. India home textile market reached USD 6.2 billion in 2019-20. *(Source: The Great Lockdown: Indian Home Textile Industry, Wazir Advisor, April 2021)*. During the year, the sector faced demand from the hospitality sector, a moderate demand from the household sector and increasing demand from the healthcare sector due to the pandemic.

- India accounts for around 7% of the global home textiles trade. Superior quality, unique designs, extensive variety in terms of price, designs and colour choices make Indian companies a leader in the US and the UK – contributing two-third to their exports.

- India is being recognised as a preferred sourcing destination for lot of products. These products offer traditional artistry along with a unique appeal by being effectively used for producing value-added home textile items.

  (Source: Mordor Intelligence Report)

OUTLOOK

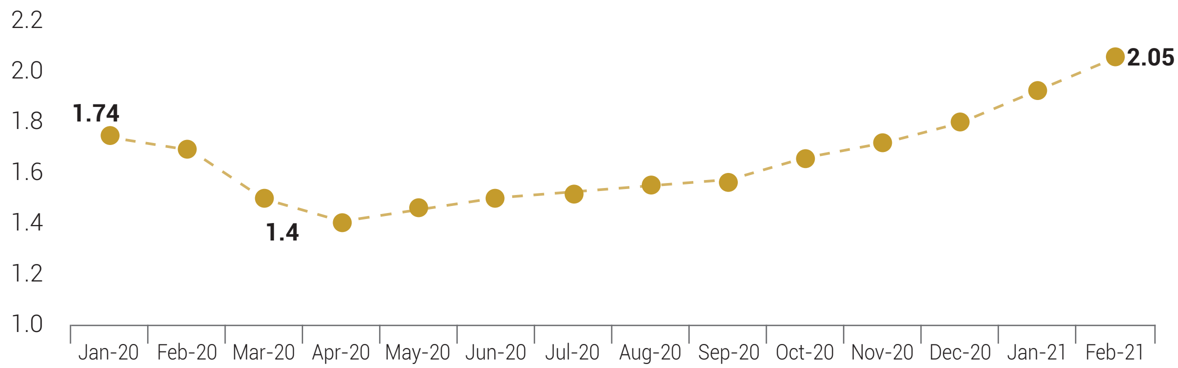
Rapid urbanisation, improved standard of living coupled with increasing spending power are some of the key factors anticipated to support growth drive in the Indian home textile industry. Growing spending towards modernisation of the interior of the households is resulting in demand surge for home textile products such as bedsheets, pillows and covers, and curtains, among others. Furthermore, rising awareness for healthcare and hygiene is expected to increase demand from the healthcare sector as well.

Exports to the US and EU region are also likely to witness an upsurge. Younger population, increasing per capita income and compulsive buying habits of consumers are the prime reasons behind this increase..

GLOBAL COTTON INDUSTRY OVERVIEW

Amidst uncertainties in the overall market scenario, the year 2020 can be considered a mixed year in terms of performance in the global cotton industry. Prices have been improving sequentially for 10 straight months from May 2020 onwards to February 2021. A growth of about 7% on m-o-m basis was witnessed in each of the first 2 months of CY 2021.

Trend in Cotlook A index (USD/Kg)



Source: Indexmundi and CARE Research

The increase in prices is driven by improvement in international demand on account of relaxations in lockdown restrictions. This apart, 7.4% y-o-y lower global cotton production (24.6 million tonnes) estimates by the United States Department of Agriculture (USDA) amidst 14.5% increase in global consumption (25.7 million tonnes) for Cotton Season (CS) 2020-21 also supported the price rise. Moreover, higher cotton imports by China (the world's largest cotton consumer and one of the primary importers of cotton) from USA (the world's largest cotton exporter) on account of implementation of the USA-China phase one trade agreement aided the international price growth. Furthermore, the ban imposed by the USA on imports of China's cotton products made in Xinjiang region due to forced labour issues are also believed to have increased the international cotton prices.

INDIAN COTTON INDUSTRY OVERVIEW

Cotton production in India is estimated to remain stable at 6.1 million tonnes in the current cotton season (CS) October 2020-September 2021 backed by higher yields. Also, an increase in cotton Minimum Support Price (MSP) by 4.9% to ₹ 5,515 per quintal for medium staple cotton for CS 2020-21 is estimated to aid cotton production.

MANAGEMENT DISCUSSION AND ANALYSIS

Cotton Balance Sheet Estimated as on March 31, 2021

Details	2019-20		2020-21		
	(in lakh bales)	(in million tonnes)	(in lakh bales)	(in million tonnes)	% change
Supply					
Opening stokc	32	0.54	*125	2.13	290.6
Crop	360	6.12	360	6.12	0.0
Imports	15.5	0.26	11	0.19	-29.0
Total Supply	407.5	6.93	496	8.43	21.7
Demand					
Mill onsumption	218	3.71	288	4.90	32.1
Consumption by SSI: Units	18	0.31	24	0.41	33.3
Non-Mill Consumption	14	0.24	18	0.31	28.6
Total Domestic Demand	250	4.25	330	5.61	32.0
Available Surplus	157.5	2.68	166	2.82	5.4
Exports	50	0.85	60	1.02	20.0
Closing Stock	107.5	1.83	106	1.80	-1.4

Source: Cotton Association of India (CAI)

Apart from production, cotton supply also includes carry-over stocks from last cotton season (which surged by 290.6% to 2.1 million tonnes). As a result, total cotton supply during CS 2020-21 is estimated to increase by 21.7% to 8.4 million tonnes. The domestic cotton demand, disrupted due to Covid-19 pandemic in CS 2019-20, is expected to grow by 32% to 5.6 million tonnes on account of a likely recovery in current season.

India is also estimated to increase cotton exports by 20% to 1.02 million tonnes. This will be backed by improving international cotton consumption and the demand for Indian cotton in view of its competitive pricing in the global markets. Thus, higher outbound shipments will help India reduce the surplus availability of cotton. With gradual unlocking activities, some recovery in domestic cotton demand and consumption is expected to increase by 32% y-o-y in CS 2020-21. Additionally, cotton exports from India also witnessed revival and grew by 39.2% to 0.48 million tonnes during October 2020-January 2021. This is further expected to grow by 20% to 1.02 million tonnes during CS 2020-21. This growth in cotton exports was primarily attributable to strong demand for cotton from China and Vietnam.

OUTLOOK

With upward trend in cotton prices and better domestic and international demand for cotton and cotton yarn, a higher cotton crop is expected to be produced in next CS 2021-22. The competitive Indian cotton prices provided support to cotton exports. This trend is expected to continue in the coming period as well with the Indian cotton prices remaining competitive as compared to its international counterpart. Thus boosting the cotton industry.

(Source: CARE Research: Cotton and cotton yarn update, April 2021)

COMPANY OVERVIEW

Indo Count Industries Limited ('ICIL' or 'The Company') is a leading global player, specialising in home textiles and bedding segment. The Company's extensive product offering comprises premium value-added products including bed sheets, fashion bedding, utility bedding and institutional bedding. ICIL is the largest manufacturer and exporter of bed sheets, bed linen, quilts from India and is recognised among the top three global bed sheet suppliers to the US.

The Company offers end-to-end solutions in the home textile segment through its technologically superior manufacturing facility in Kolhapur, Maharashtra. ICIL's brands cater to a global consumer base and enjoys a wide brand following. The Company sells its products globally through its extensive network of marquee retailers.

RESEARCH AND DEVELOPMENT (R&D)

R&D is one of the primary focus areas at ICIL. It starts with sentiment surveys to gauge consumer preferences and continues till development of value-added products and post-launch market research. The Company has collaborations that encompass both innovative product designing and sustainable material consumption. The in-house R&D team of the Company has contributed to the development if various new products and has been involved in the development and implementation of new processes & other process improvements. During the year under review, the Company launched many new products under our newly Launched Brands namely "Wholistic" and "Sleep Rx" in Health & Hygiene and Sustainable Performance category respectively. The Company also introduced process improvements in the field of weaving preoperatory. R&D continues to help the Company in its drive to become more sustainable and environment friendly.

OPERATIONAL AND FINANCIAL PERFORMANCE

The Company achieved growth in various parameters despite challenging environment and lockdown restrictions. Our growth during the year was propelled by higher demand for home textile products and consequent increase in our market share globally. Furthermore, our persistent focus on expanding our current capacity, growing our branded portfolio, enhancing our domestic presence, improving ecommerce and building and creating a sustainable value chain have helped us to achieve the strong performance & growth.

Standalone Performance Highlights:

- Delivered record sales volume of 78.2 Mn metres for FY21, a growth of 26% YoY
- Achieved total revenue of ₹ 2,552 crores for FY 2020-21
- EBIDTA stood at ₹ 419 crores for FY 2020-21 as against ₹ 232 crores in previous year
- Achieved net profit of ₹ 260 crores for the year ended March 31, 2021
- EPS stood at 13.18

Consolidated Performance Highlights:

- Achieved total revenue of ₹ 2,557 crores for FY 2020-21 as against ₹ 2135 crores in previous year
- EBIDTA rose by 74% to ₹ 415 crores in 2020-21 versus ₹ 238 crores in 2019-20
- Net Profit increased by 241% to ₹ 249 crores in 2020-21 as against ₹ 73 crores in 2019-20

Key Financial Parameters

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Operating Profit Margin (%)	15.06	9.70	14.70	9.30
Net Profit Margin (%)	10.20	3.65	9.74	3.42
Return on Net Worth (%)	20.40	7.60	19.40	7.40
Debt-Equity Ratio	0.19	0.21	0.20	0.18
Interest Coverage ratio	14.09	5.19	13.23	4.95
Current ratio	1.93	1.84	1.91	1.84
Inventory Turnover (days)	115	109	121	108
Debtors Turnover (days)	70	47	69	41

2019-20 includes exceptional item includes ₹ 94.27 Crores provided against refund of excess export benefits of earlier years by way of MEIS as per the Adjudication Order issued by office of The Commissioner of Customs

Reason for variation (>25%): The Debtors Turnover Ratio has increased due to higher turnover and increase in credit period to some customers due to pandemic. The Interest Coverage Ratio has improved due to increased profits in comparison to previous year. The Operating profit Margin, Net Profit Margin and Return on Net Worth have improved due to increase in revenue and profit margin during the year under review.

IMPACT OF COVID-19 PANDEMIC AND MEASURES TAKEN

In the month of March, 2020, the outbreak of Novel Coronavirus (COVID-19) pandemic developed rapidly into a global crisis. This led to declaration of the lockdowns by the governments in the countries all over the world. Your Company immediately shifted its focus on ensuring the health, safety and well-being of all employees. The manufacturing plants of the Company at Kolhapur were temporarily closed from March, 23, 2020 to contain the spread of COVID-19 as per Central/State Government directions. The partial manufacturing operations at the Company's Home Textile and Spinning Plant were resumed w.e.f. April 26, 2020 and April 27, 2020 respectively with limited workforce subject to the conditions prescribed by the Government/Local Authorities. The Company thus faced certain initial disruptions in operations due to COVID-19 pandemic at the beginning of the year 2020-21. Form June 2020, retail stores in US and Europe started reopening in the phased manner and in the second half of the 2020-21, with unlocking and revival of economic activities, the textile, and especially the home textile segment, performed significantly well. Record holiday season sales happened in the US, expanding exports from the country. Furthermore, with the shift in the work culture being practiced through 'Work from Home', the domestic consumption of the home textile segment

MANAGEMENT DISCUSSION AND ANALYSIS

improved manifold. This change in customer focus towards home textiles and ICIL's focus of expanding distribution though e-commerce platform helped the Company to achieve highest ever performance during the year. Led by an experienced management team with a strong customer base, capital adequacy, wider geographic distribution, extensive sectoral understanding of product development as well as a relatively under leveraged balance sheet, the Company was positioned to adapt to the ever-changing customer preferences and successfully navigated through challenges posed by the Covid-19 pandemic.

The Company follows all the Government regulations and directives regarding Covid-19 issued from time to time. The Company has taken all steps such as maintenance of social distancing norms, distribution of masks and PPE kits to employees, regular sanitisation of the office and manufacturing facilities, daily thermal screening, biometric attendance to ensure health and safety of all employees.

SUSTAINABILITY INITIATIVES

To manage with the global climate change impacts, the Company continued its initiative in the agricultural sector through its Project GAGAN. This initiative involves raising awareness amongst the farmers regarding sustainability improvement in cotton farming. As a part of this project, the farmers learn techniques to enhance productivity of cotton whilst inculcating climate saving initiatives like lower usage of water, pesticides and fertilisers. Primary objective of this project is to integrate the value chain from farm to fashion. It aims at creating awareness amongst farmers so that cotton farming remains profitable and sustainable for them over the years.

The Company also partnered Walmart in Project GIGATON. Through this project, suppliers set goals to reduce carbon emissions across 6 pillars such as energy, waste, packaging, agriculture, forests, and product use and get Walmart's acknowledgement. ICIL is currently identified as the Giga-Guru by the global giant Walmart.

ICIL has continuously emphasised on sustainability initiatives and has set standards through HIGG Index. This index is a self-assessment benchmark to measure metrics such as environmental sustainability, energy savings, water consumption and recycling, zero effluents discharge and gas emissions. All of these parameters are compared globally among all manufacturers to assess environmental and social sustainability across the supply chain. The Company's verified HIGG Index score was 78 (Level 3) – one of the best global scores across the home textile segment.

RISK MANAGEMENT

Risk management remains an integral part of ICIL's business over the years. The Company has identified key external and internal risk factors associated with the operations along with the control process to mitigate such risks. Further, the Company conducts regular reviews of identified risks and control processes. This enables ICIL to mitigate such identified risks by ensuring newly evolved risks are addressed within stipulated timelines and appropriate control processes are adopted. Some of the primary risks and the Company's mitigation methods are listed below.

Risk Particulars	Description	Mitigation Methods	Degree of Impact
Credit risk	Inability to make timely payments deteriorating the risk profile/credit rating	- Effective credit monitoring, resulting into timely collections and accounting accuracy - Analytics to provide lead indicators for potential defaulters - Reinforcing the credit control process	Medium
Economic risk	Slowdown/downturn in the global economy translating to lower revenue and profitability	Geographical diversification of the revenues to mitigate risk of adverse impact	Medium
Forex risk	Adverse fluctuation in foreign exchange rates affecting profitability	- Proactive management of forex exposure - Using structured and systematic hedging mechanism - Consistent monitoring of exposure to currency fluctuations - Timely execution of forex forward contracts	Medium

Risk Particulars	Description	Mitigation Methods	Degree of Impact
Competition risk	Increasing competition resulting from shift in consumer behavioural pattern, and price undercutting, among others, might impact business	- Offering end-to-end solutions under the home textile value chain - Persistent focus to capture market share through strong R&D and value-added solutions	Low
Environmental risk	Inability to comply with regulatory obligations related to environment affecting profitability	- Adherence to a diverse set of regulatory guidelines charted out at local, state, national and transnational level - Consistent monitoring regulatory changes ensuring compliance with all applicable regulations - Frequent upgradation of technological equipment - Achievement of 'Giga Guru' status for contributions towards environmental sustainability	Medium
'Force Majeure' risk	Unforeseeable circumstances such as fire, natural calamity, pandemic, infrastructure breakdown and so on, affecting operations	Effective long-term business continuity plan to reduce impact on the business	Low
Cost risk	Volatility in raw material cost impacting cost of production	- Ensuring raw materials booking instantly after order confirmation - Maintaining adequate inventory levels to safeguard from short-term price volatility	Low

HUMAN RESOURCES

As a progressive organisation, the Company places a high value on the most valuable asset – its people. Integral to the Company's approach, human resource development is its distinctive strategy. The Company believes that alignment of all employees to a shared vision is crucial for success in the marketplace. The Company's Human Resource (HR) team plays a vital role in attracting and retaining talents from the textile industry. The HR team ensures conducting trainings for employees, to nurture their skill sets.

The Company has built a future-ready organisation through learning, innovation, and world-class execution. ICIL aims training efforts towards personnel development to allow advancement and success within the organisation. The Company takes pride in building a culture of rewarding the merits and strongly emphasises on building a healthy work environment.

ICIL's employee strength at the end of 2020-21 stood at 2,203. Further, during the year, the Company also hired 1,226 personnel on contractual basis.

INTERNAL CONTROL SYSTEMS

The Company's well-established internal control systems ensure achievement of its operational, compliance as well as reporting objectives. Company has suitable policies and procedures in place, commensurate with its current size as well as for future growth. A broader system of internal controls and external audits have been defined and deployed to effect continuous improvements and protect the business from potential vulnerabilities. Policies and procedures play a critical role in operationalisation of internal controls. The Company also makes appropriate use of its systems and various applications to put checks and controls for strengthening this internal control framework. All such internal controls and their adequacy, financial and risk management policies, significant audit findings, and compliance with accounting standards, are regularly reviewed by the Audit Committee.

Outlook

The global economy is on a major turnaround, with many countries showing continued growth in production and consumption. The future, though uncertain, is still optimistic. Consumption in the home textiles segment has shown resilience during the pandemic, with consumers exhibiting a strong buying trend due to health and hygiene reasons. This growth momentum in home textile segment is expected to continue in the next financial year with increased focus of consumers towards 'Home', amidst a cultural shift towards 'work from home' and also higher usage of health, wellness and hygiene products. In line with Company's growth strategy, there is an expectation to grab higher market share through capacity building initiatives and enhanced focus on newer segments like B2C and D2C, going forward. However, with the second wave of Covid-19 pandemic in India, the Company remains cautiously optimistic about the growth projections, despite being well off as a global supplier to diverse geographies.

Cautionary Statement

Statements in this Report on Management Discussion and Analysis, relating to the Company's objectives, projections, estimates, expectations or predictions may be forward-looking within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results might differ materially from those expressed or implied, depending upon factors such as climatic conditions, global and domestic demand-supply conditions, raw materials cost, availability and prices of finished goods, foreign exchange market movements, changes in the Government regulations, tax structure, economic and political developments within India and the countries where the Company conducts its business and other factors such as litigation and industrial relations. The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed. The Company assumes no responsibility in respect of forward-looking statements herein which may undergo changes in future based on subsequent developments, information or events.

BOARD'S REPORT

Dear Members

On behalf of the Board of Directors ("the Board"), it gives me immense pleasure to present the Thirty Second Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended March 31, 2021.

FINANCIAL RESULTS

(₹ in crores, except EPS)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	2,514.75	1,965.07	2,519.19	2,080.13
Other Income	37.74	54.32	37.83	54.63
Total Revenue	2,552.49	2,019.39	2,557.02	2,134.76
EBIDTA	419.82	232.27	414.48	237.85
Less: Finance Cost	26.93	36.93	28.08	39.25
Less: Depreciation	40.31	40.65	43.15	43.46
Profit before Exceptional Items and tax	352.58	154.69	343.28	155.14
Less: Exceptional Items	-	98.46	3.65	98.46
Profit before Tax	352.58	56.23	339.63	56.68
Tax Expenses / (Credit)	92.32	(17.53)	90.50	(16.42)
Net Profit	260.26	73.76	249.13	73.10
Other Comprehensive Income (net of tax)	61.79	(47.11)	60.16	(48.59)
Total Comprehensive Income	322.05	26.65	309.29	24.51
Basic & Diluted EPS (in ₹)	13.18	3.74	12.70	3.74

OPERATIONAL AND FINANCIAL PERFORMANCE

Despite the challenging environment, lockdown restrictions and uncertainties posed by COVID-19 pandemic, your Company delivered robust performance for the year ended March 31, 2021. The consumer spending on Health, Hygiene and wellness products increased in 2020-21 due to "Home" being at centre stage during the pandemic. This led to high demand for home textile products and Company achieved highest ever sales volume of 78.2 million meters and turnover of ₹ 2,519.19 crores on a consolidated basis, during the year under review.

At a consolidated level, the total revenue increased by 20% to ₹ 2,557.02 crores for 2020-21 as against ₹ 2,134.76 crores in the previous year. The EBIDTA of your Company registered substantial growth of 74% from ₹ 237.85 crore in the previous year to ₹ 414.48 crore for 2020-21. The net profit increased by 241% from ₹ 73.10 crore to ₹ 249.12 crore for the year ended March 31, 2021.

On a standalone basis, revenue from operations increased by 28%. The other financial parameters viz. EBIDTA and Net Profit increased by 81% and 253% respectively for 2020-21.

The outbreak of Covid-19 pandemic and subsequent lockdowns declared by the governments in the countries all over the world affected the economies and disrupted the operations. Your Company immediately shifted its focus on ensuring health, safety and wellbeing of all employees and took all possible measures to curtail the impact of pandemic on operations of the Company.

The financial and operational performance overview, impact of COVID-19 pandemic and future outlook are provided in detail in the Management Discussion and Analysis forming part of this Annual Report.

DIVIDEND

Continuing the past trend of declaring dividend, your Directors are pleased to recommend a Final Dividend @ 75% i.e. ₹ 1.50 per equity share of face value of ₹ 2 each amounting to ₹ 29.61 crores subject to the approval of members of the Company at the ensuing Annual General Meeting. The aforesaid dividend is in line with the Dividend Distribution Policy adopted by the Company.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company is taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source. For further details regarding TDS on Dividend, members are requested to refer Annexure III of the Notice of Annual General Meeting.

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. The Dividend Distribution Policy is available on the website of the Company at https://www.indocount.com/images/investor/Dividend-Distribution-Policy1.pdf

TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profit for FY 2020-21 in the statement of profit & loss.

SHARE CAPITAL

As on March 31, 2021, the Authorised Share Capital of your Company was ₹ 60 crore comprising of 27,50,00,000 equity shares of ₹ 2 each and 50,00,000 preference shares of ₹ 10 each. Further, the total issued, subscribed and paid up share capital of your Company stood at ₹ 39,47,99,340 comprising of 19,73,99,670 Equity Shares of ₹ 2 each.

During the year under review, there has been no change in the Authorised, Issued, Subscribed and Paid-up Share Capital of your Company. Your Company has not issued any equity shares with differential voting rights, convertible securities, warrants or sweat equity shares. Further, your Company does not have any employee stock option scheme or employee stock purchase scheme.

CREDIT RATING

As on March 31, 2021, for long term bank facilities of your Company, credit rating assigned by ICRA is "A+" (Single A Plus) with Positive outlook and by CARE is "A+" (Single A Plus) with Stable outlook. These credit ratings signify adequate degree of safety regarding timely servicing of financial obligations. Such facilities carry low credit risk.

Further, for the Company's short term bank facilities, credit rating assigned by ICRA and CARE is "ICRA A1+" (A One Plus) and "CARE A1" (A one) respectively. These credit ratings signify 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 the applicable Indian Accounting Standards (Ind AS). The Audited Consolidated Financial Statements of the Company for the year ended March 31, 2021 along with the Auditors' Report forms part of this Annual Report.

The Audited Financial Statements of the Company and subsidiaries for the year ended March 31, 2021 are available on the website of the Company at www.indocount.com. Further, a copy of the said Audited Financial Statements of the subsidiaries shall be made available for inspection at the registered office of the Company during business hours on any working day upto the date of Annual General Meeting. Any shareholder interested in obtaining a copy of separate Financial Statements of the subsidiaries shall make specific request in writing to the Company Secretary.

SUBSIDIARIES

As on March 31, 2021, your Company has 5 direct subsidiaries viz. Pranavaditya Spinning Mills Limited, Indo Count Retail Ventures Private Limited, Indo Count Global Inc., Indo Count UK Limited and Indo Count Global DMCC.

During the year under review, Indo Count Australia Pty Limited has ceased to be a subsidiary of the Company with effect from October 7, 2020 due to voluntary de-registration by the Australian Securities & Investments Commission (ASIC). Further, in order to achieve synergy and for consolidating the trading and marketing operations of the group companies, your Company acquired the business of Indo Count Retail Ventures Private Limited (ICRVPL) as a going concern by way of slump sale, by ICRVPL with effect from April 1, 2020 through a Business Transfer Agreement.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("the Act") read with rules made thereunder, a statement containing salient features of the financial position of subsidiaries is given in Form AOC-1 attached as "Annexure 1" forming integral part of this Report. As required under Section 134 of the Companies Act, 2013, the said form also highlights performance of the subsidiaries.

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

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

AMALGAMATION OF PRANAVADITYA SPINNING MILLS LIMITED, SUBSIDIARY OF THE COMPANY WITH THE COMPANY

During the year under review, the Board of Directors of the Company at its meeting held on October 21, 2020, approved the Scheme of Amalgamation of Pranavaditya Spinning Mills Limited ("PSML"), Subsidiary of the Company with the Company and their respective shareholders, subject to requisite approvals. The appointed date for said amalgamation is October 1, 2020 or such other date as may be fixed by the Mumbai Bench of Hon'ble National Company Law Tribunal (NCLT). The amalgamation shall be effective upon filing of the order of NCLT with the Registrar of Companies (ROC).

Pursuant to the aforesaid Scheme of Amalgamation and the Share Exchange Ratio approved by the Board, 2 (Two) fully paid up equity shares of ₹ 2/- each of the Company would be issued to the equity shareholders of PSML, as on Record Date, for every 15 (Fifteen) fully paid up equity shares of ₹ 10/- each held by them in PSML.

The Company has received No-objection from BSE Limited & National Stock Exchange of India Limited ("Stock Exchanges") and the Securities and Exchange Board of India (SEBI) on said scheme. As on the date of this report, the Company is in the process of filing application under Section 230 of the Companies Act, 2013 with NCLT.

CAPEX

Considering the increasing demand and growing business volume, it was decided to undertake expansion and modernization. During the year under review, the Project Management Committee of the Board approved a capex of ~ ₹ 150 crores for expansion of Company's bed linen capacity by 20% from its existing annual capacity of 90 million meters to 108 million meters and for brownfield investment for adding commensurate cut & sew facilities and enhancing the capacity for Top of the Bed (TOB) products. It also approved modernisation of existing spinning unit of the Company with compact spinning technology through a capex of ~ ₹ 50 crores. The total capex will be ~ ₹ 200 crores and is expected to be operational in H2 of FY 2022.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, there has been no change in the composition of the Board of Directors of the Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and articles of association of the Company, Mr. Mohit Jain (DIN: 01473966), Executive Vice Chairman of the Company, retires by rotation at the ensuing AGM and being eligible, has offered himself for the re-appointment. The Board recommends his re-appointment for consideration at the ensuing AGM. As per Secretarial Standard – 2 and Listing Regulations, brief profile and other related information of Mr. Mohit Jain, Executive Vice Chairman, retiring by rotation is provided in the Notice of ensuing AGM.

Pursuant to the recommendation of Nomination and Remuneration Committee (NRC) and subject to the approval of the members of the Company in the ensuing annual general meeting, the Board of Directors of the Company, re-appointed Mr. Kailash R. Lalpuria (DIN: 00059758) as a Whole Time Director designated as "Executive Director & CEO" of the Company for a further period of 3 years with effect from May 4, 2021. The resolution for his re-appointment is included in the Notice of ensuing Annual General Meeting and members are requested to refer Notice and Explanatory Statement for further details.

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence. In the opinion of the Board, all Independent Directors are independent of the management and there has been no change in the circumstances which may affect their status as Independent Directors of the Company.

Pursuant to Rule 6 of Companies (Appointment and qualification of Directors) Rules, 2014, all Independent Directors of the Company viz. Mr. Dilip J. Thakkar, Mr. Prem Malik, Mr. Sushil Kumar Jiwarajka, Dr. (Mrs.) Vaijayanti Pandit, Dr. Sanjay Kumar Panda and Mr. Siddharth Mehta have registered themselves in the Independent Directors databank maintained with the Indian Institute of Corporate Affairs (IICA). Further, in the opinion of the Board of Directors of the Company, all Independent Directors possess requisite integrity, expertise and experience including the proficiency required to discharge the duties and responsibilities as Directors of the Company.

There has been no change in the Key Managerial Personnel of the Company during the year under review. As on March 31, 2021, Mr. Kailash R. Lalpuria, Executive Director & CEO, Mr. K. Muralidharan, Chief Financial Officer and Mrs. Amruta Avasare, Company Secretary are the Key Managerial Personnel of the Company in terms of Section 203 of the Companies Act, 2013.

NUMBER OF BOARD MEETINGS

During the FY 2020-21, Four (4) Board Meetings were held on June 12, 2020, August 18, 2020, October 21, 2020 and January 21, 2021 through Video conferencing in accordance with MCA Notifications and SEBI circulars issued from time to time. More details on Board Meetings are provided in the Corporate Governance Report forming part of this Annual Report.

COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

Pursuant to Section 178 of the Companies Act, 2013, NRC has formulated "Nomination and Remuneration Policy" which deals *inter-alia* with the appointment and remuneration of Directors, Key Managerial Personnel, Senior Management and other employees. The said policy is uploaded on the website of the Company and web-link thereto is https://www.indocount.com/images/investor/Nomination-Remuneration-Policy-%E2%80%93-w.e.f.-17.05.2021.pdf

The salient features of the policy are as under:

I) Criteria for Directors

a) Appointment:

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

ii. A person proposed to be appointed as Director should possess adequate qualification, expertise and experience for the position he / she is considered for appointment.

They shall possess appropriate core skills/expertise/ competencies/ knowledge in one or more fields of finance, law, management, sales and marketing, administration, CSR, research and in the context of business and/or the sector in which the Company operates. The NRC has the discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

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

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

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

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

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

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

- Remuneration is reasonable and sufficient to retain and motivate directors to run the Company successfully.

c) Remuneration to Non-Executive / Independent Directors:

i. Sitting Fees: Non Executive Independent Directors ("NEID's") shall be entitled to receive fees for attending meetings of the Board or Committee of the Board or for any other purposes as may be decided by the Board, of such sum as may be approved by the Board of Directors of the Company within the overall limits prescribed under the Companies Act, 2013 and the rules made thereunder, SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") or other applicable law.

ii. Remuneration to Non-Executive Directors: The Non-Executive Directors of the Company may be entitled to receive remuneration by way of commission or reimbursement of expenses as may be recommended by NRC and approved by the Board of Directors of the Company. The said remuneration will be within the limits specified in the Companies Act, 2013, Schedule V and rules made thereunder and Listing Regulations. The approval of shareholders be obtained, if required and in that case, remuneration shall be within the overall limits approved by the shareholders of the Company.

iii. Reimbursement of actual expenses incurred: NEIDs may also be paid / reimbursed such sums incurred as actual for travel, incidental and / or actual out of pocket expenses incurred by such Director for attending Board / Committee Meetings.

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

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

a) Appointment:

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

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

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

ANNUAL EVALUATION OF BOARD PERFORMANCE AND ITS COMMITTEES AND DIRECTORS

Criteria of performance evaluation of the Board and Directors are laid down by Nomination and Remuneration Committee (NRC) of the Company. Pursuant to the provisions of Companies (Amendment) Act 2017, NRC decided to continue existing method of performance evaluation through circulation of performance evaluation sheets based on SEBI Guidance Note dated January 05, 2017 and that only Board should carry out performance evaluation of Board, Committees and Individual Directors.

An assessment sheet based on SEBI Guidance Note dated January 05, 2017, containing the parameters of performance evaluation along with rating scale was circulated to all the Directors. The Directors rated the performance against each criteria. Thereafter, consolidated score was arrived. Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out performance evaluation of its own, evaluation of working of the Committees and performance evaluation of all Directors in aforesaid manner. The performance of the Board, committees and individual directors was found satisfactory.

During the year under review, a separate Meeting of Independent Directors of the Company was held on March 10, 2021 through Video conferencing wherein all Independent Directors were present. At the said meeting, Independent Directors discussed and evaluated performance of Executive Chairman and other Whole-time Directors, the Board and its various committees as a whole and also assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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 March 31, 2021, 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 March 31, 2021 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 March 31, 2021 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 March 31, 2021 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 operating effectively;
6. Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

The key philosophy of all our Corporate Social Responsibility (CSR) initiatives is guided by our belief "Every Smile Counts..." The Company implements the CSR projects primarily through 'Indo Count Foundation' and also collaborates with other trusts/ NGOs for carrying out various CSR activities. Our CSR projects focusses on participatory and collaborative approach with the community and responds proactively to various emerging needs from time to time in the socio-economic & environment space. Over a period of 5 years, your Company had carried out CSR activities in the areas of Education, Healthcare, Women Empowerment, Environment and Water & Sanitation. Apart from these areas, your Company has always responded positively towards various challenges arisen due to disasters being faced in the country including COVID-19 pandemic.

Pursuant to provisions of Section 135 of the Companies Act, 2013, the Company had formulated a Corporate Social Responsibility (CSR) policy. The said CSR Policy of the Company was amended in lines with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and the updated CSR policy is available on the website of the Company.

The Report on CSR activities implemented by the Company during the year under review is provided as "Annexure 2" to this Report.

AUDIT COMMITTEE

During the year under review, there has been no change in the composition of the Audit Committee. As on March 31, 2021, the Audit Committee comprises of 4 Directors / Members out of which 3 are Independent Directors. The said Composition is as per Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. More details on Audit Committee are given in the Corporate Governance Report. All the recommendations made by the Audit Committee during the year under review 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 August 21, 2017, M/s. Suresh Kumar Mittal & Co., Chartered Accountants (Firm Registration No. 500063N) were appointed as the Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of 28th Annual General Meeting (AGM) till the conclusion of 33rd AGM subject to the ratification by the members at every AGM.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting was omitted vide notification dated May 07, 2018, issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors in ensuing AGM of the Company.

The Company has received a letter from M/s. Suresh Kumar Mittal & Co., Chartered Accountants confirming that they are eligible for continuing as Statutory Auditors of the Company. As required under Regulation 33(1)(d) of Listing Regulations, they have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accounts of India.

AUDITORS' REPORT

The Auditors' Report on standalone and consolidated financial statements for the year ended March 31, 2021 forms integral part of this Annual Report. The Auditors' Report does not contain any qualifications, reservations, adverse remarks and disclaimer. 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 had appointed M/s. Kothari H. & Associates, Practicing Company Secretaries as Secretarial Auditors to conduct Secretarial Audit of the Company for the year ended March 31, 2021. The Secretarial Audit Report issued by the Secretarial Auditors 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 remarks.

SEGMENT

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

PUBLIC DEPOSITS

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

CORPORATE GOVERNANCE REPORT

As per Regulation 34(3) read with Schedule V of the Listing Regulations, your Company has complied with the requirements of corporate governance. A Corporate Governance Report along with Statutory Auditors' Certificate confirming compliance of corporate governance for the year ended March 31, 2021 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 March 31, 2021, is provided in a separate section forming integral part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

Pursuant to the Regulation 34 of the Listing Regulations, Business Responsibility Report (BRR) for the year ended March 31, 2021, is provided separately and forms integral part of this Annual Report.

ANNUAL RETURN

Pursuant to amendments in Section 92(3) of the Companies Act, 2013 read with Rules thereunder and provisions of Section 134(3)(a) of the Act, Annual Returns of the Company for 2019-20 & 2020-21 are hosted on the website of the Company www.indocount.com and web-links thereto are given below:

Annual Return for 2019-20:

https://www.indocount.com/images/investor/ICIL_Form_MGT-7_2020_200917_033804.pdf.

Annual Return for 2020-21:

https://www.indocount.com/images/investor/Annual-Return-Form-MGT-7-FY-2020-21.pdf

SECRETARIAL STANDARDS

During the year under review, your Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India. The same has also been confirmed by the Secretarial Auditors of the Company in the Secretarial Audit Report.

RELATED PARTY TRANSACTIONS

All Related Party Transactions (RPT) entered during 2020-21 were on arm's length basis and in the ordinary course of business and in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. During the year under review, your Company did not enter into any material RPT under the provisions of Section 188 of the Act and Listing Regulations. Accordingly, the disclosure of related party transactions, as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company.

The prior approval of the Audit Committee is obtained for all Related Party Transactions. A statement of all Related Party Transactions is reviewed by the Audit Committee on a quarterly basis. Your Company has adopted a policy on Related Party Transactions which has been uploaded on the Company's website and can be accessed at https://www.indocount.com/images/investor/ICIL-Policy-on-Related-Party-Transactions-Revised-11-02-2020_200507_081044.pdf

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

During the year under review, your Company has neither given loan to any bodies corporate or any other persons nor provided any corporate guarantee or security under Section 186 of the Companies Act, 2013. 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 recognises that risk is an integral part of the business and is committed to manage the risks in a proactive and efficient manner. Your Company has adopted Risk Management Policy for risk identification, assessment and mitigation. Major risks identified by the Company are systematically addressed through mitigating actions on a continuous basis. Some of the risks that the Company is exposed to are financial risks, raw material price risk, regulatory risks, forex risks and economy risks. Risk factors and its mitigation are covered extensively in the Management Discussion and Analysis. M/s. Suresh Surana & Associates LLP, Chartered Accountants are Internal Auditors of the Company and they provide internal audit reports on quarterly basis. The Internal Audit Reports and Risk Management Framework are reviewed by the Audit Committee. Further, the Company has also constituted Risk Management Committee to assess the risks and to review risk management plans of the Company.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

Your Company always endeavours and provide conductive work environment that is free from discrimination and harassment including sexual harassment. Your Company has zero tolerance towards sexual harassment at workplace and has adopted a policy for prevention of Sexual Harassment of Women at workplace. The Company has set up an Internal Complaint 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. During the year under review, no complaints pertaining to sexual harassment were received and no complaint was pending as on March 31, 2021.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND 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 in "Annexure 4" 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 in "Annexure 5" 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 2020-21 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 the Company which have occurred between the end of FY 2020-21 and the date of this report.

GENERAL

Your Directors state that:

1. During the year under review, there was no change in the general nature of business of your Company.
2. Cost audit was not applicable to the Company during the year under review, however, pursuant to the Order made by the Central Government for the maintenance of cost records under section 148(1) of the Act, the prescribed accounts and records have been made and maintained.
3. As required in terms of Secretarial Standard (SS)-4, it is hereby confirmed that there is no corporate insolvency resolution process initiated under the Insolvency and Bankruptcy Code, 2016 and no proceeding is pending under the said code.

ACKNOWLEDGEMENTS AND APPRECIATION

Your Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful for every person who risked their life and safety to fight this pandemic. 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 gratitude for the continued co-operation and support received by the Company during the year from its customers, vendors, shareholders, suppliers, bankers, financial institutions, business associates and other stakeholders.

Your Directors also thank the Central Government, State Governments and other Statutory Authorities for their support during the year.

On behalf of the Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Date: May 17, 2021
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) for year ended March 31, 2021

PART A – SUBSIDIARIES

(₹ In lakhs)

Sr. No.	Name of the Subsidiary	Reporting currency of the subsidiary concerned	Exchange Rate as on March 31, 2021	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	% of Shareholding	Country
1	Pranavaditya Spinning Mills Limited	INR	NA	1,924.13	474.16	3,069.53	671.24	NIL	520.08	(827.02)	236.16	(590.86)	NIL	74.53	India
2	Indo Count Retail Ventures Private Limited	INR	NA	1.00	0.10	1.29	0.18	NIL	1.18	0.10	NIL	0.10	NIL	100	India
3	Indo Count Global Inc., USA	USD	73.11	446.19	2016.99	10406.40	7943.23	NIL	13261.83	178.38	(51.45)	126.93	NIL	100	USA
4	Indo Count UK Limited	GBP	100.7525	79.62	52.07	237.94	106.26	NIL	334.57	22.89	(1.97)	20.92	NIL	100	UK
5	Indo Count Global DMCC	AED	19.993	530.65	(107.74)	428.34	5.43	NIL	0.85	(50.03)	NIL	(50.03)	NIL	100	U.A.E.

Notes:

1. Reporting period of the Subsidiaries is April to March.
2. During the year under review, Indo Count Australia Pty Limited, wholly owned subsidiary of the Company was voluntarily de-registered by Australian Securities & Investments Commission (ASIC) on October 7, 2020 and accordingly, it has ceased to be a subsidiary of the Company from that date. Apart from Indo Count Australia Pty Limited, there are no other subsidiaries which have been liquidated or sold during 2020-21.

PART B - ASSOCIATES / JOINT VENTURES – NIL

For and on behalf of Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Mumbai, May 17, 2021

Annexure 2

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2020-21

1. **Brief outline on CSR Policy of the Company**

Pursuant to the requirements of the Companies Act, 2013 and the rules made thereunder (as amended from time to time), your Company has framed a CSR Policy. The key philosophy of Company's CSR initiatives is guided by the belief "Every Smile Counts ...". The CSR policy of the Company encompasses its philosophy as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large.

The focus areas for CSR are Education and Healthcare supported by CSR activities in the areas of Women Empowerment, Water & Sanitation and Rural Development. Going forward, the Company will continue to focus on Education, Healthcare and Environment. The Company primarily undertakes CSR activities through its own trust "Indo Count Foundation" and collaborates with other associations/trusts/NGO as well.

2. **Composition of CSR Committee**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. (Mrs.) Vaijayanti Pandit	Chairperson (Independent Director)	2	2
2.	Mr. Anil Kumar Jain	Member (Executive Director)	2	2
3.	Mr. Kailash R. Lalpuria	Member (Executive Director)	2	2
4.	Mr. Kamal Mitra	Member (Executive Director)	2	2
5.	Dr. Sanjay Kumar Panda	Member (Independent Director)	2	2

3. **Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company**

The web-link for Composition of CSR committee: https://www.indocount.com/images/investor/Board-of-Directors-and-Committees-of-Board.pdf

The web-link for CSR Policy: https://www.indocount.com/images/investor/ICIL-CSR-Policy-w.e.f.-May-17-2021.pdf

The web-link for CSR projects: https://www.indocount.com/about-us/csr

4. **Provide the details of Impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
	-	Nil	Nil

6. Average Net Profit of the Company as per Section 135(5)

Average net profit of the Company for last 3 financial years is ₹ 11760.50 lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 235.21 lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c): ₹ 405.08 lakhs (This includes prescribed CSR expenditure of ₹ 235.21 lakhs of FY 2020-21 and carried forward unspent CSR amount of ₹ 169.87 Lakhs of FY 2019-20)

8. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year (in ₹ lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 367.65 lakhs	The Company has transferred unspent CSR amount of ₹ 37.43 lakhs pertaining to FY 2019-20.	April 30, 2021	Not applicable as the unspent amount of FY 2019-20 is allocated towards ongoing project.		

(b) Details of CSR amount spent against ongoing projects for the financial year

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes /No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
Nil												

(c) Details of CSR amount spent against other than ongoing projects for the financial year

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹ lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Promoting Education by implementation of E-learning systems in schools and support to educational institutions	Education	Yes	Maharashtra	Kolhapur and Palghar	64.21	No	Indo Count Foundation	CSR00006829
2	Providing medical facilities through 4 medical vans reaching to distant villages. Providing infrastructure support & giving medical equipments at certain hospital(s)	Healthcare	Yes	Maharashtra	Kolhapur	167.38	same as above		
3	Skill Development Centre for training women in sewing and stitching skills, enabling them to get employment and be independent, thereby improving standard of living	Enhancing vocational skills	Yes	Maharashtra	Kolhapur	2.03	same as above		
4	Making available pure and safe drinking water to the community through installation/ maintenance of Water Filters/ RO system in schools and public places. Building/ maintaining toilet blocks.	Water & Sanitation	Yes	Maharashtra	Kolhapur	3.98	same as above		

BOARD'S REPORT

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹ lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
5	Clean Environment/ Plantation and Rural upliftment	Rural Development & Environment	Yes	Maharashtra	Kolhapur	9.35	same as above		
6	GAGAN Project (sustainability initiative for economic Upliftment of farmers)	Environment	Yes	Maharashtra	Chandrapur	5.93	same as above		
7	Support during COVID-19 pandemic (Supply of Ventilators/ Mask/ distribution of food packets)	Disaster Management	Yes	Maharashtra	Kolhapur	96.30	same as above		
8	Contribution to PM Cares Fund	Funds specified in Schedule VII	NA	NA	NA	11.00	Yes	NA	NA
		Total				**360.18**			

(d) Amount spent in Administrative Overheads: ₹ 7.47 lakhs

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 367.65 lakhs

(g) Excess amount for set off, if any: Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ lakhs)	Amount spent in the reporting Financial Year (in ₹ lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹ lakhs)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2019-20	37.43*	132.44*	NA			37.43
	TOTAL	**37.43**	**132.44**	**NA**			**37.43**

*Unspent CSR amount of ₹ 169.87 lakhs of FY 2019-20 was approved by the Board for carrying forward in next FY 2020-21. Out of the said amount, ₹ 132.44 lakhs was spent in FY 2020-21 and ₹ 37.43 lakhs has been allocated towards on-going project. Hence, the amount of ₹ 37. 43 lakhs is transferred to unspent CSR account. Further, there was no unspent CSR amount of FY 2018-19 and FY 2017-18 which was carried forward in the next financial years.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details)

(a) Date of creation or acquisition of the capital asset(s).: None

(b) Amount of CSR spent for creation or acquisition of capital asset: Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): NA

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

Sd/-
Mr. Anil Kumar Jain
Member of CSR Committee
DIN: 00086106

Sd/-
Mr. Kailash R. Lalpuria
Member of CSR Committee
DIN : 00059758

Place: Mumbai
Date: May 17, 2021

Annexure 3

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

[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 authorised 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, 2021 ('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, 2021 according to the provisions of:

    i. The Companies Act, 2013 (the Act) and the rules made thereunder;

    ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

    iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

    iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

    v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-

        a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

        b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

        c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

        d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**

        e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**

        f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

        g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and

        h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

- We have relied on the mechanism formed by the Company for compliances under other Acts, Laws and Regulations as applicable specifically to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable specifically to the Company is:

  1. 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.

  i. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Amendment made thereunder;

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

We further report that:

The Board of Directors of the Company is duly constituted with balance of Executive Directors and Non-Executive Independent Directors. During the year under review, there was no change in the composition of Board of Directors of the Company.

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

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

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

We further report that during the Audit period, the Company has passed following resolutions for :

1. Approval of the Scheme of Amalgamation of Pranavaditya Spinning Mills Limited (PSML), Subsidiary with the Company subject to requisite approvals.

   The Company has received No-objection from BSE Limited & National Stock Exchange of India Limited for the scheme. The appointed date for the amalgamation is October 01, 2020 and the scheme will be effective upon filing of order of National Company Law Tribunal (NCLT) approving the scheme with Registrar of Companies. The Company is in the process of filing the application with NCLT.

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. Foreign technical collaborations.

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

For **KOTHARI H. & ASSOCIATES**
Company Secretaries

Hitesh Kothari
Membership No. 6038
Certificate of Practice No. 5502
UDIN: F006038C000336181

Place: Mumbai
Date: May 17, 2021

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.

*We have conducted online verification & examination of records as facilitated by the Company due to covid 19 and subsequent lockdown situation for the purpose of issuing this Report.

Annexure - A

To,

The Members

Indo Count Industries Limited

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

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

For **KOTHARI H. & ASSOCIATES**
Company Secretaries

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

Annexure 4

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, 2021 is provided hereunder:

(A) CONSERVATION OF ENERGY:

(i) Steps taken or impact on conservation of energy

The Company makes continuous efforts for conservation of energy through various practices. Some of the measures for conservation of energy implemented in the Spinning and Home Textiles plants are given below:

a) Installed Bio Gas Plant for power generation

b) Installed Back Pressure Steam turbines for power generation through the excess steam

c) Replaced lower energy efficiency motors with higher energy efficiency motors

d) Installed Air receivers in air circuits for avoiding direct loading on compressors for reducing the power consumption

e) Recycling of hot water generated during Mercerization treatment for water conservation

f) Conversion of made up Iron load from steam boiler to electric boiler for saving steam line loss

g) Insulation replacement of THERMIC Fluid line from old LRB to HITLIN Insulation for reducing line losses

h) Economiser tubes replaced in Boilers to improve boiler efficiency for steam saving

i) Replacement of CRP vessel to improve efficiency

j) replacement of old ring frames with latest ring frames to save power

k) Replacement of conventional tube lights with LED tubes

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

a) Installed Back Pressure Steam turbines for power generation through the steam. This Excess Steam Pressure generated during the processing is being utilized to rotate turbine and generate power

b) Solar Power Plant is installed to harness renewable energy and utilised natural sunlight at possible locations

(iii) Capital investment on conservation of Energy

During the FY 2020-21, the investment capitalized on energy conservation equipment (Back Pressure Steam Turbine) is ₹ 280.71 lakhs.

(B) TECHNOLOGY ABSORPTION:

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

a) We are developing products across categories viz. Bed Sheets, Utility Bedding, Institutional Bedding etc. With holistic approach towards sustainability, the Company is developing sustainable products which are having lower environmental footprints. Some of the key product initiatives are DuraTec-Proprierty Dyeing & Processing technology for everlasting performance without compromising the feel of the product. An innovative Pure Earth colour technology is developed where colours are derives from Herbal/ agricultural waste.

b) **The benefits derived:** We have developed an innovative range of products to new requirements of customers. This has been possible due to R&D done in our Company on a continuous basis. The feedback also helps us to reach consumers with products satisfying their needs.

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

(iii) The expenditure incurred on Research and Development:

The expenditure on Research and Development during the financial year 2020-21 is ₹ 479.50 lakhs.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

₹ in lakhs

Particulars	2020-21	2019-20
Foreign Exchange earned	2,31,789.94	1,73,777.93
Foreign Exchange outgo	15,194.57	9,610.94

More details are provided in Notes to financial statements.

On behalf of the Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Date: May 17, 2021
Place: Mumbai

Annexure 5

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 Directors/ KMP	Designation	Remuneration of Directors/ KMP for the year ended March 31, 2021 (₹ In lakhs)	Ratio to Median Remuneration	% increase in remuneration for the year ended March 31, 2021
Mr. Anil Kumar Jain	Executive Chairman	636.34	185.52	9.43
Mr. Mohit Jain	Executive Vice Chairman	422.60	123.21	Refer Note 1
Mr. Kailash R. Lalpuria	Executive Director & CEO	204.00	59.47	NIL
Mr. Kamal Mitra	Director (Works)	52.65	15.35	1.74
Mr. Dilip J. Thakkar	Non-Executive Independent Director	5.00	1.46	NA (Refer Note 2)
Mr. Sushil Kumar Jiwarajka	Non-Executive Independent Director	3.50	1.02	
Mr. Prem Malik	Non-Executive Independent Director	4.95	1.44	
Dr. (Mrs.) Vaijayanti Pandit	Non-Executive Independent Director	4.20	1.22	
Dr. Sanjay Kumar Panda	Non-Executive Independent Director	4.20	1.22	
Mr. Siddharth Mehta	Non-Executive Independent Director	4.60	1.34	
Mr. K. Muralidharan	Chief Financial Officer	57.25	16.69	4.09
Mrs. Amruta Avasare	Company Secretary	31.85	9.28	3.41

Notes:

1. Mr. Mohit Jain was appointed as a Whole-time Director designated as "Executive Vice Chairman" of the Company with effect from July 01, 2019. The proportionate percentage increase in remuneration for the year ended March 31, 2021 is 7.5%.
2. There is no change in the remuneration of Independent Directors as amount of commission for 2020-21 and 2019-20 is same. During the year under review, pursuant to the approval of Board of Directors, the sitting fees paid to Independent Directors for attending the Committee Meetings was increased from ₹ 10,000/- to ₹ 25,000/- per meeting with effect from June 12, 2020. The remuneration of Independent Directors has varied due to this change in the amount of sitting fees and on account of number of meetings attended by them.

(ii) The percentage increase in the median remuneration of employees in 2020-21 – 6.91%.

(iii) The number of permanent employees on the rolls of Company – 2,203 as on March 31, 2021

(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 percentile increase in salaries of employees other than managerial personnel is ~ 10%, whereas percentile increase in the managerial remuneration is ~7%. The increase in remuneration is determined based on the performance of the Company and individual performance.

(v) We affirm that the remuneration paid during 2020-21 is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Place: Mumbai
Date: May 17, 2021

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 March 31, 2021 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 communications with stakeholders. Your Company continuously strives for the betterment of its Corporate Governance mechanisms to improve efficiency, transparency and accountability of its operations.

2. BOARD OF DIRECTORS

a) Composition

The Board is headed by Mr. Anil Kumar Jain, Executive Chairman of the Company. During the year under review, there has been no change in the composition of the Board of Directors of the Company. As on March 31, 2021, the Board comprises of 10 Directors out of which 4 are Executive Directors and 6 are Non-Executive Independent Directors 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 field.

The composition of the Board, details of other Directorships and Committee positions as on March 31, 2021 are given below:

Name of the Director	DIN	Category	Number of Directorships held in other public companies#	Number of Membership/ Chairmanship of Board Committees@		Number of Directorships held in other listed companies along with nature of Directorship
				Member	Chairman	
Mr. Anil Kumar Jain Executive Chairman	00086106	Executive (Promoter)	2	3	NIL	1. Pranavaditya Spinning Mills Limited - NENID 2. Margo Finance Limited – C & NENID
Mr. Mohit Anilkumar Jain Executive Vice Chairman	01473966	Executive (Promoter)	NIL	NIL	NIL	NIL
Mr. Kailash R. Lalpuria Executive Director & CEO	00059758	Executive	NIL	2	NIL	NIL
Mr. Kamal Mitra Director (Works)	01839261	Executive	1	2	NIL	1. Pranavaditya Spinning Mills Limited - NENID
Mr. Dilip J. Thakkar	00007339	NEID	4	3	3	1. Poddar Housing and Development Limited-NENID 2. Walchandnagar Industries Limited-NEID 3. AGC Networks Limited-NEID
Mr. Prem Malik	00023051	NEID	4	3	2	1. Lahoti Overseas Limited-NEID 2. GTN Textiles Limited-NEID
Mr. Sushil Kumar Jiwarajka	00016680	NEID	NIL	NIL	NIL	NIL
Dr. (Mrs.) Vaijayanti Pandit	06742237	NEID	6	5	1	1. Banswara Syntex Limited-NEID 2. Automobile Corporation of Goa Limited-NEID 3. I G Petrochemicals Limited-NEID 4. Everest Kanto Cylinder Limited – NEID

CORPORATE GOVERNANCE REPORT

Name of the Director	DIN	Category	Number of Directorships held in other public companies#	Number of Membership/ Chairmanship of Board Committees@		Number of Directorships held in other listed companies along with nature of Directorship
				Member	Chairman	
Dr. Sanjay Kumar Panda	02586135	NEID	NIL	NIL	NIL	NIL
Mr. Siddharth Mehta	03072352	NEID	2	2	1	1. Bajaj Electricals Limited-NEID 2. TCI Industries Limited-NEID

Abbreviations:

C = Chairman

NENID = Non-Executive Non-Independent Director

NEID = Non-Executive Independent Director

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

@ Only Membership / Chairmanship of Audit Committee and Stakeholders' Relationship Committee of listed and unlisted public limited companies including Indo Count Industries Limited are considered. Further, number of Memberships does not include number of Chairmanships.

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, the other directorships held by all Directors including Independent Directors are within the limit prescribed under Listing Regulations.

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

Inter – se relationship among directors

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

b) Independent Directors Meeting

During the year under review, a Meeting of the Independent Directors of the Company was held on March 10, 2021 through VC/OAVM wherein all Independent Directors attended the meeting. At the said meeting, Independent Directors discussed and evaluated performance of Executive Chairman and other Whole-time Directors, the Board and its various committees as a whole and also assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform its duties.

c) Familiarisation Programme

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

The Familiarisation Programme and details of Familiarisation Programme imparted during FY 2020-21 are uploaded on the website of the Company www.indocount.com and can be accessed through web-link: https://www.indocount.com/images/investor/Familiarisation-Program-imparted-2020-2021.pdf and https://www.indocount.com/images/investor/ICIL-Familiarisation-Program.pdf

d) Matrix of skills/competence/expertise of Directors

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

Board Competency Matrix

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

The Company's Board comprises of qualified members, who possesses aforesaid knowledge, experience, technical skills, expertise and competencies for effective contribution to the Board and its committee. Details of the skills/expertise/ competencies possesses by the Directors who were part of the Board as on March 31, 2021 are as follows:

Name	Qualifications	Years of Experience	Expertise
Mr. Anil Kumar Jain	B.Com (Hons.)	40+	Business & Corporate Strategy, Industry Experience, Textile field expertise
Mr. Mohit Jain	Graduate from Babson College, USA	20+	Global Marketing, Economics, Finance and Entrepreneurship
Mr. Kamal Mitra	Bachelor Degree in Textile Engineering	30+	Production and Technical, Textile field expertise
Mr. Kailash R Lalpuria	Chartered Accountant	35+	Textile Sector, Strategic growth, Planning Joint Ventures, Developing Overseas Sales Team, Business Development, Sales and Marketing.
Mr. Dilip J. Thakkar	Chartered Accountant. Fellow Member of Institute of Chartered Accountants of India	59+	Finance, FEMA and Taxation, Accounts & Audit
Mr. Prem Malik	Master in Arts (MA Hons.)	54+	Textile and Clothing industry, Business strategies
Dr. (Mrs.) Vaijayanti Pandit	PhD. in Management Studies and Diploma in Journalism and Mass Communications and Masters in Political Science.	36+	Management Studies, Political Science, Journalism and Mass Communications, CSR
Mr. Sushil Kumar Jiwarajka	Prominent Industrialist	36+	Business Development
Mr. Sanjay Kumar Panda	Retired IAS Officer. Diploma in Forestry, PhD. in Economics	37+	Textile sector, Economics, CSR
Mr. Siddharth Mehta	L.L.M. degree from Columbia University School of Law, New York; General Course on Intellectual Property, World Intellectual Property Organisation, Geneva.	18+	Legal, Taxation, Financing, Merger & Acquisitions, Capital Markets & Regulatory Areas.

CORPORATE GOVERNANCE REPORT

e) Board Meetings

During the year under review, due to outbreak of novel coronavirus (COVID-19) pandemic, Ministry of Corporate Affairs (MCA) vide its notification dated March 19, 2020 read with MCA Notifications dated June 23, 2020, September, 28, 2020 and December 30, 2020 (collectively referred to as "MCA Notifications") amended Companies (Meetings of Board and its Powers) rules, 2014 ("Rules") and allowed the meetings on all matters referred under rule 4(1) of said rules to be held through video conferencing or other audio visual means. Further, exemption from observing the maximum stipulated time gap of 120 days between two consecutive Board and Audit Committee Meetings was granted vide aforesaid MCA Notifications and SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020.

During the financial year 2020-21, Four (4) Board Meetings were held on June 12, 2020, August 18, 2020, October 21, 2020 and January 21, 2021 through Video conferencing in accordance with aforesaid MCA Notifications and SEBI circulars. The maximum time gap between any two consecutive Board Meetings of the Company did not exceed 120 days. The time gap between Board meetings held on February 11, 2020 and June 12, 2020 was within the relaxation / extension of maximum time gap granted vide MCA and SEBI circulars issued from time to time.

Annual General Meeting

Due to outbreak COVID-19 pandemic, MCA vide General Circular No. 20/2020 dated May 05, 2020 allowed Companies to conduct their Annual General meetings (AGMs) through Video Conferencing (VC) or other audio visual means (OAVM) during the calendar year 2020, subject to certain conditions specified in the said circular. Accordingly, 31st AGM of the Company was held through VC on July 30, 2020.

Attendance of Directors at Board Meetings and AGM

Attendance of Directors at the Board Meetings and the Annual General Meeting ("AGM") held through VC/OAVM during the year under review in accordance with aforesaid MCA Notifications and SEBI Circulars is as under:

Name of the Director	No. of Board Meetings Attended through VC	Attendance at last AGM held on July 30, 2020 through VC
Mr. Anil Kumar Jain	4/4	Yes
Mr. Mohit Jain	4/4	Yes
Mr. Kailash R. Lalpuria	4/4	Yes
Mr. Kamal Mitra	4/4	Yes
Mr. Dilip J. Thakkar	4/4	Yes
Mr. Prem Malik	4/4	Yes
Mr. Sushil Kumar Jiwarajka	4/4	No
Dr. (Mrs.) Vaijayanti Pandit	4/4	Yes
Dr. Sanjay Kumar Panda	4/4	Yes
Mr. Siddharth Mehta	4/4	Yes

Mr. Dilip J. Thakkar, Mr. Prem Malik and Dr. (Mrs.) Vaijayanti Pandit, who are also the Chairperson of Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee respectively, were present at the last AGM held through VC/OAVM on July 30, 2020.

f) Board Meetings Procedure

In order to ensure maximum presence of all Directors in the Board Meeting, dates of the Board Meetings are fixed in advance after consultation with individual directors and consideration of their convenience. The agenda papers along with relevant explanatory notes and supporting documents are circulated within prescribed time to all Directors. All the provisions of rules 3 and 4 of the Companies (Meetings of the Board and its powers) rules, 2014 were complied with while holding all Board/committee meetings through VC.

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

3. AUDIT COMMITTEE

(a) Terms of reference

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

Financial Reporting and Related Processes

- Oversight of the Company's financial reporting process and disclosure of its financial information

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

Internal Controls and Governance Processes

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

Audit & Auditors

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

(b) Composition and Meetings

During the year under review, there has been no change in the composition of the Audit Committee. As on March 31, 2021, the Audit Committee comprises of 4 Directors / Members out of which 3 are Independent Directors and 1 is Executive Director. Mr. Dilip Thakkar, Chairman of the Audit Committee is a Chartered Accountant and all Members of the Audit Committee are professionals, experienced and possess sound knowledge of finance, accounting practices and internal controls.

During the year under review, Five (5) Audit Committee Meetings were held on June 12, 2020, August 18, 2020, August 29, 2020, October 21, 2020 and January 21, 2021 through Video conferencing in accordance with aforesaid MCA Notifications and SEBI circulars. The maximum time gap between any two consecutive Audit Committee Meetings of the Company did not exceed 120 days. The time gap between Audit Committee meetings held on February 11, 2020 and June 12, 2020 was within the relaxation / extension of maximum time gap provided vide MCA and SEBI circulars issued from time to time.

The Composition of Audit Committee as on March 31, 2021 and attendance of Directors at the Audit Committee Meetings held through VC during the year under review is as under:

Name of the Director	Category	Attendance at Audit Committee Meetings through VC
Mr. Dilip J. Thakkar (Chairman)	Non-Executive Independent	5/5
Mr. Prem Malik	Non-Executive Independent	5/5
Mr. Kailash R. Lalpuria	Executive	5/5
Mr. Siddharth Mehta	Non-Executive Independent	5/5

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

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a) Composition and Meetings

There was no change in the composition of Stakeholders' Relationship Committee during the year under review. As on March 31, 2021, the Stakeholders' Relationship Committee (SRC) consists of 3 Directors/Members viz. Dr. (Mrs.) Vaijayanti Pandit, Non-Executive, Independent Director as Chairperson, Mr. Anil Kumar Jain, Executive Chairman and Mr. Kailash R. Lalpuria, Executive Director & CEO as Members.

Pursuant to the provisions of Regulation 20(3A) of Listing Regulations, with effect from April 1, 2019, it is mandatory to hold atleast one SRC meeting in a financial year. During the year under review, 1 (One) meeting of Stakeholders' Relationship Committee was held on December 16, 2020 through VC/OVAM and the said meeting was attended by all members of the Committee.

b) Terms of Reference

The role of the Stakeholders Relationship Committee ("SRC") *inter alia* includes terms of reference as specified in Point B of Part D of Schedule II of Listing Regulations as under:

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

c) Investor Complaints

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

During the year under review, no complaints were received from the shareholders on SEBI Complaints Redressal System (SCORES) and Stock Exchanges. As on March 31, 2021, no complaint was pending.

d) Compliance Officer

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

5. NOMINATION AND REMUNERATION COMMITTEE

(a) Brief description of terms of reference

The terms of reference of the Nomination and Remuneration Committee ("NRC") includes the matters stipulated in Point A of Part D of Schedule II of the Listing Regulations and Section 178 of the Companies Act, 2013 as under:

- ➢ Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees
- ➢ Lay down criteria for identifying and selection of candidates for appointment as Directors/ Independent Directors 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 payable to the Directors of the Company
- ➢ 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
- ➢ Recommendation to the board, all remuneration, in whatever form, payable to senior management

(b) Composition, Meetings and Attendance

During the year under review, there has been no change in the composition of Nomination and Remuneration committee. As on March 31, 2021, NRC comprises of 4 Directors/Members headed by Mr. Prem Malik, Non-Executive Independent Director as Chairman.

Pursuant to the provisions of Regulation 19(3A) of Listing Regulations, with effect from April 1, 2019, it is mandatory to hold atleast one NRC meeting in a financial year. During the year under review, two meetings of NRC were held through VC on June 11, 2020 and August 18, 2020.

Composition of NRC as on March 31, 2021 and Attendance of members at the NRC Meetings held through VC during the year under review is as under:

Name of the Director	Category	Attendance at the Nomination and Remuneration Committee Meetings through VC
Mr. Prem Malik, Chairman	Non-Executive Independent	2/2
Dr. (Mrs.) Vaijayanti Pandit	Non-Executive Independent	2/2
Mr. Anil Kumar Jain#	Executive	2/2
Dr. Sanjay Kumar Panda	Non-Executive Independent	2/2

Executive Chairman of the Company

(c) Nomination and Remuneration Policy

Pursuant to Section 178 of the Companies Act, 2013, NRC has formulated "Nomination and Remuneration Policy" which deals *inter alia* with nomination and remuneration of Directors, Key Managerial Personnel, Senior Management. The said policy is uploaded on the website of the Company and web-link thereto is https://www.indocount.com/images/investor/Nomination-Remuneration-Policy-%E2%80%93-w.e.f.-17.05.2021.pdf

(d) Criteria for evaluation of Independent Directors

NRC has formulated following criteria for Performance of Independent Directors:

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

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

6. REMUNERATION OF DIRECTORS

During the year under review, all Independent Directors of the Company were entitled for sitting fees of ₹ 50,000/- each for attending Board Meetings. Further, the Sitting fees for attending Committee meetings was increased from ₹ 10,000/- to ₹ 25,000/- per meeting w.e.f June 12, 2020. They are also entitled to receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the NRC within the limit of 1% of net profits u/s 198 of the Companies Act, 2013 as approved by the shareholders of the Company.

Details of remuneration paid/payable to all Directors of the Company for the financial year ended March 31, 2021 is as under:

Name of the Director	Tenure	Remuneration for the financial year ended March 31, 2021 (₹ in lakhs)					
		Basic Salary	Perquisites & Allowances	Provident Fund	Sitting Fees	Commission*	Total
Mr. Anil Kumar Jain	3 years (upto September 30, 2022)	226.80	382.32	27.22	NA	NIL	636.34
Mr. Mohit Jain	3 years (upto June 30, 2022)	167.70	234.78	20.12	NA	NIL	422.60
Mr. Kailash R. Lalpuria	3 years (upto May 3, 2021**)	81.60	122.40	NIL	NA	NIL	204.00
Mr. Kamal Mitra	3 years (upto September 30, 2022)	30.45	18.55	3.65	NA	NIL	52.65
Mr. Dilip J. Thakkar	5 years (upto August 15, 2024)	NA	NA	NA	4.00	1.00	5.00
Mr. Prem Malik		NA	NA	NA	3.95	1.00	4.95
Dr. (Mrs.) Vaijayanti Pandit		NA	NA	NA	3.20	1.00	4.20
Mr. Sushil Kumar Jiwarajka	5 years (upto May 3, 2023)	NA	NA	NA	2.50	1.00	3.50

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Name of the Director	Tenure	Remuneration for the financial year ended March 31, 2021 (₹ in lakhs)					
		Basic Salary	Perquisites & Allowances	Provident Fund	Sitting Fees	Commission*	Total
Dr. Sanjay Kumar Panda	5 years (upto August 2, 2023)	NA	NA	NA	3.20	1.00	4.20
Mr. Siddharth Mehta	5 years (upto August 2, 2023)	NA	NA	NA	3.60	1.00	4.60

* *Commission is for FY 2019-20 which is paid during FY 2020-21.*

** *Re-appointed with effect from May 4, 2021 for a further period of 3 years, subject to the approval of members at the ensuing Annual General Meeting.*

Notes:

1. None of the Non-Executive Independent Directors are holding equity shares or convertible instruments of the Company as on March 31, 2021 except Mr. Prem Malik who is holding 3,250 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. Apart from commission, there are no variable components and performance linked incentives.
4. None of the Non-Executive Independent Directors have any pecuniary relationship or transaction with the Company during the year under review.

Criteria of making payment to Non-Executive Directors

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

Stock options

The Company does not have any Employee Stock Option Scheme.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Company has constituted Corporate Social Responsibility ("CSR") Committee. The terms of reference of CSR Committee, *inter alia*, includes:

- formulating and recommending to the Board, a Corporate Social Responsibility Policy indicating 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 CSR Committee were held on June 6, 2020 and January 19, 2021 through VC/OAVM.

Composition of CSR Committee as on March 31, 2021 and Attendance of members at the CSR Committee Meetings held during the year under review is as under:

Name of the Director	Category	Attendance at the CSR Committee Meetings through VC
Dr. (Mrs.) Vaijayanti Pandit, Chairperson	Non-Executive, Independent	2/2
Mr. Anil Kumar Jain	Executive	2/2
Mr. Kamal Mitra	Non-Executive, Independent	2/2
Mr. Kailash R. Lalpuria	Executive	2/2
Dr. Sanjay Kumar Panda	Non-Executive, Independent	2/2

A Report on CSR Activities carried out by the Company during FY2020-21 is provided as Annexure 2 to the Board's Report.

8. RISK MANAGEMENT COMMITTEE

As a matter of good Corporate Governance, though the provisions relating to Risk Management Committee (RMC) were not mandatory during the FY 2020-21, as per regulation 21 of Listing Regulations, the Board of Directors of the Company had constituted Risk Management Committee comprising of Mr. Kailash R. Lalpuria, Executive Director & CEO as Chairman, Mr. Prem Malik, Mr. Siddharth Mehta, Non-Executive Independent Directors and Mr. K. Muralidharan, Chief Financial Officer as its Members. During the year under review, 1 (One) meeting of RMC Committee was held on April 30, 2020 which was attended by all members of RMC.

9. OTHER COMMITTEES

(a) Share Transfer 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 as and when required to approve the said matters. Further, considering the increase in volume of shareholders requests and timelines involved for approval, the Board at its meeting held on August 3, 2018 delegated the powers related to share transfers/transmissions, name deletion and any other matter for which Share Transfer Committee was empowered, severally to Mr. Anil Kumar Jain, Executive Chairman, Mr. Kailash Lalpuria, Executive Director and Mrs. Amruta Avasare, Company Secretary when it is not possible to hold Share Transfer Committee Meeting.

During FY 2020-21, 6 (six) meetings of Share Transfer Committee were held on September 4, 2020, October 22, 2020, January 25, 2021, February 1, 2021, March 9, 2021 and March 30, 2021.

(b) Finance and Corporate Affairs Committee

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

During FY 2020-21, 2 (two) meetings of Finance and Corporate Affairs Committee were held on January 27, 2021 and February 12, 2021. Pursuant to the provisions of Section 175 of the Companies Act, 2013, circular resolutions were also passed by FCA, whenever required, during the year under review.

The Composition of FCA as on March 31, 2021 and attendance of members at the Finance and Corporate Affairs Committee Meetings held during the year under review is as under:

Name of the Director	Category	Attendance at the FCA Committee meetings
Mr. Anil Kumar Jain	Executive	2/2
Mr. Mohit Jain	Executive	2/2
Mr. Kailash Lalpuria	Executive	2/2
Mr. Dilip J Thakkar	Non-Executive Independent	2/2

(C) Project Management Committee

The Board of Directors of the Company had constituted Project Management Committee (PMC) to evaluate and approve proposals pertaining to CAPEX plan and to take decisions relating to implementation of CAPEX proposals. As on March 31, 2021, the PMC consists of 4 Directors/ Members viz. Mr. Anil Kumar Jain as Chairman, Mr. Kailash R. Lalpuria, Executive Director & CEO, Mr. Sushil Kumar Jiwarajka and Dr. Sanjay Kumar Panda, Independent Directors as Members.

During the year under review, 1 (one) meeting of PMC was held on March 18, 2021 through VC/OAVM and the said meeting was attended by all members of the Committee.

10. GENERAL BODY MEETINGS

(a) Annual General Meetings:

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

Financial Year	Day, Date & Time	Venue
2017-18	Tuesday, September 11, 2018 at 12.30 p.m.	Hotel Vrishali Executive, Conference Hall, 39 A/2, Tarabai Park, District Kolhapur – 416 003, Maharashtra
2018-19	Tuesday, August 13, 2019 at 12.30 p.m.	Hotel Vrishali Executive, Conference Hall, 39 A/2, Tarabai Park, District Kolhapur – 416 003, Maharashtra
2019-20	Thursday, July 30, 2020 through VC/OAVM at 12.30 p.m. (IST)	Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"). VC Platform – provided by NSDL

Due to outbreak of COVID-19 pandemic, MCA vide General Circular No. 20/2020 dated May 05, 2020 allowed Companies to conduct their Annual General meetings (AGMs) through Video Conferencing (VC) or other audio visual means (OAVM) during the calendar year 2020 subject to certain conditions specified in said circular. Accordingly, 31st AGM of the Company was held through VC.

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

1. At the AGM held on September 11, 2018 - 7 special resolutions were passed as under:

    (i) Appointment of Mr. Kailash R. Lalpuria as as Whole Time Director designated as "Executive Director" of the Company for a period of 3 years w.e.f. May 4, 2018.

    (ii) Appointment of Mr. Sushil Kumar Jiwarajka as an Independent Director of the Company for a second term of 5 consecutive years w.e.f. May 4, 2018.

    (iii) Continuation of existing term of Mr. P. N. Shah, Independent Director of the Company upto August 15, 2019

    (iv) Continuation of existing term of Mr. R. Anand, Independent Director of the Company upto August 15, 2019

    (v) Continuation of existing term of Mr. Dilip J. Thakkar, Independent Director of the Company upto August 15, 2019

    (vi) Continuation of existing term of Mr. Prem Malik, Independent Director of the Company upto August 15, 2019

    (vii) Payment of Commission to Non-Executive Independent Directors of the Company sum not exceeding 1%, per annum of the net profits of the Company.

2. At the AGM held on August 13, 2019 – 7 special resolutions were passed as under:

    (i) Re-appointment of Mr. Anil Kumar Jain as "Executive Chairman" of the Company for a period of 3 years w.e.f. October 1, 2019.

    (ii) Re-appointment of Mr. Kamal Mitra, as a "Director (Works) of the Company for a period of 3 years w.e.f. October 1, 2019.

    (iii) Change in designation of Mr. Mohit Jain to "Executive Vice-Chairman" of the Company for a period of 3 years w.e.f. July 1, 2019.

    (iv) Re-appointment of Mr. Dilip Jayantilal Thakkar as a Non-Executive Independent Director of the Company for a second term of five consecutive years w.e.f. August 16, 2019 to August 15, 2024.

    (v) Re-appointment of Mr. Prem Malik as a Non-Executive Independent Director of the Company for second term of five consecutive years w.e.f. August 16, 2019 to August 15, 2024.

    (vi) Re-appointment of Dr. (Mrs.) Vaijayanti Pandit as a Non-Executive Independent Director of the Company for second term of five consecutive years w.e.f. August 16, 2019 to August 15, 2024.

    (vii) Giving Unsecured Loan / Corporate Guarantee to Pranavaditya Spinning Mills Limited, Subsidiary of the Company upto ₹ 10 crores.

3. At the AGM held on July 30, 2020, no special resolution was passed.

(c) Extraordinary General Meeting: No Extraordinary General Meeting was held during the year under review.

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

11. MEANS OF COMMUNICATION

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

- **Financial Results:** Pursuant to Regulation 33 of the Listing Regulations, the quarterly, half yearly and annual financial results of the Company are submitted to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") after approval of the Board of Directors of the Company. The financial results of the Company are published in one English daily newspaper (Business Standard) and one Marathi newspaper (Tarun Bharat / Navshakti) within 48 hours of approval thereof and are also available on the website of the Company www.indocount.com

- **Annual Report:** Annual Report containing *inter alia* Standalone Financial Statements, Auditors' Report, Board's Report, Management discussion and Analysis Report, Corporate Governance Report is sent to all Members of the Company within the required time frame and is also made available on the website of the Company www.indocount.com

- **Designated Exclusive Email ID:** The Company has designated Email Id icilinvestors@indocount.com exclusively for shareholder / investor grievances redressal.
- **SCORES (SEBI Complaints Redressal System):** SEBI has commenced processing of investor complaints in a centralised web based complaints redress system i.e. SCORES. The Company supported SCORES by using it as a platform for communication between SEBI and the Company.
- **Uploading on NEAPS & BSE Listing Centre:** The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchanges are filed electronically on NEAPS for NSE and on BSE Listing Centre for BSE.
- **Investor Presentations:** The quarterly and annual Investor Presentations are uploaded on the website of the stock exchanges and the Company.

12. DISCLOSURES

a) Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year 2020-21 were in the ordinary course of business and arm's 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. Necessary disclosures regarding Related Party Transactions are given in the notes to the Financial Statements.

The Company has formulated a policy for Related Party Transactions and the policy of RPT has been uploaded on the website of the Company. The web-link thereto is as under https://www.indocount.com/images/investor/ICIL_-_Policy_on_Related_Party_Transactions-Revised-11-02-2020.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, the SEBI or any statutory authority on matters relating to capital markets during last three years. The Company has also obtained Secretarial Audit Report and Annual Compliance Certificate for the year ended March 31, 2021 as per Regulation 24A of Listing Regulations from M/s. Kothari H. Associates, Practicing Company Secretaries. The said report & certificate does not contain any qualifications or adverse remarks.

c) Vigil Mechanism / Whistle Blower Policy

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

Your Company affirms that no Director/Employee of the Company has been denied access to the Chairman of the Audit Committee and no complaint has been received under the Whistle Blower Policy during the year under review.

d) Subsidiaries

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

e) Code of Conduct

Integrity, transparency and trust form part of the core beliefs of all activities at Indo Count, which has been the basis of its growth and development. The Company has adopted a Code of Conduct applicable to all its Directors and members of the Senior Management which is in consonance with the requirements of the Listing Regulations. The said code is available on the website of the Company and can be accessed through web-link https://www.indocount.com/images/investor/Indo-Count-Code-of-Conduct_200428_062221.pdf

All the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct for Directors and Senior Management of the Company for the year ended March 31, 2021. A declaration to this effect signed by Mr. Kailash R. Lalpuria, Executive Director & CEO forms part of this Report as Annexure I.

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

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind-AS) 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 Indian Accounting Standards in the preparation of financial statements for 2020-21.

g) Risk Management

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

h) CEO & CFO Certification

Pursuant to Regulation 17(8) of the Listing Regulations, Mr. Kailash R. Lalpuria, Executive Director & CEO and Mr. K. Muralidharan, Chief Financial Officer have furnished certificate to the Board on the audited financial statements for the year ended March 31, 2021 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 May 17, 2021.

i) Reconciliation of Share Capital Audit Report

In terms of the provisions of Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary. The said report is also submitted to BSE Limited and National Stock Exchange of India Limited.

j) Code for Prevention of Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, your Company has adopted a code of conduct to regulate, monitor and report trading by designated persons and their immediate relatives for prevention of Insider Trading in the shares of the Company. This code is applicable *inter-alia* to all Directors and Designated persons / employees of the Company who are expected to have access to unpublished price sensitive information. This code, *inter-alia*, prohibits purchase / sale / dealing in the equity shares of the Company by Designated persons and their immediate relatives while in possession of unpublished price sensitive information about the Company and during the time when trading window is closed. The Code also contains procedure for pre-clearance of trade, disclosure requirements etc.

The Code is available on the website of the Company at www.indocount.com

k) Certificate on Non-disqualification of Directors

M/s Kothari H. & Associates, Practising Company Secretaries have certified that for the financial year ended March 31, 2021, none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India (SEBI) or Ministry of Corporate Affairs (MCA) or any such authority. A certificate issued by M/s Kothari H. & Associates to that effect is attached as Annexure II forming part of this report.

l) Recommendations of the committees

During FY 2020-21, the Board has accepted all recommendations made by the Audit Committee, Nomination & Remuneration Committee and other Board Committees.

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

During FY 2020-21, ₹ 33.74 lakhs was paid to M/s. Suresh Kumar Mittal & Co., Statutory Auditors for all services availed by the Company and its subsidiaries on a consolidated basis as per details given below:

Particulars of Fees	₹ in lakhs
For Statutory Audit	15.10
For quarterly review Reports	10.50
For Tax Audit services	3.50
For any other services including reimbursement of expenses	4.64
Total	**33.74**

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

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. The Company has set up an Internal Complaint 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. During the year under review, no complaints pertaining to sexual harassment were received and no complaint was pending as on March 31, 2021.

o) Compliance with Mandatory and Non-Mandatory Requirements

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

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

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

Modified Opinion in Audit Report: There was no qualification or modified opinion in Independent Auditors Report on Financial Statements of the Company for the year ended March 31, 2021 nor in the past 2 years.

Separate posts of Chairperson and Chief Executive Officer. As on March 31, 2021, Mr. Anil Kumar Jain is the Executive Chairman of the Company and Mr. Kailash R. Lalpuria is the Executive Director & CEO of the Company. Thus, there are separate posts for Chairman and Chief Executive Officer.

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

p) Compliance with the requirements of Corporate Governance

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

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

13. CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE

The certificate regarding compliance of the conditions of corporate governance for the year ended March 31, 2021 given by M/s. Suresh Kumar Mittal & Co, Statutory Auditors is given as Annexure III to this Report.

14. GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Day & Date : Friday, September 3, 2021

Time : 12.30 p.m. (IST)

Financial Year : April 1 to March 31

Tentative Financial Calendar (for 2021-22) for approval of:

Financial Results for Quarter ending June 30, 2021 (Unaudited)	On or before August 14, 2021
Financial Results for Quarter and half year ending September 30, 2021 (Unaudited)	On or before November 14, 2021
Financial Results for Quarter and nine months ending December 31, 2021 (Unaudited)	On or before February 14, 2022
Financial Results for Quarter and year ending March 31, 2022 (Audited)	On or before May 30, 2022

Record Date

The Record date for the purpose of payment of Final Dividend for 2020-21 is August 27, 2021.

Dividend Payment Date

During the year under review, final dividend for FY 2019-20 was paid on August 24, 2020.

The Final Dividend for 2020-21, if declared at the ensuing Annual General Meeting, will be paid within thirty days from the date of Annual General Meeting.

Listing on Stock Exchanges

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

Listing Fees

The Company has paid Listing Fees for FY 2020-21 to BSE and NSE.

Annual Custody Fees

The Company has paid the annual Custody Fees to Central Depository Services (India) Limited and National Securities Depository Limited for FY 2020-21.

CORPORATE GOVERNANCE REPORT

International Securities Identification Number

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

Corporate Identity Number (CIN): L72200PN1988PLC068972

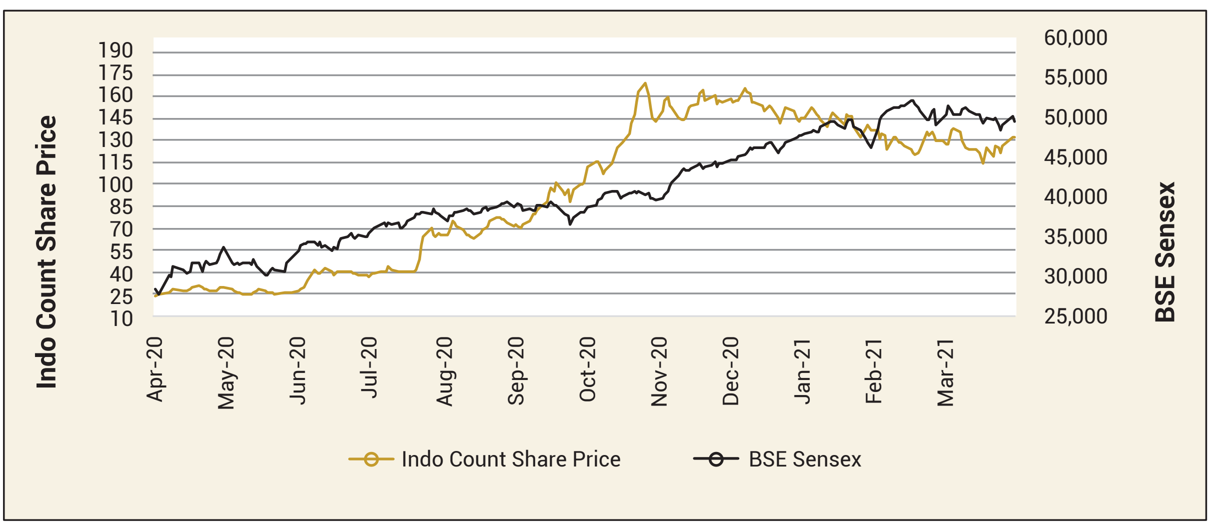
Market Price Data

The monthly high and low quotations of the closing price and volume of shares traded at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) from April, 2020 to March, 2021 are as under:

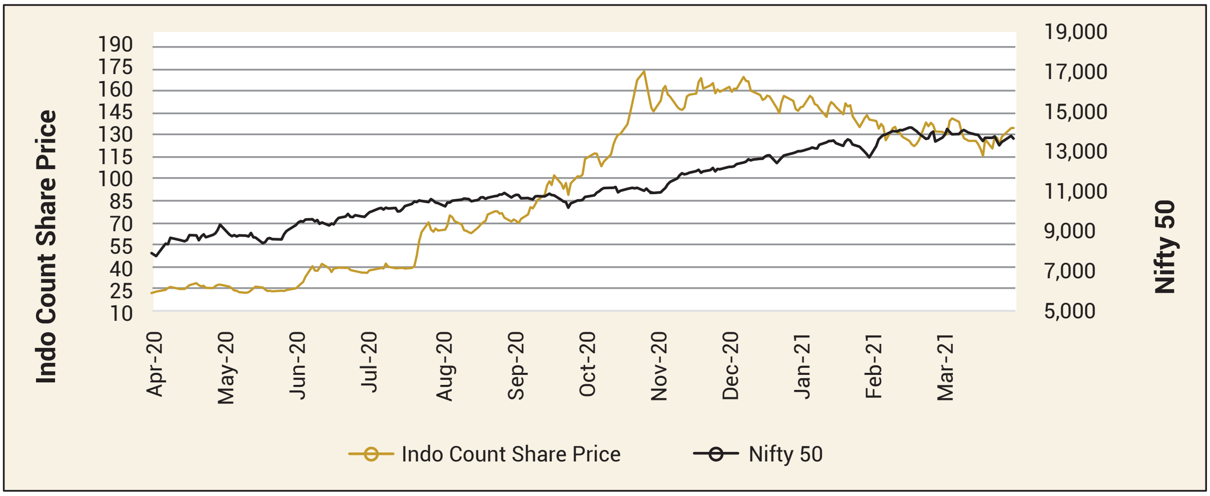
Month	BSE			NSE		
	High (in ₹)	Low (in ₹)	Total number of equity shares traded	High (in ₹)	Low (in ₹)	Total number of equity shares traded
April-20	30.45	23.05	146,455	31.90	22.75	1,406,411
May-20	29.45	23.20	201,201	30.00	23.50	1,203,609
June-20	47.80	26.00	1,455,141	44.90	25.90	7,292,807
July-20	76.40	36.00	2,677,121	76.45	36.00	18,992,079
August-20	80.20	62.70	700,592	80.15	62.80	7,230,314
September-20	104.40	65.90	647,986	102.95	67.05	7,412,773
October-20	171.65	100.45	1,244,565	171.75	101.70	16,662,470
November-20	170.40	141.50	404,609	170.40	140.20	4,985,724
December-20	171.75	138.00	449,201	171.80	142.40	3,882,249
January-21	156.05	126.10	847,817	153.95	126.20	6,788,742
February-21	141.40	118.50	1,360,507	141.30	118.40	5,867,176
March-21	143.25	113.00	1,458,998	144.00	113.00	7,009,760

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

W.e.f. April 1, 2019, as per SEBI press release dated March 27, 2019, the transfer of shares is done only in dematerialized mode except for transmission or transposition of securities. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgement of rejected transfer deeds and hence the shares that are re-lodged for transfer shall be transferred only in demat mode thereafter. Transfer of equity shares in dematerialised form is done through the depositories without any involvement of the Company. Share transfers received in physical form, if any and complying with the requirements specified in said press release are processed by Link Intime India Private Limited, Registrar & Transfer Agents and the share certificates are generally returned to the transferee(s) within prescribed time provided that the transfer documents are complete in all respects. The Board has constituted Share Transfer Committee which approves share transfers, transmission, issue of duplicate share certificates etc as and when physical cases of transfers/transmissions/name deletion/ issue of duplicate share certificates are sent for approval by RTA. 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 March 31, 2021

No. of equity shares of face value of ₹ 2/- each	No. of Shareholders*	% of Shareholders	No. of shares held	% of shareholding
Upto 500	27,542	75.12	4,337,328	2.20
501 – 1000	5,509	15.03	4,073,278	2.06
1001 – 2000	1,609	4.39	2,457,070	1.24
2001 – 3000	648	1.77	1,639,876	0.83
3001 – 4000	278	0.76	996,577	0.50
4001 – 5000	259	0.70	1,229,456	0.63
5001 – 10000	341	0.93	2,537,865	1.29
Above 10000	477	1.30	180,128,220	91.25
Total	**36,663**	**100.00**	**197,399,670**	**100.00**

* No. of shareholders are not consolidated as per PAN No. The Number of shareholders consolidated as per PAN are 35,951 as on March 31, 2021.

CORPORATE GOVERNANCE REPORT

Shareholding Pattern as on March 31, 2021

Category of Shareholder	As on March 31, 2021	
	No. of Equity shares (Face value of ₹ 2/- each)	As a percentage of total paid-up Share Capital
A. Promoter and Promoter Group	**116,346,750**	**58.94**
B. Public Shareholding		
Institutions		
Mutual Funds / UTI	24,000	0.01
Foreign Portfolio Investors/ Foreign Institutional Investors	19,377,047	9.82
Financial Institutions / Banks	21,220	0.01
Non-Institutions		
Individuals	35,954,970	18.21
NBFCs registered with RBI	331,560	0.17
Foreign Nationals	400	0.00
Hindu Undivided Family	1,186,774	0.60
Non Resident Indians (NRI)	3,914,265	1.98
Clearing Members	432,030	0.22
Bodies Corporate	19,810,654	10.04
Sub-Total (B)	**81,052,920**	**41.06**
Total (A+B)	**197,399,670**	**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). As on March 31, 2021, 192,580,493 Equity Shares of the Company constituting 97.56 % of the paid-up share capital of the Company are held in dematerialised form and 2.44 % 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 March 31, 2021 is as under

Category	Number of		% to total equity
	Shareholders	Shares	
Demat Mode			
NSDL	17,349	128,828,075	65.26
CDSL	14,037	63,752,418	32.30
Total Demat	**31,386**	**192,580,493**	**97.56**
Physical Mode	5,277	4,819,177	2.44
Grand Total	**36,663**	**197,399,670**	**100.00**

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

As on March 31, 2021, 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.

Plant Locations

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

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

Details of utilization of funds raised through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of SEBI Listing Regulations

Not Applicable

Credit Rating

As on March 31, 2021, for long term bank facilities of your Company, credit rating assigned by ICRA is "A+" (Single A Plus) with Positive outlook and by CARE is "A+" (Single A Plus) with Stable outlook.

Further, for the Company's short term bank facilities, credit rating assigned by ICRA and CARE is "ICRA A1+" (A One Plus) and "CARE A1" (A one) respectively.

Address for correspondence

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

The Company Secretary	Registrar & Transfer Agents
Indo Count Industries Limited	Link Intime India Pvt. Ltd.
301, 3rd Floor, "Arcadia",	C-101, 247 Park, L B S Marg,
Nariman Point,	Vikhroli (West),
Mumbai – 400 021	Mumbai – 400 083
Phone: 022 - 43419500 / 501	Tel No: 022 - 49186270
Fax: 022 - 22823098	Fax No: 022 - 49186060
Email:	Email:
icilinvestors@indocount.com	rnt.helpdesk@linkintime.co.in
amruta.avasare@indocount.com	

On behalf of the Board of Directors
For INDO COUNT INDUSTRIES LIMITED

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Dated: May 17, 2021
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 March 31, 2021.

For INDO COUNT INDUSTRIES LIMITED

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

Dated: May 17, 2021
Place: Mumbai

ANNEXURE II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of INDO COUNT INDUSTRIES LIMITED having L72200PN1988PLC068972 and having registered office at Office No. 1, Plot No. 266, Village Alte Kumbhoj Road, Taluka Hatkanangale, Kolhapur-416109, Maharashtra produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Anil Kumar Jain	00086106	August 22, 1990
2.	Mr. Mohit Anilkumar Jain	01473966	May 9, 2016
3.	Mr. Kailash Ramniwas Lalpuria	00059758	May 4, 2018
4.	Mr. Kamal Sukhamoy Mitra	01839261	October 1, 2008
5.	Mr. Prem Sardarilal Malik	00023051	October 30, 2009
6.	Mr. Dilip Jayantilal Thakkar	00007339	January 8, 2003
7.	Mr. Sushilkumar Jiwarajka	00016680	May 4, 2018
8.	Dr. Sanjay Kumar Panda	02586135	August 3, 2018
9.	Mr. Siddharth Saumil Mehta	03072352	August 3, 2018
10.	Dr. (Mrs.) Vaijayanti Ajit Pandit	06742237	November 25, 2013

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

For Kothari H. & Associates
Company Secretaries

Hitesh Kothari
(Partner)
Membership No.: 6038
CP No.: 5502
UDIN: F006038C000336170

Place: Mumbai
Date: May 17, 2021

ANNEXURE III

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To
The Members,
Indo Count Industries Limited

We have examined the compliance of conditions of Corporate Governance by Indo Count Industries Limited ("the Company"), for the financial year ended on March 31, 2021, as stipulated in Regulations 17 to 27 and clause (b) to (i) of Regulations 46(2) and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 ("Listing Regulations").

MANAGEMENTS' RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

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

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance for the year ended March 31, 2021 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
UDIN: 21521915AAAACF7549

Dated: May 17, 2021
Place: New Delhi

BUSINESS RESPONSIBILITY REPORT

We are pleased to present Sixth Business Responsibility Report of the Company for the year ended March 31, 2021 as under:

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L72200PN1988PLC068972
2. **Name of the Company:** Indo Count Industries Limited
3. **Registered address:** Office No. 1, Village -Alte, Taluka-Hatkanangale, District- Kolhapur, 416 109, Maharashtra, India
4. **Website** : www.indocount.com
5. **E-mail id :** info@indocount.com
6. **Financial Year Reported:** April 1, 2020 to March 31, 2021
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

Sector	Industrial Activity Code*			
	Group	Class	Sub-class	Description
Textiles	139	1392	13924	Manufacture of bedding, quilts pillows, sleeping bags
	131	1311	13111	Preparation and spinning of cotton fiber including blended cotton

*As per National Industrial Classification 2008 – Ministry of Statistics and Programme implementation

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**

   Home Textile Products viz. Bed Sheets, Quilts and Comforters

9. **Total number of locations where business activity is undertaken by the Company**

   (a) **Number of International Locations:** The Company has 3 (three) foreign subsidiaries viz.in the USA, UK and Dubai. Further, the Company has 2 (two) showrooms in USA and UK. The Company does not have any manufacturing unit outside India.

   (b) **Number of National Locations:** The Company has 2 manufacturing facilities and 1 made-ups stitching unit at Kolhapur, Maharashtra. The Registered office of the Company is also situated at Kolhapur. The Corporate Office and Marketing Office are housed in Mumbai and Thane respectively.

10. **Markets served by the Company:** The Company exports to ~ 50 countries across the globe and majority of revenue is derived from international markets. Apart from the international market, the Company also serves in domestic Indian market.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital ₹ :** 39.48 crore
2. **Total Turnover ₹ :** 2,514.75 crore (Standalone)
3. **Total profit after taxes ₹ :** 260.26 crore (Standalone)
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%):**

   The Company's total spending on CSR for the year ended March 31, 2021 was ₹ 3.68 crore which is 1.41% of profit after tax.

5. **List of activities in which expenditure in 4 above has been incurred:-**

   During FY 2020-21, CSR activities of your Company were carried out in the following areas with main focus on Education and Healthcare.

   (a) Education - Promoting education through E-learning and support to educational institute

   (b) Healthcare - Medical facilities through 4 mobile medical vans and providing medical equipments to hospitals, renovation of infrastructure facilities in hospitals

   (c) Women Empowerment through enhancing vocational skills

   (d) Rural Upliftment

   (e) Water and sanitation

   (f) Project GAGAN for upliftment of farmers

   (g) CSR support during COVID-19 pandemic

   The details of above CSR activities are provided in Annexure 2 to the Board's Report which is available on the website of the Company at www.indocount.com

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

   As on March 31, 2021, the Company has 5 direct subsidiaries.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)**

   The subsidiaries are separate entities and they follow BR initiatives if applicable to them.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?

The Company has not presently mandated its suppliers/ distributors etc. to participate in the Company's BR initiatives. However, all business associates are encouraged to adopt BR initiatives and conduct their business ethically and in a transparent manner.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. **DIN Number** : 00059758
2. **Name** : Mr. Kailash R. Lalpuria
3. **Designation** : Executive Director & CEO

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Mr. Kailash R. Lalpuria
3	Designation	Executive Director & CEO
4	Telephone Number	+91 22 43419500
5	e-mail id	kklalpuria@indocount.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

Sl. No.	Questions	Ethics	Product Life Cycle Sustainability	Employee Well-Being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Community Development	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are broadly based on National Voluntary Guidelines issued by Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	The links on Code of Conduct, CSR Policy, are as under: http://www.indocount.com/investors/corporate-governance The view of policies under other principles are restricted to the respective stakeholders								

BUSINESS RESPONSIBILITY REPORT

Sl. No.	Questions	Ethics	Product Life Cycle Sustainability	Employee Well-Being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Community Development	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The BRR Policies are reviewed internally from time to time and are updated whenever required.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year-

The Board of Directors of the Company or CEO assesses the BR performance of the Company annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the sixth Business Responsibility Report of the Company and it is published annually.

The BRR forms part of the Board's Report which is available on the website of the Company at www.indocount.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1– Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

This Principle is embodied in the Code of Conduct & Whistle Blower Policy.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

Your Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealings with its stakeholders. Your Company has adopted Code of Conduct, which is applicable to the Board of Directors and Senior Management Personnel of the Company. This Code requires all Directors and Senior Management of the Company to act honestly, ethically and with integrity. The Code also provides for avoiding any conflict of interest and to act in the best interest of the Company. All Directors and Senior Management Personnel affirm compliance with the Code of Conduct annually. The Company also has similar HR Code of Conduct applicable to all employees of the Company. The Company has adequate control mechanism in place to address the issues relating to ethics, bribery and corruption. The supplier/ contractors dealing with the Company are also encouraged to maintain ethical standards in all their practices.

Your Company also has in place Vigil Mechanism / Whistle Blower Policy which serves as a mechanism for the Directors and all employees of the Company to report any genuine concerns about unethical behavior, actual or suspected fraud or violation of code of conduct. Further, Vendors, Channel Partners, Business Associates including contractors or Customers of the organization, can make Protected Disclosures regarding any unethical behavior or improper practices being followed under the Policy.

The Code of Conduct and Vigil Mechanism is also extended to subsidiaries of the Company to the extent applicable.

The Company's Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders ("Code"), ensures that the employees do not handle unpublished price sensitive information in an unethical manner and deal in securities of the Company when in possession of such information for unlawful gains. The Code conforms to the Company's values of ethics and transparency.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   There were no complaints received from the shareholders pertaining to shares of the Company during the year under review. The Company / Registrar & Transfer Agent responds to the queries/complaints received from the shareholders in a timely and appropriate manner. Further, the Company has in place, an effective mechanism for dealing with complaints received from various stakeholders.

Principle 2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The policy is part of your Company's Environment, Health and Safety (EHS) Policy.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   Your Company is in the business of manufacturing of home textiles and its products broadly falls under the categories of Bed Sheets, Pillow Cover, and Comforter. The products are made of cotton, hence eco-friendly, clean and leave no adverse impact on the mother earth.

   Following are products relating to sustainability:

   1. Pure Earth & True Tone Print Collection, wherein plant-based dyes synthesized from non-edible waste by-products from agriculture and herbal industries are used (Eco friendly products)
   2. Made in Green Product Range is manufactured in Sustainable Textile Production (STeP) approved facility (Level 3)
   3. Quick Dry sheet product range uses less energy for home laundering and ironing, thereby reducing considerable environmental load for electricity and water requirement.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

   (a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain**

   The Company constantly works towards reduction and optimal utilization of energy, water, raw materials, logistics etc. by incorporating new techniques and innovative ideas. The Company has installed ETP plant and RO plant for recycling of water and Dryer for reduction of bio-sludge (waste) to reduce the quantity for landfill & thereby considerable reduction in ground contamination. Further, rain water harvesting system from entire factory rooftop and hot / cooling water recycling back to the process helps in saving of water.

As consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at each product level.

With continuous innovation being our core strength in product development, we have been successful in harnessing resources and make products that are more efficient to use and consume lesser resources during manufacturing.

Pure Earth collection is a truly Sustainable product range which is developed by using waste extracts from food, fruits etc. and this is going to be the future in Sustainable Product category. Manufacturing of such products utilizes lesser utility and zero petrochemical based dyes. Similarly, True Tone colors are made from natures elements and provide a vibrant range of prints being developed sustainably.

Our Sustainably Processed Bedlinen collection (collection in bedlinen and Utility bedding) are processed with quite less amount of dyes/chemicals and still meet the functionality of an end consumer. These are aptly crafted and developed considering all finer details of utility and energy consumption during processing. These products consume almost half of chemical resources required to manufacture as compared to a regular sheet set.

Made-In- Green products is a collection of products developed to give assurance to customers that the product they are buying is fully traceable across supply chain from Sustainability point of view. All raw material used in manufacturing and packaging of these products are compliant to the latest Oekotex norms in sustainable form. This keeps end consumers feel happy and confident for their spending towards right product that contributes directly to a Sustainable Eco system

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The products of the Company are made of cotton and does not have broad based impact on energy and water consumption by consumers. However, the Company has taken measures to reduce consumption of water and energy.

We are one of the largest manufacturer of Bed Linen under Quick Dry & Wrinkle Free category. Quick dry & Wrinkle Free products helps end consumers widely by reducing their energy bills in home laundering and ironing, thereby reducing considerable environmental load for electricity and water requirement. This also economically benefits consumers. Overall, this helps to achieve sustainability on a wider perspective.

We design our packaging with Self-fabric bags in-place of PVC packaging. Every 1 ton of PVC bag causes ~5 MT of $CO2$ emissions, hence, using these Self-fabric bags contributes in a larger perspective towards Environment. Further, we have been actively working towards reducing our dependency on plastic packaging.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

All of our key manufacturing units (including stitching units) are STeP Certified which makes us Sustainable to manufacture flexibly larger volumes of MIG approved products across organization absorbing customer demands and varying market demands.

Our complete value chain right from Fiber procurement to Packaging are aligned to consider Sustainability as a key factor in sourcing. The sourcing of cotton being one of the voluminous activity, the Company has taken multiple steps to procure BCI grown cotton through farmers, we have been collaborating. In addition to this, we procure a considerable volume of other Sustainable fibers like Egyptian, GOTS, Fairtrade, GRS (Polyester) etc.

Sustainability is a part of us completely in other areas like Dyes & Chemicals too. Our Dyes & Chemicals are widely sourced as per ZDHC and Oekotex guidelines.

This keeps us ahead in ensuring Sustainability across one of the largest supply chain in the country.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company works with small producers to augment quality and design capability of the vendors. At present, small quantity of Cotton / yarn is procured from local producers in and around Kolhapur.

We have been developing many suppliers in local community continuously to provide raw materials and services seamlessly to our growing demands and market base under stringent quality norms.

A large quantum of our raw materials like fabrics are manufactured and sourced from communities surrounding our manufacturing hub. Also, vast majority of our services happen to be from local community which helps develop local community and create more opportunities in nearby areas.

This helps us in many ways – we are able to swiftly communicate changes in market demands or customer demands in a very short lead times, we are able to control inventories and have high accuracy updates in real time and yes, with least time spent in non-value added activities like transportation and movement. This activity of local vendor development has also contributed to reduction in transportation requirements to a large extent.

This is one of the key factor which makes us one of the most Sustainable Manufacturing Textile Company.

5. **Does the Company have a mechanism to recycle products and waste ? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details there of, in about 50 words or so.**

The Company has Installed state of the art ETP (Effluent Treatment Plant), RO Plant & MEE for recycling of waste water. More than 90% of processed water is recycled and used in a closed loop channel in processing. This reduces largely dependency on external water source by almost 50%.

All process effluents of sizing & pre-treatment are collected in the Equalization tank & treated through the UASBR & biological treatment system followed by PSF & ACF filtration system. 50% ETP treated effluents are recycled through the RO & MEE plants & rest of 50% ETP treated effluents are sent to CETP for further treatment. We are also generating the Methane gas from UASBR & it's being utilized to generate power from this gas. Further the sludge generated from the ETP is being dried in the dryer thus avoiding the disposal for hazardous waste.

We have state of art Caustic Recovery Plant installed inline at our processing to reduce need for fresh caustic and reduce wastages.

Other wastes like Plastic wastes & Corrguated wastes are taken for recycling by a government approved agency to recycle it further and use in alternate products manufacturing.

The Company had received the prestigious "VASUNDHARA AWARD" for 2018-19 from Maharashtra Pollution Control Board (MPCB) towards the protection of environment and implementation of innovative & cleaner technologies in water, air & waste in sustainable way. Maharashtra pollution Control Board awarded us Five Star rating for excellent work for Air Pollution control.

We have been successful to achieve Level 3 (Highest Level) score in verified HIGG Index score and this is a phenomenal achievement across textile companies. Higg Index is a tool widely accepted by global Customers/ Retailers and is a symbol for Sustainability.

Principle 3–Businesses should promote the wellbeing of all employees.

This Principle is embodied in various policies for the benefit of the employees which are issued by the Human Resources function of the Company from time to time. The policies include Maternity Leave Policy, Employee Safety Policy, Group Mediclaim Policy, etc.

1. **Please indicate the Total number of employees.** - 2203
2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis.** - 2894
3. **Please indicate the Number of permanent women employees.** – 66
4. **Please indicate the Number of permanent employees with disabilities** – NIL
5. **Do you have an employee association that is recognized by management?** –YES
6. **What percentage of your permanent employees is members of this recognized employee association?** - ~ 51% of all workers at plants.
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

BUSINESS RESPONSIBILITY REPORT

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

(a) Permanent Employees : ~11%

(b) Permanent Women Employees : ~ 10%

(c) Casual/Temporary/Contractual Employees : ~ 27%

(d) Employees with Disabilities : NA

Health and safety is of paramount important to the Company. All employees of the Company including temporary employees and employees at plants are provided with safety training. Training is imparted in case of new safety device before putting it to use. Training is provided to workers for Chemical Handling, PPE Training, machine Handling and Waste Handling Training. Safety Boards are displayed and operative instructions are displayed and firefighting training is also imparted to selected employees of each shift. Safety meeting is conducted at every quarter and mock drills are also conducted at regular intervals.

Principle 4–Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Certain aspect of this principle forms part of the CSR Policy.

1. Has the company mapped its internal and external stakeholders?

Yes. The Company has mapped its internal and external stakeholders. It uses both formal and informal mechanism to engage with various stakeholders to understand their concern and expectations. Individual departments within the organisation have roles and responsibility identified and defined to engage with various stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders and are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes. 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. Our CSR projects focus on participatory and collaborative approach with the community. Over a period of last three years, your Company through Indo Count Foundation has identified disadvantaged, vulnerable & marginalized stakeholders in and around Kolhapur, local area in which the company operates. In order to improve their standard of living, your Company has emphasized on CSR projects in the areas of Education, Healthcare, Water and sanitation and Women empowerment.

Principle 5- Businesses should respect and promote human rights.

This Principle is embodied in the Code of Conduct.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?

The Company remains committed to respect and protect human rights. The various aspects of the term "Human Rights" viz. Freedom of Association, Collective Bargaining, Non-Discrimination, Gender Equality, Avoidance of Child and Forced Labour are covered in our Human Resource Policies/Practices and Code of Conduct. The HR practices extend to all subsidiaries of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints relating to human rights have been received in the FY 2020-21.

Principle 6 - Business should respect, protect, and make efforts to restore the environment.

This Principle is embodied in the Environment Policy.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others.

The Company strives to protect environment by adopting various eco-friendly measures. The subsidiaries are encouraged to adopt in sustainability initiatives of the Company.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Conservation and optimum utilization of natural resources has been and continues to be the topmost priority of our Company. Our Company's Home Textile facility at Gokul Kagal received "LEED - Green Building Certification" from Green Building Council, USA which is the most well-known green building rating system in the world, and therefore a globally recognized symbol of sustainable achievement. Further, your Company has adopted various sustainability measures viz. State of Art Zero discharge Effluent Treatment Plant (ETP) and Reverse Osmosis (RO) plant Multiple Effect Evaporator (MEE)for recycling of waste water, Rain Water Harvesting, Solar power etc.

We are strategically working to reduce our Carbon foot prints across Company by implementing various sustainable initiatives across all the pillars contributing GHG emissions likely – Electricity, Steam, Coal consumption, Wastes etc. Energy efficiency is a metric referred while installation of equipments to ensure contribution towards Carbon Reduction. Creative ideas are implemented across manufacturing to capture leakages, reduce losses and Optimal usage of resources. We have installed Solar Panel Set-up to reduce external power consumption needs.

Also, we are working with our key customers to implement Sustainability across value chain. We partnered with Walmart in Project GIGATON and are contributing to Sustainability via HIGG Index, THESIS Survey and CDP (Carbon Disclosure Project).

We are one of the leading industries wherein sustainability is driven across organization as a part of its culture. From inception, this has been a part of our all decisions, as an organization we have installed best in class technology, machineries and abatement process in manufacturing line to make sure we have minimal or zero environmental risks. We have invested larger part of our CAPEX in Solar Power Generation, almost 10% of our Energy needs are fulfilled internally through these generators.

3. **Does the Company identify and assess potential environmental risks? -** YES

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

The Company strives to preserve environment by striking a balance between economic growth and preservation of the environment. Both air and noise pollution have been greatly reduced with the new Acoustic systems that have been placed on our DG sets and Air compressors. Indo Count makes certain that no harmful substances are discharged into the environment by using state-of-the-art Italian Zero discharge ETP plant for the Primary, secondary and tertiary treatment of effluents, producing clean water. Water conservation efforts also include rainwater harvesting and hot water recycle process.

The Company files report with the appropriate government authorities in the manner as prescribed under applicable laws.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.**

All our process effluents are treated in highly scientific manner of biological treatment (Without any chemicals addition) followed by tertiary treatment of Reverse Osmosis plants & Multi Effect Evaporation systems. Some of our initiatives towards clean technology, energy efficiency include:

- Installed Effluent Treatment & RO Plant for recycling of waste water – This ensures zero discharge of effluents in to the environment (by reusing process water, utilization of natural water resources is minimized).
- Paddle Dryer – This eliminates the land pollution / contamination from the sludge treatment wrt land fill treatment at land fill site.
- Installation of air pollution equipment like Bag filters followed by the dust collectors, Cyclomax and Electrostatic precipitators in the Boilers for controlling of suspended particulate matter of fine dust into the environment.
- Bio Gas to power generation - This power generation minimizes the natural recourses including thermal pollution.
- Installed Acoustic System and Electrostatic Precipitator for reduction of Noise and Air Pollution.
- Each Plant has been equipped with Rain Water Harvesting System and Sewage Treatment Plant.
- Adoption of LEDs by installation in all new projects and retrofitting some of the existing ones.
- New technology and equipment across all our manufacturing processes greatly conserve energy.

- Additional solar power system Installation having capacity of 1 MW power generation per hour and projected savings of 14 Lakhs KW/year.
- In boiler Oxygen analyzers provided for increasing fuel efficiency
- Blow down TDS sensors and valves maintain optimal levels and save fuel by reducing heat loss
- VFD's allow for greater mechanical life, less down time, and increased energy conservation
- "Siren & Panel" gas leak detection provides greater fuel efficiency
- Transparent roofing sheet to increase natural luminance in plant to reduce power consumption in day time
- Installation of Back Pressure Turbine has been completed recently and it's a major breakthrough in reducing energy losses and convert this energy captured into electricity.

Apart from above, steps taken by the Company on conservation of energy are explained in Annexure 6 to the Board's Report.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   The Emissions/Waste generated by the Company are within the permissible limits given by CPCB/ SPCB.

7. **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   As on March 31, 2021, there are no show cause/ legal notices received from CPCB/ SPCB which are pending / unresolved.

Principle 7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   Your Company is a member of various trade bodies, chambers or association; major ones being:

   (a) TEXPROCIL (The Cotton Textile Export Promotion Council)

   (b) Confederation of Indian Textile Industry (CITI)

   (c) Federation of Indian Export Organization (FIEO)

   (d) The Associated Chambers of Commerce & Industry of India [ASSOCHAM]

   (e) The Bombay Textile Research Association (BITRA)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company, through the various industry associations, participates in advocating matters for advancement of textile sector, policies, economic reforms and public good. It supports various initiatives which includes aspects of textile industry which is a progressive step towards inclusive development.

Principle 8 – Businesses should support inclusive growth and equitable development.

This Principle is embodied in the CSR Policy.

1. **Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   The Company has a well defined CSR policy which is line with the Companies Act, 2013. 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. CSR projects of your Company mainly focus on Education, Healthcare, Water and Sanitation, Rural Upliftment & Environment, Women Empowerment and Disaster Management and the projects are undertaken in and around Kolhapur. The details of CSR activities are given in Annexure 2 of the Board's Report.

2. **Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

   The Company primarily undertakes CSR activities through its own Trust "Indo Count Foundation". Further, Indo Count Foundation either on its own or by partnering with other trusts, NGO's or government implements CSR projects.

3. **Have you done any impact assessment of your initiative?**

   Yes. Indo Count Foundation conducts impact assessment of its CSR initiatives through feedbacks collected from the beneficiaries of projects undertaken.

Certain projects are undertaken in partnership with other trusts, NGO's, Government organisations that have their own monitoring mechanisms and impact assessment systems. The reports are collected from collaborating partners to understand impact.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

   Your Company undertakes CSR activities through Indo Count Foundation. During the year, the Indo Count Foundation has spent ₹ 367.65 Lakhs on CSR projects in the areas of Education, Healthcare, Women Empowerment, COVID-19 Pandemic, Water and Sanitation, GAGAN and Rural upliftment. All CSR projects benefit to the community at large directly.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community.

   The Company adopts participatory approach with communities in deploying CSR projects. Before undertaking any CSR project, needs of communities are assessed. Once CSR project is implemented, follow up visits are given and feedback is obtained.

   The assessment reports, feedback and overwhelming response on all our projects in the areas of Education, Healthcare and Women empowerment suggest that the same are proactively welcomed and adopted by the communities.

Principle 9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   Customer Satisfaction is of utmost important for the Company. At Indo Count, we are committed to provide all our customers product quality, services and value for money through our technological and organizational strengths. As on March 31, 2021, no customer complaints are pending.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).**

   The Company displays all the requisite information on product labels as per the applicable laws.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behavior against the Company during the last five years and pending as on end of the financial year 2020-21.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Based on customer feedbacks and research, your Company makes innovations and delivers products that meet consumer needs. Surveys are conducted to assess the consumer satisfaction levels and consumer's trends. Feedback is also taken by the management during the visit of Customers at the manufacturing facilities.

INDEPENDENT AUDITOR'S REPORT

To the Members of Indo Count Industries Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of **Indo Count Industries Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 March 31, 2021 and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 55 to the standalone financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter

Key Audit Matters

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

1. The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk. Foreign currency exchange rate exposure through its sales are partly balanced by purchasing of goods, commodities and services in the respective currencies. The balance foreign currency exchange rate exposure is hedged through derivative like foreign exchange forward contracts. (Refer Note No. 52 to the standalone financial statements). We assessed the foreign exchange risk management policies adopted by the Company. The Company manages risk through a treasury department which formulates risk management objectives and policies which are reviewed by the senior management, Audit Committee and Board of Directors. Our audit approach was a combination of test of internal controls and substantive procedures to evaluate chances of minimizing the risk involved.
2. The Company has material matters under dispute which involves significant judgement to determine the possible outcome of these disputes (Refer Note No. 42 to the standalone financial statements). We obtained the details of the disputes with their present status and documents. We made an in-depth analysis of the dispute. We also considered legal procedures and other rulings in evaluating managements position on these disputes to evaluate whether any change was required to management's position on these disputes.
3. As on March 31, 2021, current tax assets and other current assets includes amounts recoverable from government department for which efforts for recovery are being made (refer Note No. 19 and 20 to the standalone financial statements). Our audit procedures consisted of evaluating whether any change was required to management's position on these uncertainties and the likelihood of recoverability.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in

INDEPENDENT AUDITOR'S REPORT

aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Financial Statements - Refer Note No. 42 to the financial statements.

   ii. The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, in respect of long term contracts including derivative contracts - Refer Note No. 52 to the financial statements.

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

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

Ankur Bagla
Partner
Membership No.: 521915
UDIN: 21521915AAAACD3381

Place: New Delhi
Date: 17th May, 2021

ANNEXURE A REFERRED TO IN PARAGRAPH (I) UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF INDO COUNT INDUSTRIES LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021.

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

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

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

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

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

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

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

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

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

(a) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods & service tax, cess and others as applicable. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) There are no disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or goods and service tax outstanding as at March 31, 2021 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	Commissioner of Central Excise (A), Pune
2.	Central Excise Act	Cenvat Credit availed on excise duty paid	34.24	2011-2012	CESTAT (Tribunal)
3.	Central Excise Act	Excise Duty	1.40	2007-2008	Commissioner of Central Excise (A)
4.	Central Excise Act	Rebate Claim	13.98	2012-2013	Commissioner of Central Excise (A)
5.	Bombay Electricity Duty Act,1958	Electricity Duty	292.07	2000-2006	Supreme Court

INDEPENDENT AUDITOR'S REPORT

Sl. No.	Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
6.	Central Excise Act	Service tax on commission on Sales	23.54	2010-2013	Commissioner Appeal, Pune
7.	MVAT	VAT Input Credit	93.89	2012-2013	Maharashtra Sales Tax Tribunal, 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, during the year 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 provisions of clause (xii) of the Order are not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company's transactions with its related parties are in compliance with sections 177 and 188 of the Act where applicable and details of related party transactions have been disclosed in the standalone financial statements 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 Registration No.: 500063N

Ankur Bagla
Partner
Membership No.: 521915
UDIN: 21521915AAAACD3381

Place: New Delhi
Date: 17th May, 2021

ANNEXURE B REFERRED TO IN PARAGRAPH (II)(F) UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF INDO COUNT INDUSTRIES LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021.

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, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial 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 authorizations of management and directors of the Company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized 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,

INDEPENDENT AUDITOR'S REPORT

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 March 31, 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI".

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

Ankur Bagla
Partner
Membership No.: 521915
UDIN: 21521915AAAACD3381

Place: New Delhi
Date: 17th May, 2021

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STANDALONE BALANCE SHEET
AS AT MARCH 31, 2021

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	5	51,460.68	52,593.33
(b) Capital Work-In-Progress	5	772.40	585.65
(c) Right-of-Use	6	1,823.30	1,825.46
(d) Other Intangible Assets	7	264.95	262.62
(e) Financial Assets			
(i) Investments	8	2,491.57	2,492.09
(ii) Loans	9	191.46	333.06
(iii) Others	10	0.01	0.01
(f) Other Non-Current Assets	11	826.70	642.82
(2) Current Assets			
(a) Inventories	12	67,728.46	50,100.50
(b) Financial Assets			
(i) Investments	13	16,693.48	9.54
(ii) Trade Receivables	14	52,514.59	25,792.10
(iii) Cash and Cash Equivalents	15	11,430.56	12,563.67
(iv) Bank Balances other than (iii) above	16	223.97	254.37
(v) Loans	17	169.87	31.29
(vi) Others	18	5,130.46	432.93
(c) Current Tax Assets (Net)	19	718.00	2,133.24
(d) Other Current Assets	20	12,226.49	15,815.46
TOTAL ASSETS		**2,24,666.95**	**1,65,868.14**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	21	3,947.99	3,947.99
(b) Other Equity		1,23,489.67	93,288.65
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	1,935.26	3,609.72
(ii) Other Financial Liabilities	23	156.33	588.72
(b) Provisions	24	276.25	578.97
(c) Deferred Tax Liabilities (Net)	25	8,262.71	5,805.54
(d) Other Non-Current Liabilities	26	758.56	797.93
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	27	50,586.22	29,184.60
(ii) Trade Payables			
- Micro & Small Enterprises	28	4,065.26	1,887.52
- Other than Micro & Small Enterprises	29	18,911.20	9,734.86
(iii) Other Financial Liabilities	30	3,012.63	9,215.11
(b) Other Current Liabilities	31	9,264.87	7,228.53
TOTAL EQUITY AND LIABILITIES		**2,24,666.95**	**1,65,868.14**
CONTINGENT LIABILITIES AND COMMITMENTS	**32,42**		
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

New Delhi, May 17, 2021

For and on behalf of Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Mumbai, May 17, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lakhs)

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
CONTINUING OPERATIONS				
I	**INCOME**			
	Revenue from Operations	33	2,51,474.72	1,96,507.17
	Other Income	34	3,773.95	5,431.77
	TOTAL INCOME		**2,55,248.67**	**2,01,938.94**
II	**EXPENSES**			
	Cost of Materials Consumed	35	1,33,280.43	1,09,070.45
	Purchase of Stock-In-Trade		7,315.17	347.35
	Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	36	(11,461.82)	(929.29)
	Employee Benefits Expense	37	14,527.44	12,462.40
	Finance Cost	38	2,693.41	3,692.98
	Depreciation and Amortisation Expense	39	4,031.10	4,064.52
	Other Expenses	40	69,604.68	57,760.95
	TOTAL EXPENSES		**2,19,990.41**	**1,86,469.36**
III	**Profit before Exceptional Items and Tax (I-II)**		**35,258.26**	**15,469.58**
IV	**Exceptional Items**	41	-	(9,846.45)
V	**Profit before Tax (III-IV)**		**35,258.26**	**5,623.13**
VI	**Tax Expense**			
	a) Current Tax		8,739.54	1,739.44
	b) Previous Year Tax		113.64	0.21
	c) Deferred Tax		379.06	(3,492.79)
VII	**Profit for the Year (V-VI)**		**26,026.02**	**7,376.27**
VIII	**Other Comprehensive Income**			
	A Items that will not be reclassified to Profit and Loss:			
	(i) Remeasurement of the Net Defined Benefit Liability / Asset		79.07	(82.65)
	(ii) Income Tax relating to items that will not be reclassified to Profit and Loss		(19.90)	20.80
	B Items that will be reclassified to Profit and Loss:			
	(i) Remeasurement of the net change in Forex Liability / Asset		8,177.89	(6,212.73)
	(ii) Income Tax relating to items that will be reclassified to Profit and Loss		(2,058.21)	1,563.62
IX	**Total Comprehensive Income for the Year (VII+VIII)**		**32,204.87**	**2,665.31**
X	**Earnings per Equity Share**	47		
	a) Basic (₹)		13.18	3.74
	b) Diluted (₹)		13.18	3.74
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

New Delhi, May 17, 2021

For and on behalf of Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Mumbai, May 17, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

A. EQUITY SHARE CAPITAL

Particulars	Note No.	₹ in lakhs
As at March 31, 2019		**3,947.99**
Changes in Equity Share Capital	21(a)	-
As at March 31, 2020		**3,947.99**
Changes in Equity Share Capital	21(a)	-
As at March 31, 2021		**3,947.99**

B. OTHER EQUITY

₹ in lakhs

Particulars	Reserves & Surplus			Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	
Balance as at March 31, 2019	**198.81**	**1,653.72**	**90,198.67**	**92,051.20**
Profit for the Year	-	-	7,376.27	**7,376.27**
Other Comprehensive Income for the Year	-	-	(4,710.96)	**(4,710.96)**
Total Comprehensive Income for the year	**-**	**-**	**2,665.31**	**2,665.31**
Final Dividend on Equity Shares	-	-	(1,184.40)	**(1,184.40)**
Dividend Distribution Tax on Final Dividend	-	-	(243.46)	**(243.46)**
Balance as at March 31, 2020	**198.81**	**1,653.72**	**91,436.12**	**93,288.65**
Loss on Purchase of Business	(819.45)	-	-	**(819.45)**
Profit for the Year	-	-	26,026.02	**26,026.02**
Other Comprehensive Income for the Year	-	-	6,178.85	**6,178.85**
Total Comprehensive Income for the year	**-**	**-**	**32,204.87**	**32,204.87**
Final Dividend on Equity Shares	-	-	(1,184.40)	**(1,184.40)**
Balance as at March 31, 2021	**(620.64)**	**1,653.72**	**1,22,456.59**	**1,23,489.67**

NATURE AND PURPOSE OF RESERVES:

i) Capital Reserve:

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

ii) Capital Redemption Reserve:

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

iii) Securities Premium Reserve:

Securities Premium Reserve is created when shares issued at premium.

The accompanying notes form an integral part of Financial Statements

As per our report of even date attached

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

Ankur Bagla
Partner
Membership No.: 521915

New Delhi, May 17, 2021

For and on behalf of Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Mumbai, May 17, 2021

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2021

₹ in lakhs

Particulars		For the year ended March 31, 2021		For the year ended March 31, 2020	
A)	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before Exceptional Items and Tax		35,258.26		15,469.58
	Adjustments for:				
	Depreciation and Amortisation		4,031.10		4,064.52
	Profit on Sale of Assets		(49.94)		(0.06)
	Finance Cost		2,693.41		3,692.98
	Interest Income		(998.89)		(232.93)
	Other Comprehensive Income		8,256.96		(6,295.38)
	Dividend Income on Mutual Funds		-		(80.52)
	Loss on Sale of Assets		199.00		1.51
	Loss/(Profit) on Redemption of Mutual Funds		(8.22)		18.20
	Loss in value of NAV of Mutual Funds		(94.16)		7.82
	Exceptional Items		-		(9,846.45)
	Operating Profit before Working Capital changes		**49,287.52**		**6,799.27**
	Changes in Working Capital:				
	Adjustment for (Increase) / Decrease in Operating Assets:				
	Non-Current Financial Assets	141.60		(160.49)	
	Other Non-Current Assets	(183.87)		122.49	
	Inventories	(17,627.96)		(3,429.95)	
	Trade Receivables	(26,722.49)		1,711.55	
	Current Financial Assets	(4,805.72)		1,435.95	
	Other Current Assets	3,588.97	(45,609.47)	(4,103.09)	(4,423.54)
	Adjustment for Increase / (Decrease) in Operating Liabilities:				
	Non Current Financial Liabilities	(432.38)		588.72	
	Non-Current Provisions	(302.72)		77.66	
	Other Non-Current Liabilities	(39.37)		(39.37)	
	Trade Payables	11,354.09		(1,010.77)	
	Other Current Financial Liabilities	(6,202.48)		5,893.54	
	Other Current Liabilities	2,036.33	6,413.47	4,795.92	10,305.70
	Net Taxes (paid) / refund received		(7,437.95)		(2,602.66)
	Net Cash Flow from Operating Activities (A)		**2,653.57**		**10,078.77**
B)	CASH FLOW FROM INVESTING ACTIVITIES				
	Capital Expenditure		(3,508.13)		(3,282.06)
	Proceeds from Sale of Assets		273.71		0.74
	Purchase of Non-Current Investments		0.51		(0.18)
	Purchase of Current Investments		(16,581.55)		4,598.99
	Dividend Income on Mutual Funds		-		80.52
	Interest Income		998.89		232.93
	Loss on Purchase of Business Activity		(819.45)		-
	Net Cash Flow from Investing Activities (B)		**(19,636.02)**		**1,630.94**

STANDALONE CASH FLOW STATEMENT
For the year ended March 31, 2021(Contd.)

₹ in lakhs

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
C) CASH FLOW FROM FINANCING ACTIVITIES				
Net Increase / (Decrease) in Non-Current Borrowings		(1,674.47)		(2,133.80)
Net Increase / (Decrease) in Current Borrowings		21,401.62		6,334.58
Finance Cost		(2,693.41)		(3,692.98)
Final Dividend on Equity Shares (including DDT)		(1,184.40)		(1,427.86)
Net Cash Flow from Financing Activities (C)		**15,849.34**		**(920.06)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		**(1,133.11)**		**10,789.65**
Cash and Cash Equivalents at the beginning of the year		12,563.67		1,774.02
Cash and Cash Equivalents at the end of the year		**11,430.56**		**12,563.67**
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:				
Cash and Cash Equivalents as per Balance Sheet		**11,430.56**		**12,563.67**
Cash and Cash Equivalents at the end of the year comprises of:				
(a) Cash in Hand		7.42		27.09
(b) Balance with Banks				
(i) In Current Accounts		2,765.14		4,218.61
(ii) In Fixed Deposits		8,658.00		8,317.97

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

New Delhi, May 17, 2021

For and on behalf of Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Mumbai, May 17, 2021

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Indo Count Industries Company (the 'Company') is a 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 March 31, 2021 were authorized for issue in accordance with a resolution of the Board of Directors on May 17, 2021.

2. BASIS OF PREPARATION

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment and right-of-use assets:

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

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

Right-of-use (ROU) assets are stated at cost, less accumulated depreciation and impairment loss, if any. The carrying amount of ROU assets is adjusted for remeasurement of lease liability, if any, in future. Cost of ROU assets comprises the amount of initial measurement of lease liability, lease payments made before the commencement date (net of incentives received), initial direct costs and present value of estimated costs of dismantling and restoration, if any.

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

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

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

ROU assets are depreciated on straight line basis from the commencement date to the end of useful life of asset or lease term whichever is earlier.

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

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

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

3.2 Investment properties

Investment properties comprise portions of freehold land and office building that are held for long-term rental yields and/or for capital appreciation. Investment properties are initially 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.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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.

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 exists 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 transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

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

3.7 Cash and cash equivalents

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

3.8 Foreign currency transactions

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

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 loss of the item that gave rise 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).

3.9 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

3.10 Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

3.11 Revenue Recognition

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

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

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

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

Sale of goods:

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

Rendering of Services:

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

Interest Income:

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

Dividends:

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

Lease Income:

Lease agreements where the risks and rewards incident to the ownership of an asset substantially vest with the lessor are 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

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

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

3.13 Earnings per share

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

3.14 Taxes

Current Income Tax:

- Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

- Current income tax relating to items 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 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.

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 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 Company as a lessee:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset,

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease, and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

3.17 Employee benefits

i) Short-term employee benefits

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, etc. and the excepted cost of bonus, ex-gratia, and incentives are 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 loss, the effect of asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are 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.

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 Provisions, 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 resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is 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 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.

Onerous contracts

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

3.19 Exceptional Items

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

3.20 Non-current assets held for sale and discontinued operations

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

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

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

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

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

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

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

3.21 Financial Instruments

i) Financial assets

Initial recognition and measurement

All financial assets are 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 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
- 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 lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Investment in associates, joint venture and subsidiaries

The Company has accounted for its investment in associates, joint venture and subsidiaries at cost.

Impairment of financial assets

The Company assesses impairment based on Expected Credit Losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 – months' expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 – months' ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognize impairment loss allowance based on 12 – months' ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increase in credit risk to be identified on a timely basis.

ii) Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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, only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are 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 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 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 derivate contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges, which is 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 respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

3.23 Preference Shares

i) Non-convertible Preference Shares

On issuance of non-convertible preference shares, the fair value is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

ii) Convertible Preference Shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

3.24 Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acCompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made judgements, which have the most significant effect on the amounts recognised in the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

The Company assesses at each reporting date whether

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

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 April 1, 2020	**-**	**220.45**	**15,346.42**	**75,838.47**	**784.30**	**1,429.24**	**495.20**	**94,114.08**	**585.65**
Additions	-	-	1,090.32	1,447.89	52.43	63.82	-	**2,654.46**	186.75
Disposals / Transfers	-	-	-	2,358.61	-	-	12.18	**2,370.79**	-
As at March 31, 2021	**-**	**220.45**	**16,436.74**	**74,927.75**	**836.73**	**1,493.06**	**483.02**	**94,397.75**	**772.40**
Accumulated Depreciation									
As at April 1, 2020	**-**	**-**	**4,473.72**	**35,360.02**	**424.29**	**979.24**	**283.48**	**41,520.75**	**-**
Depreciation charged for the year	-	-	491.11	2,728.25	54.63	140.30	47.07	**3,461.36**	-
Disposals / Transfers	-	-	-	2,033.47	-	-	11.57	**2,045.04**	-
As at March 31, 2021	**-**	**-**	**4,964.83**	**36,054.80**	**478.92**	**1,119.54**	**318.98**	**42,937.07**	**-**
Net Carrying Amount									
As at March 31, 2020	**-**	**220.45**	**10,872.70**	**40,478.45**	**360.01**	**450.00**	**211.72**	**52,593.33**	**585.65**
As at March 31, 2021	**-**	**220.45**	**11,471.91**	**38,872.95**	**357.81**	**373.52**	**164.04**	**51,460.68**	**772.40**

* 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 ₹ 1.25 lakhs (previous year ₹ 72.96 lakhs).

*** Does not include Capital Advance of ₹ 400.53 lakhs (previous year ₹ 76.16 lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

6. RIGHT-OF-USE (ROU)

₹ in lakhs

Particulars	Land - Leasehold	Buildings	Total
Gross Carrying Amount			
As at April 1, 2020	**833.70**	**1,605.05**	**2,438.75**
Additions	586.74	-	**586.74**
Disposals / Transfers	-	468.06	**468.06**
As at March 31, 2021	**1,420.44**	**1,136.99**	**2,557.43**
Accumalated Depreciation			
As at April 1, 2020	**52.66**	**560.63**	**613.29**
Depreciation charged for the year	3.75	488.12	**491.87**
Disposals / Transfers	-	371.03	**371.03**
As at March 31, 2021	**56.41**	**677.72**	**734.13**
Net Carrying Amount			
As at March 31, 2020	**781.04**	**1,044.42**	**1,825.46**
As at March 31, 2021	**1,364.03**	**459.27**	**1,823.30**

Refer Note No. 43 for information about Leases.

7. OTHER INTANGIBLE ASSETS

₹ in lakhs

Particulars	Software	Patents	Total
Gross Carrying Amount			
As at April 1, 2020	**529.23**	**207.90**	**737.13**
Additions	23.05	57.14	**80.19**
Disposals / Transfers	-	-	**-**
As at March 31, 2021	**552.28**	**265.04**	**817.32**
Accumulated Depreciation			
As at April 1, 2020	**411.88**	**62.63**	**474.51**
Depreciation charged for the year	58.51	19.35	**77.86**
Disposals / Transfers	-	-	**-**
As at March 31, 2021	**470.39**	**81.98**	**552.37**
Net Carrying Amount			
As at March 31, 2020	**117.35**	**145.27**	**262.62**
As at March 31, 2021	**81.89**	**183.06**	**264.95**

8. NON-CURRENT INVESTMENTS

Particulars		No. of Shares		₹ in lakhs	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
QUOTED					
Subsidiary Company					
In fully paid up Equity Shares of ₹ 10 each					
Pranavaditya Spinning Mills Limited		1,43,41,280	1,43,41,280	1,434.13	1,434.13
SUB-TOTAL	**A**			**1,434.13**	**1,434.13**
UNQUOTED					
Subsidiary Company					
In fully paid up Equity Shares					
Indo Count Global Inc., USA		800	800	446.18	446.18
Indo Count UK Limited		86,000	86,000	79.62	79.62
Indo Count Retail Ventures Pvt. Ltd.		10,000	10,000	1.00	1.00
Indo Count Australia Pty Ltd.		-	1,000	-	0.52
Indo Count Global DMCC, UAE		2,750	2,750	530.64	530.64
SUB-TOTAL	**B**			**1,057.44**	**1,057.96**
TOTAL	**A+B**			**2,491.57**	**2,492.09**
Aggregate Value of:					
Quoted Investments				1,434.13	1,434.13
Unquoted Investments				1,057.44	1,057.96
Market Value of Quoted Investments				2,308.95	2,330.46

(a) Pursuant to the acquisition of remaining 17.50% shareholding, Indo Count Retail Ventures Pvt Ltd (ICRVPL) became the Wholly Owned Subsidiary of the Company with effect from March 9, 2020.

(b) The Company entered into a Business Transfer Agreement with ICRVPL, wholly owned subsidiary (WOS) on March 30, 2020, whereby the domestic home textile business of the WOS was acquired by the Company on 'slump sale' basis w.e.f April 1, 2020. The assets and liabilities transferred pursuant to the arrangement will are dealt with by the Company in its books in the financial year 2020-21.

9. NON-CURRENT FINANCIAL LOANS

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	170.16	287.04
Deferred Expenditure	21.30	46.02
TOTAL	**191.46**	**333.06**
Break-up:		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	191.46	333.06
Loans which have significant increase in Credit Risk	-	-
Loans - Credit Impaired	-	-
TOTAL	**191.46**	**333.06**
Less: Allowance for Doubtful Loans	-	-
TOTAL	**191.46**	**333.06**

Refer Note No. 52 for information about Credit Risk and Market Risk of Loans.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

10. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
- Held as Margin / Fixed Deposits	0.01	0.01
TOTAL	**0.01**	**0.01**

Includes receipts for ₹ 0.01 lakhs (previous year ₹ 0.01 lakhs) lodged with Sales Tax Department.

11. OTHER NON-CURRENT ASSETS (Unsecured-considered good)

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances	400.53	76.16
Security Deposits	107.11	107.01
Others	319.06	459.65
TOTAL	**826.70**	**642.82**

12. INVENTORIES

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Materials *	18,383.75	13,666.45
Work-in-Progress	24,920.88	20,259.43
Finished Goods	19,069.84	12,265.10
Waste	68.94	73.31
Stores & Spares **	4,309.99	3,120.13
Dyes and Chemicals ***	975.06	716.08
TOTAL	**67,728.46**	**50,100.50**

* Includes goods in transit ₹ 1,862.26 lakhs (previous year ₹ 98.13 lakhs).

** Includes goods in transit ₹ 135.97 lakhs (previous year ₹ 9.17 lakhs).

*** Includes goods in transit ₹ 44.19 lakhs (previous year ₹ 3.96 lakhs).

13. CURRENT INVESTMENTS

Particulars		No. of Units		₹ in lakhs	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Investments carried at Fair Value through Profit and Loss					
QUOTED					
In Mutual Funds:					
Union Prudence Fund		-	99,990	-	9.54
Aditya Birla SL Arbitrage Fund (Growth)		49,17,570	-	1,023.58	-
IDFC Arbitrage Fund (Growth)		40,14,907	-	1,022.81	-
KOTAK Arbitrage Fund-Growth		17,66,184	-	513.13	-
ICICI Equity Arbitrage Fund-Growth.		38,16,997	-	1,022.96	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Particulars		No. of Units		₹ in lakhs	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
INVESCO Mutual Fund		20,59,536	-	509.50	-
Union Hybrid Equity-Regular-Growth		99,985	-	10.70	-
Aditya Birla Sunlife Saving Fund		47,508	-	200.82	-
Avendus Absolute Return Fund		50,017	-	499.98	-
TOTAL	**A**			**4,803.48**	**9.54**
In Short Term Investments:					
HDFC Corporate Fixed Deposit				3,400.00	-
LIC Housing Finance Limited Fixed Deposit				7,990.00	-
Bajaj Finance Limited				500.00	-
TOTAL	**B**			**11,890.00**	**-**
TOTAL	**A+B**			**16,693.48**	**9.54**
Aggregate Value of:					
Quoted Investments				16,693.48	9.54
Unquoted Investments				-	-
Market Value of Quoted Investments				16,693.48	9.54

14. CURRENT TRADE RECEIVABLES

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables exceeding Six Months	995.33	1,267.18
Receivables - Others	46,547.76	20,974.02
Receivables from Related Parties (Refer Note No. 44)	4,971.50	3,550.90
Receivables which have significant increase in Credit Risk	-	-
Receivables - Credit Impaired	-	-
Allowance for Doubtful Receivables	-	-
TOTAL	**52,514.59**	**25,792.10**
Current Portion	52,514.59	25,792.10
Non-Current Portion	-	-
Break-up of Security Details:		
Secured, Considered Good	-	-
Unsecured, Considered Good	52,514.59	25,792.10
Doubtful	-	-
TOTAL	**52,514.59**	**25,792.10**
Allowance for Doubtful Receivables	-	-
TOTAL	**52,514.59**	**25,792.10**

Refer Note No. 52 for information about Credit Risk and Market Risk of Trade Receivables.

15. CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Cash in Hand	7.42	27.09
Balances with Banks		
- In Current Accounts	2,765.14	4,218.61
- Held as Fixed Deposits	8,658.00	8,317.97
TOTAL	**11,430.56**	**12,563.67**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

16. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
- Held as Margin / Fixed Deposits	223.97	254.37
TOTAL	**223.97**	**254.37**

a) Includes receipts for ₹ 212.67 lakhs (previous year ₹ 231.08 lakhs) held with bank as margin money against bank guarantees for Letter of Credit facilities.

b) Includes receipts for ₹ 0.05 lakhs (previous year ₹ 0.05 lakhs) lodged with Excise Department.

c) Includes receipts for ₹ 11.25 lakhs (previous year ₹ 11.25 lakhs) held with bank as margin money against guarantee given to MSEB.

17. CURRENT FINANCIAL LOANS

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	169.87	31.29
TOTAL	**169.87**	**31.29**
Break-up:		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	169.87	31.29
Loans which have significant increase in Credit Risk	-	-
Loans - Credit Impaired	-	-
TOTAL	**169.87**	**31.29**
Less: Allowance for Doubtful Loans	-	-
TOTAL	**169.87**	**31.29**

Refer Note No. 52 for information about Credit Risk and Market Risk of Loans.

18. OTHER CURRENT FINANCIAL ASSETS (Unsecured considered good)

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Derivative Asset	4,763.42	-
Others	367.04	432.93
TOTAL	**5,130.46**	**432.93**

19. CURRENT TAX ASSETS

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Income Tax (including Tax Deducted at Source)	29.92	1,718.41
Refund Due	688.08	414.83
TOTAL	**718.00**	**2,133.24**

20. OTHER CURRENT ASSETS (Unsecured - considered good)

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Export Incentives / Claims Recoverable	2,889.05	8,226.80
Balances with Excise / Service Tax Authorities	70.83	97.05
Balances with VAT / GST Authorities	6,789.57	5,624.56
Interest Accrued on Loans & Deposits	221.09	19.08
Advance to Suppliers	1,611.30	882.85
Others	1,074.07	961.11
Security Deposits	4.01	4.01
TOTAL	**12,659.92**	**15,815.46**
Less: Allowance for Doubtful Loans	433.43	-
TOTAL	**12,226.49**	**15,815.46**

21. SHARE CAPITAL

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
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 March 31, 2021		As at March 31, 2020	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Authorised:				
Equity Shares of ₹ 2 each				
Balance at the beginning of the year	27,50,00,000	5,500.00	27,50,00,000	5,500.00
Balance at the end of the year	**27,50,00,000**	**5,500.00**	**27,50,00,000**	**5,500.00**
Preference Shares of ₹ 10 each				
Balance at the beginning of the year	50,00,000	500.00	50,00,000	500.00
Balance at the end of the year	**50,00,000**	**500.00**	**50,00,000**	**500.00**
TOTAL	**28,00,00,000**	**6,000.00**	**28,00,00,000**	**6,000.00**
Issued, Subscribed and Paid-Up:				
Equity Shares of ₹ 2 each				
Balance at the beginning of the year	19,73,99,670	3,947.99	19,73,99,670	3,947.99
Balance at the end of the year	**19,73,99,670**	**3,947.99**	**19,73,99,670**	**3,947.99**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(b) Terms / Rights attached to Equity Shares:

(i) The Company has only one class of Equity Shares having a par value of ₹ 2 each. Each holder of Equity Shares is entitled to one vote per share and pro-rata dividend on the shares held.

(ii) In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

(c) Details of Equity Shares in the Company held by each shareholder holding more than 5% of shares is as under:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Percentage	No. of Shares	Percentage
Indo Count Securities Limited	3,10,41,385	15.73%	3,10,41,385	15.73%
Sandridge Investments Limited	6,20,02,455	31.41%	6,20,02,455	31.41%

(d) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

(e) Dividend paid and proposed:

₹ in lakhs

Particulars	2020-21	2019-20
Final Dividend for 2018-19: ₹ 0.60 per share (Face Value of ₹ 2 each)	-	1,184.40
Final Dividend for 2019-20: Re. 0.60 per share (Face Value of ₹ 2 each)	1,184.40	-

22. NON-CURRENT BORROWINGS (Secured)

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
1) Term Loan		
Secured		
i) Rupee loans		
- From Banks (a)	-	375.00
- From Financial Institutions (a)	1,935.26	3,020.33
Unsecured		
2) Foreign Currency Loan		
i) Buyer's Credit (b)	-	214.39
TOTAL	**1,935.26**	**3,609.72**

a) Secured by first pari-passu charge by way of mortgage of immovable properties of the company situated at Kolhapur , and by second pari-passu charge on hypothecation of all movable properties and current assets of the Company both present and future. Loans include amounts appearing in current maturities of long term debts of ₹ 1,488.11 lakhs, (previous year ₹ 1,765.00 lakhs).

b) Secured against machinery acquired, includes amount appearing in current maturity of long term debts ₹ 106.18 lakhs (previous year ₹ 225.96).

c) Maturity profile of Non-Current Borrowings:

₹ in lakhs

Particulars	1-2 Years	2-3 Years
1) Term Loan		
i) Rupee loans		
- From Financial Institutions	1,113.11	822.15
TOTAL	**1,113.11**	**822.15**

23. OTHER NON-CURRENT FINANCIAL LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liability Payable (Refer Note No. 43)	156.33	588.72
TOTAL	**156.33**	**588.72**

24. NON-CURRENT PROVISIONS

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits	276.25	578.97
TOTAL	**276.25**	**578.97**

25. INCOME TAX

The major components of Income Tax expense for the years ended March 31, 2021 and March 31, 2020 are:

STATEMENT OF PROFIT AND LOSS

Profit and Loss section

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Current Income Tax:		
Current Income Tax charge	8,739.54	1,739.44
Adjustments in respect of Current Income Tax of previous years	113.64	0.21
Deferred Tax:		
Relating to origination and reversal of temporary differences	379.06	(3,492.79)
Income Tax expense reported in the Statement of Profit and Loss	**9,232.24**	**(1,753.14)**

(a) The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized Provision for Current Tax and re-measured its Deferred Tax Liabilities based on rate prescribed in the said section.

Other Comprehensive Income (OCI) section

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Net loss / (gain) on remeasurements of Defined Benefit Plan and change in Forex	2,078.11	(1,584.42)
Income Tax charged to OCI	**2,078.11**	**(1,584.42)**

DEFERRED TAX

₹ in lakhs

Particulars	Balance Sheet		Profit & Loss	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Deferred Tax relates to the following:				
Expenses allowable on payment basis	466.08	1,873.14	1,407.06	(1,582.19)
Incomes allowable on receipt basis	(1,198.86)	-	1,198.86	(506.56)
Accelerated Depreciation for Tax purpose	(7,529.93)	(7,678.68)	(148.75)	(2,988.46)
	(8,262.71)	**(5,805.54)**	**2,457.17**	**(5,077.21)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

₹ in lakhs

Particulars	Balance Sheet		Profit & Loss	
	31.03.2021	**31.03.2020**	**31.03.2021**	**31.03.2020**
Deferred Tax Expenses / (Income):				
- Recognised in Profit and Loss	-	-	379.06	(3,492.79)
- Recognised in OCI	-	-	2,078.11	(1,584.42)
Deferred Tax Assets / (Liabilities)	(8,262.71)	(5,805.54)	-	-
	(8,262.71)	**(5,805.54)**	**2,457.17**	**(5,077.21)**

Deferred Tax asset in respect of long term capital losses of ₹ 67.50 lakhs (previous year ₹ 67.50 lakhs) has not been recognised in view of uncertainty of its realisation.

Reflected in the Balance Sheet :

₹ in lakhs

Particulars	31.03.2021	31.03.2020
Deferred Tax Assets	466.08	1,873.14
Deferred Tax Liabilities	(8,728.79)	(7,678.68)
Deferred Tax Liabilities (Net)	**(8,262.71)**	**(5,805.54)**

Reconciliation of Deferred Tax Liabilities (Net)

₹ in lakhs

Particulars	31.03.2021	31.03.2020
Opening Balance as of 1 April	(5,805.54)	(10,882.75)
Tax Income / (Expense) during the period recognised in Profit and Loss	(379.06)	3,492.79
Income / (Expense) during the year recognised in OCI	(2,078.11)	1,584.42
Closing Balance as at 31 March	**(8,262.71)**	**(5,805.54)**

26. OTHER NON-CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Government Grants related to Property, Plant & Equipment	758.56	797.93
TOTAL	**758.56**	**797.93**

27. CURRENT BORROWINGS (Secured)

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Loans repayable on Demand		
i) From Banks *		
- In Rupees	50,586.22	29,184.60
TOTAL	**50,586.22**	**29,184.60**

* Secured by first pari-passu charge by way of hypothecation on all current assets and movable assets and further secured by second pari-passu charge on immovable properties of the Company situated at Kolhapur, both present and future.

28. TRADE PAYABLES DUE TO MICRO & SMALL ENTERPRISES

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Payables	4,065.26	1,887.52
TOTAL	**4,065.26**	**1,887.52**

Note:

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

₹ in lakhs

Particulars		As at March 31, 2021	As at March 31, 2020
a)	The principal amount remaining unpaid to any supplier at the end of the year	4,065.26	1,887.52
b)	Interest accrued and due to suppliers under the Act, on the above amount	24.76	54.20
c)	Payment made to suppliers (other than interest) beyond the appointed day, during the year	3,377.38	4,102.46
d)	Interest paid to suppliers under the Act	-	-
e)	Interest due and payable to suppliers under the Act, for payments already made	21.91	52.19
f)	Interest accrued and remaining unpaid at the end of the year under the Act	24.76	54.20
g)	The amount of further interest remaining due and payable even in the succeeding years for the purpose of disallowances under Section 23 of the Act	-	-

Disclosure of payable to vendors as defined under the MSMED Act is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

29. TRADE PAYABLES OTHER THAN MICRO & SMALL ENTERPRISES

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Payables *	18,911.20	9,734.86
TOTAL	**18,911.20**	**9,734.86**

*a) Includes payable to an Indian Subsidiary ₹ Nil (previous year ₹ 0.99 lakhs).

b) Includes payable to a Foreign Subsidiary ₹ 14.62 lakhs (previous year ₹ 0.36 lakhs).

30. OTHER CURRENT FINANCIAL LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long Term Debts	1,594.29	1,990.96
Interest Accrued but not due on Borrowings	0.12	1.35
Unpaid Dividend *	132.09	108.45
Derivative Liabilities	-	5,639.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liability Payable (Refer Note No. 43)	355.16	529.66
Other Payables	930.97	945.69
TOTAL	**3,012.63**	**9,215.11**

* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.

31. OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from Customers	208.48	107.16
Deferred Government Grants related to Property, Plant & Equipment	39.37	39.37
Other Payables	9,017.02	7,082.00
TOTAL	**9,264.87**	**7,228.53**

32. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 37 "PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS"

(i) Movement in Provisions:

₹ in lakhs

Particulars	Bank Guarantees		Excise Duty / Customs Duty / Service Tax		VAT/ GST	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Carrying amount at the beginning of the year *	960.69	956.19	182.84	182.84	-	-
Add: Provision made during the year **	-	4.50	-	-	104.32	-
Less: Amounts used during the year	491.18	-	-	-	-	-
Carrying amount at the end of the year *	**469.51**	**960.69**	**182.84**	**182.84**	**104.32**	**-**

₹ in lakhs

Particulars	Other Litigation Claims		Corporate Guarantee		Total	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Carrying amount at the beginning of the year *	47.51	52.71	7,188.18	6,569.73	8,379.22	7,761.47
Add: Provision made during the year **	0.38	0.36	-	618.45	104.70	623.31
Less: Amounts used during the year	-	5.56	2,436.03	-	2,927.21	5.56
Carrying amount at the end of the year *	**47.89**	**47.51**	**4,752.15**	**7,188.18**	**5,556.71**	**8,379.22**

* Carrying amounts comprise of non-current and current provisions.

** Additional provision made during the year and reversal of unused amounts are included in the respective head of accounts.

(ii) Nature of Provisions:

(a) Bank guarantee amount represents Company's performance obligation to the holder of guarantee.

(b) Provision for excise duty / customs duty / service tax represents the differential duty liability that may be expected to materialise in respect of matters in appeal.

(c) Provision for litigation represents liabilities that may be expected to materialise in respect of matters in appeal.

(d) Corporate guarantee amount represents guarantee given to a foreign bank on behalf of a foreign subsidiary.

33. REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
1) Sale of Products *		
- Manufactured	2,27,193.01	1,79,338.70
- Stock-In-Trade	7,268.71	366.17
2) Sale of Services	-	0.77
3) Other Operating Revenue		
- Export Incentives / Benefits **	17,013.00	16,801.53
REVENUE FROM OPERATIONS	**2,51,474.72**	**1,96,507.17**

*a) Includes sale to an Indian Subsidiary and Associate ₹ 0.62 lakhs (previous year ₹ 2,875.44 lakhs).

b) Includes sale to Foreign Subsidiaries ₹ 13,214.01 lakhs (previous year ₹ 9,675.49 lakhs).

** The Central Government of India has announced a new scheme called Remission of Duties or Taxes on Export Product (RoDTEP) which has replaced Merchandise Export from India Scheme (MEIS) and Rebate of State and Central Taxes and Levies (RoSCTL) benefit w.e.f. January 1, 2021. As the rates under RoDTEP have not been declared till date, the income on account of benefits under the new scheme has not been recognized for the Quarter ended March 31, 2021.

Disaggregation of Revenue

Revenue based on Geography

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Domestic	12,963.18	10,416.82
Export	2,38,511.54	1,86,090.35
REVENUE FROM OPERATIONS	**2,51,474.72**	**1,96,507.17**

Reconciliation of Revenue from Operations with Contract Price

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Contract Price	2,64,827.52	2,05,082.05
Less:		
Sales Returns	575.02	473.00
Rebates & Discounts	1,651.94	1,637.66
Embedded Interest	155.92	171.11
Others	10,969.92	6,293.11
REVENUE FROM OPERATIONS	**2,51,474.72**	**1,96,507.17**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

34. OTHER INCOME

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Interest - Banks	728.27	30.31
Interest - Others	270.62	202.62
Government Grants related to Property, Plant & Equipment	39.37	39.36
Government Grants Received	80.00	-
Miscellaneous Receipts and Incomes	106.05	33.95
Cash Discount Received	0.63	5.57
Insurance Claim Received	4.31	-
Profit on changes in NAV of Mutual Funds	94.18	-
Profit on Redumption of Mutual funds	8.22	-
Dividend Received on Mutual Funds	-	80.52
Profit on Sale of Assets	49.94	0.05
Exchange Rate Difference (Net)	-	4,905.43
Rent Received	1.10	1.20
Mark to Market on Forward Contracts	2,224.53	-
Provision for Doubtful Debts Written Back	-	10.03
Sundry balances / Excess provision written back (Net)	6.48	14.01
Liability no longer payable written back	160.25	108.72
TOTAL	**3,773.95**	**5,431.77**

35. COST OF MATERIALS CONSUMED

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Raw Material & Components Consumed		
Opening Stock	13,666.45	11,594.03
Add: Purchases *	1,37,997.73	1,11,142.87
SUB-TOTAL	**1,51,664.18**	**1,22,736.90**
Less: Closing Stock	18,383.75	13,666.45
COST OF MATERIALS CONSUMED	**1,33,280.43**	**1,09,070.45**

* Includes purchases from an Indian Subsidiary ₹ 198.67 lakhs (previous year ₹ 129.14 lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

₹ in lakhs

Particulars		For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Opening Stock			
Finished Goods		12,265.10	12,483.32
Stock in Process		20,259.43	19,144.50
Waste		73.31	40.73
SUB-TOTAL	**A**	**32,597.84**	**31,668.55**
Less: Closing Stock			
Finished Goods		19,069.84	12,265.10
Stock in Process		24,920.88	20,259.43
Waste		68.94	73.31
SUB-TOTAL	**B**	**44,059.66**	**32,597.84**
(INCREASE) / DECREASE IN STOCK	**A-B**	**(11,461.82)**	**(929.29)**

37. EMPLOYEE BENEFITS EXPENSE

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Salaries & Wages	11,229.00	10,363.16
Directors' Remuneration	2,280.44	1,088.55
Contribution to Provident & Other Funds	654.25	625.09
Gratuity	162.59	144.29
Staff Welfare Expense	171.40	227.94
Recruitment & Training Expense	29.76	13.37
TOTAL	**14,527.44**	**12,462.40**

38. FINANCE COST

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Interest Expense:		
- On Term Loans	394.99	588.11
- Banks	1,404.58	2,339.82
- Others	110.68	162.50
Bank Charges	710.69	553.56
Finance Procurement Charges	72.47	48.99
TOTAL	**2,693.41**	**3,692.98**

39. DEPRECIATION & AMORTISATION EXPENSE

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Depreciation	4,031.10	4,064.52
TOTAL	**4,031.10**	**4,064.52**

Refer Note No. 43 for information about Leases.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

40. OTHER EXPENSES

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Consumption of Stores, Dyes and Packing Materials	18,432.64	15,110.45
Jobwork Charges	29,280.32	20,181.42
Power & Fuel	6,386.59	7,312.38
Rent (a)	208.88	129.87
Rates, Taxes & Fees	108.76	112.14
Insurance	494.45	420.65
Repairs to Machinery	572.72	402.57
Repairs to Buildings	85.69	95.82
Commission & Brokerage	1,309.65	1,663.93
Freight Outward	4,382.19	3,586.90
Other Selling Expenses	1,804.53	2,803.06
Loss on Sale of Assets	199.00	1.51
Loss on sale of Investments	0.51	-
Loss in value of NAV of Mutual Funds	-	7.82
Loss on Redemption of Mutual Funds	-	18.20
Bad Debts / Advances written off	13.82	54.29
Provision for Doubtful Debts/Advances	433.43	-
Exchange Rate Difference (Net)	296.62	-
Mark to Market on Forward Contracts	-	875.92
Miscellaneous Expenses (b)	5,594.88	4,984.02
TOTAL	**69,604.68**	**57,760.95**

(a) Refer Note No. 43 for information about Leases

(b) Includes Payment to Auditors

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
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 Certification Work	0.28	0.20
In Other Capacity	3.52	1.68
For Reimbursement of Expenses	0.70	1.28
TOTAL	**29.50**	**28.16**

41. EXCEPTIONAL ITEMS

(a) Includes ₹ Nil (previous year ₹ 9,427.12 lakhs) provided against refund of excess export benefits of earlier years by way of MEIS claimed to the extent of ₹ Nil (previous year ₹ 7,267.87 lakhs) along with interest thereon against Adjudication Order issued by office of The Commissioner of Customs.

(b) Pursuant to the Notifications dated January 14, 2020 and January 29, 2020 issued by The Ministry of Textiles & the Ministry of Commerce, Government of India, withdrawing the entitlement under Merchandise Exports from India Scheme (MEIS) with retrospective effect from March 07, 2019 on certain products exported in the past, the Company had written off the MEIS benefit of ₹ Nil (previous year ₹ 419.33 lakhs) for the period from March 07, 2019 to March 31, 2019 as Exceptional Item.

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

A. Contingent Liabilities

₹ in lakhs

	Particulars	As at March 31, 2021	As at March 31, 2020
i)	Bank Guarantees	469.51	960.69
ii)	Excise Duty / Custom Duty / Service Tax demands disputed in Appeals	182.84	182.84
iii)	VAT / GST demands disputed in appeals	104.32	-
iv)	Other litigation claims (Including Pending Labour cases)	47.89	47.51
v)	Corporate Guarantee given to a Foreign Bank outside India for securing financial assistance to a Foreign Subsidiary	4,752.15	7,188.18

(a) In terms of EPCG Licences issued, the company has undertaken an export obligation for ₹ 64,797 lakhs, which is to be fulfilled over a period of 6 years. The company has completed the export obligation to the extent of ₹ 64,797 lakhs till the year end, of which licenses having Export Obligation of ₹ 50,442 lakhs redeemed by the DGFT and balance licenses having completed Export Obligation value of ₹ 14,355 lakhs are under redemption at DGFT. Further, there are licenses issued by the DGFT amounting to ₹ 4,439 lakhs for which capital goods are under imports.

(b) The Company does not have any Advance Authorization (Advance Import Licenses) at the year end.

(c) Under the package scheme of incentives of Government of Maharashtra for Mega Projects, the Company was eligible for VAT and Electricity duty refund benefits. However, if it contravenes any of the conditions of the scheme or eligibility certificate of entitlement, it shall repay forthwith the entire benefits drawn / availed alongwith interest thereon together with costs, charges and expenses.

(d) No provision has been made in the accounts towards Electricity Duty on electricity generated for captive use during the period 01.04.2000 to 30.04.2005 amounting to ₹ 292.07 lakhs (previous year ₹ 292.07 lakhs) excluding interest, as the Company has won the case against MSEDCL vide order number 2204 of 2007 dated 07.11.2009 of the Hon'ble High Court of Mumbai whereby it was decided that no such duty is payable. MSEDCL has appealed before the Hon'ble Supreme Court with condonation of delay and matter is yet to be heard. As the matter is subjudice, the management feels that no provision is necessary.

B. Commitments

₹ in lakhs

	Particulars	As at March 31, 2021	As at March 31, 2020
a)	Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	3,266.02	76.16
b)	Letter of credits opened for which the material has not yet been shipped	7,170.65	-

43. LEASES

a) The effect of adoption of Ind AS 116 is as follows:

The following is the summary of practical expedients elected on initial application:

i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

ii) Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

iii) Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

iv) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2020 is 8.55%.

b) The changes in the carrying value of ROU assets for the year ended March 31, 2021 are as follows:

₹ in lakhs

Particulars	Gross Carrying Amount	Depreciation	Net Carrying Amount
Land	1,420.44	56.41	1,364.03
Building	1,136.99	677.72	459.27
TOTAL	**2,557.43**	**734.13**	**1,823.30**

c) The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

d) Expense relating to short-term leases and leases of low value assets amounted to ₹ 208.88 lakhs has been disclosed under Note 39 to the financial statements.

e) Carrying value of Right-of-Use (ROU) assets amounted to ₹ 1,823.30 lakhs are disclosed under Note 6 to the financial statements.

f) The break-up of non-current and current lease liabilities as at March 31, 2021 are disclosed under Note No. 23 & 30 respectively.

g) The details of the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis are as follows:

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
A) The total of future minimum lease payments under non-cancellable leases for each of the following years:		
i) Not later than one year	625.95	591.90
ii) Later than one year and not later than five years	268.39	668.74
B) Lease payments recognized in the Statement of Profit and Loss	208.88	129.87

h) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

44. 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	Executive Vice Chairman (w.e.f. 01.07.2019), Non Executive Director (from 01.07.2018 to 30.06.2019)
3.	Shri K. R. Lalpuria	Executive Director & C.E.O.
4.	Shri Kamal Mitra	Director (Works)
5.	Shri P. N. Shah	Independent Director (upto 15.08.2019)

6. Shri R. Anand — Independent Director (upto 15.08.2019)
7. Shri Dilip Thakkar — Independent Director
8. Shri Prem Malik — Independent Director
9. Shri Sushil Kumar Jiwarajka — Independent Director
10. Dr. (Mrs.) Vaijayanti Pandit — Independent Director
11. Shri Sanjay Kumar Panda — Independent Director
12. Shri Siddharth Mehta — 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. Indo Count Global DMCC, UAE (Formerly Hometex Global DMCC)

B. Associates

1. A. K. Jain HUF

C. Others

1. Indo Count Foundation

₹ in lakhs

Particulars	Associates / Subsidiaries	Relatives of Key Management Personnel	Key Management Personnel	Others	Total
Remuneration Paid	-	40.08	2,280.44	-	2,320.52
	(-)	(40.08)	(1,088.55)	(-)	(1,128.63)
Commission Paid	232.49	-	6.00	-	238.49
	(363.69)	(-)	(7.00)	(-)	(370.69)
Sitting Fees	-	-	20.45	-	20.45
	(-)	(-)	(16.30)	(-)	(16.30)
Service Charges Paid	-	-	-	-	-
	(273.61)	(-)	(-)	(-)	(273.61)
Commission Received	58.00	-	-	-	58.00
	(17.04)	(-)	(-)	(-)	(17.04)
Sale of Goods	13,214.63	-	-	25.00	13,239.63
	(12,541.08)	(-)	(-)	(1.16)	(12,542.24)
Lease Rent Paid	80.75	-	-	-	80.75
	(81.95)	(-)	(-)	(-)	(81.95)
Reimbursemt of Expenes	0.20	-	-	-	0.20
	(-)	(-)	(-)	(-)	(-)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

₹ in lakhs

Particulars	Associates / Subsidiaries	Relatives of Key Management Personnel	Key Management Personnel	Others	Total
Services Charges against Deputation of Staff	11.60	-	-	-	11.60
	(-)	(-)	(-)	(-)	(-)
Business Purchase under Slump Sale from ICRVPL	1.00	-	-	-	1.00
	(-)	(-)	(-)	(-)	(-)
CSR Expenses	-	-	-	336.23	336.23
	(-)	(-)	(-)	(276.30)	(276.30)
Purchase of Goods	198.67	-	-	-	198.67
	(476.49)	(-)	(-)	(-)	(476.49)
Purchase of Stores, Spares & Packing Material	8.86	-	-	-	8.86
	(-)	(-)	(-)	(-)	(-)
Sale of Machinery	-	-	-	-	-
	(0.39)	(-)	(-)	(-)	(0.39)
Balance outstanding at the end of the year:					
a) Investments	2,491.58	-	-	-	2,491.58
	(2,492.09)	(-)	(-)	(-)	(2,492.09)
b) Sundry Debtors	4,971.50	-	-	-	4,971.50
	(3,550.90)	(-)	(-)	(-)	(3,550.90)
c) Deposit - Rent	15.60	-	-	-	15.60
	(15.60)	(-)	(-)	(-)	(15.60)
d) Deposit - Lease Machinery	30.00	-	-	-	30.00
	(-)	(-)	(-)	(-)	(-)
e) Other Payables:					
Remuneration Payable	-	-	1,048.48	-	1,048.48
	(-)	(-)	(242.05)	(-)	(242.05)
Commission Payable	95.58	-	6.00	-	101.58
	(65.49)	(-)	(7.00)	(-)	(72.49)
Service Charges Payable	14.62	-	-	-	14.62
	(14.64)	(-)	(-)	(-)	(14.64)
Lease Rent Payable	1.17	-	-	-	1.17
	(-)	(-)	(-)	(-)	(-)

a) Previous year figures are given in brackets.

b) Related parties enlisted above are those having transactions with the Company.

45. It is Management's opinion that since the Company is exclusively engaged in the activity of manufacture of textile products which constitutes a single reportable segment in the context of Indian Accounting Standard (Ind-AS) 108 on "Operating Segments" issued by the Institute of Chartered Accountants of India.

46. 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 ₹ 235.21 lakhs (previous year ₹ 430.87 lakhs).

b) Amount incurred during the year:

Particulars	₹ in lakhs
i) Construction / Acquisition of Asset	-
ii) On purpose other than (i) above	390.34

Out of the above, the Company has paid ₹ 336.23 lakhs (previous year ₹ 276.30 lakhs) to Indo Count Foundation.

47. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 33 "EARNINGS PER SHARE"

₹ in lakhs

Particulars	UoM	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
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	26,026.02	7,376.27
Weighted Average earnings per share (Basic and Diluted)	₹	13.18	3.74

48. OTHER INFORMATION

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
CIF Value of Imports:		
- Capital Goods	729.47	133.66
- Raw Materials	7,067.56	5,946.60
- Stores, Dyes and Packing Materials	1,855.40	595.01
Expenditure in Foreign Currency:		
- Travelling	24.38	152.90
- Selling Commission / Claims	1,288.41	1,651.21
- Others	4,229.35	1,131.56
Earnings in Foreign Currency:		
- FOB Value of Exports	2,31,789.94	1,73,777.93

49. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 19 "EMPLOYEE BENEFITS"

Defined Contribution Plans:

Amount of ₹ 654.25 lakhs (previous year ₹ 625.09 lakhs) is recognised as an expense and included in Employee Benefits Expense under the following defined contribution plans (Refer Note 37, supra):

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Benefits:		
Provident Fund	589.44	545.95
Employee State Insurance Scheme	62.51	75.70
Labour Welfare Scheme	2.30	3.44
TOTAL	**654.25**	**625.09**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Defined Benefit Plans:

Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

The Company makes annual contributions to the Life Insurance Corporation of India, which is funded defined benefit plan for qualifying employees.

Leave Encashment Benefit

The Company provides for leave encashment, a defined benefit retirement plan covering eligible employees. The leave encashment plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 12 days salary for each completed year of service till retirement, subject to maximum of 90 days.

The Company makes annual contributions to the Life Insurance Corporation of India, which is funded defined benefit plan for qualifying employees.

₹ in lakhs

Sr. No.	Particulars	GRATUITY		LEAVE ENCASHMENT	
		2020-21 (funded)	2019-20 (funded)	2020-21 (funded)	2019-20 (funded)
I	**Change in Present Value of Defined Benefit Obligation during the Year**				
	1 Present Value of Defined Benefit Obligation at the beginning of the Year	2,026.01	1,721.16	500.35	445.35
	2 Interest Cost	127.27	123.40	27.05	27.30
	3 Current Service Cost	168.23	157.62	74.05	40.33
	4 Past Service Cost	-	-	-	-
	5 Liability Transfer from other Company	-	-	-	-
	6 Liability Transferred out / Divestment	-	-	-	-
	7 Benefits Paid Directly by Employer	-	-	-	-
	8 Benefits Paid	(126.59)	(61.03)	(28.58)	(15.86)
	9 Actuarial Changes Arising from Changes in Demographic Assumptions	-	(1.10)	-	(0.20)
	10 Actuarial Changes Arising from Changes in Financial Assumptions	(14.16)	124.74	(2.68)	30.47
	11 Actuarial Changes Arising from Changes in Experience Adjustments	(53.00)	(38.78)	(20.90)	(27.04)
	12 Present Value of Defined Benefit Obligation at the end of the Year	2,127.76	2,026.01	549.28	500.35
II	**Change in Fair Value of Plan Assets during the Year**				
	1 Fair Value of Plan Assets at the beginning of the Year	1,485.32	1,256.08	462.07	409.11
	2 Interest Income	99.96	96.72	31.10	31.50
	3 Contributions Paid by the Employer	434.47	191.33	30.59	37.37
	4 Benefits Paid from the Fund	(126.59)	(61.03)	(28.58)	(15.86)
	5 Assets Transferred Out / Divestments	-	-	-	-
	6 Return on Plan Assets Excluding Interest Income	-	-	-	-
	7 Actuarial Losses / (Gains)	11.91	2.22	0.55	(0.05)
	8 Fair Value of Plan Assets at the end of the Year	1,905.07	1,485.32	495.72	462.07
III	**Net Asset / (Liability) recognised in the Balance Sheet**				
	1 Present Value of Defined Benefit Obligation at the end of the Year	2,127.76	2,026.01	549.28	500.35
	2 Fair Value of Plan Assets at the end of the Year	1,905.07	1,485.32	495.72	462.07
	3 Amount recognised in the Balance Sheet	222.69	540.69	53.56	38.28
	4 Net (Liability) / Asset - Current	-	-	-	-
	5 Net (Liability) / Asset - Non-Current	(222.69)	(540.69)	(53.56)	(38.28)

₹ in lakhs

Sr. No.	Particulars	GRATUITY		LEAVE ENCASHMENT	
		2020-21 (funded)	2019-20 (funded)	2020-21 (funded)	2019-20 (funded)
IV	**Expenses recognised in the Statement of Profit and Loss for the Year**				
	1 Current service Cost	168.23	157.62	74.05	40.33
	2 Interest Cost on Benefit Obligation (Net)	6.97	26.68	(2.85)	(4.20)
	3 Actuarial Changes Arising from Changes in Demographic Assumptions	-	-	-	(0.20)
	4 Actuarial Changes Arising from Changes in Financial Assumptions	-	-	2.68	30.47
	5 Actuarial Changes Arising from Changes in Experience Adjustments	-	-	(20.90)	(27.04)
	6 Return on Plan Assets excluding amount included in 'Net Interest on net Defined Liability / (Asset)' above	-	-	(0.55)	0.05
	7 Total Expenses included in Employee Benefits Expense	175.20	184.30	52.42	39.41
V	**Recognised in Other Comprehensive Income for the Year**				
	1 Actuarial Changes Arising from Changes in Demographic Assumptions	-	(1.10)	-	-
	2 Actuarial Changes Arising from Changes in Financial Assumptions	(14.16)	124.74	-	-
	3 Actuarial Changes Arising from Changes in Experience Adjustments	(53.00)	(38.78)	-	-
	4 Return on Plan Assets excluding Interest Income	(11.91)	(2.22)	-	-
	5 Recognised in Other Comprehensive Income	(79.07)	82.65	-	-
VI	**Maturity Profile of Defined Benefit Obligation**				
	1 Within the next 12 Months (Next Annual Reporting Period)	240.38	265.31	190.94	196.87
	2 Between 2 and 5 Years	467.82	393.82	96.71	76.32
	3 Between 6 and 10 Years	1,036.78	855.59	182.93	135.59
VII	**Quantitative Sensitivity Analysis for Significant Assumption is as below:**				
	Increase / (Decrease) on Present Value of Defined Benefits Obligation at the end of the Year				
	(i) One Percentage Point increase in Discount Rate	(2,329.13)	(2,209.35)	(590.35)	(536.79)
	(ii) One Percentage Point decrease in Discount Rate	1,954.63	1,872.92	513.81	469.01
	(i) One Percentage Point increase in Rate of Salary Increase	1,964.07	1,841.86	515.38	468.25
	(ii) One Percentage Point decrease in Rate of Salary Increase	(2,313.21)	(2,203.04)	(587.89)	(537.06)

VIII Sensitivity Analysis Method

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

IX The major categories of plan assets as a percentage of total

	GRATUITY		LEAVE ENCASHMENT	
	2020-21	2019-20	2020-21	2019-20
Insurer Managed Funds	100%	100%	100%	100%

X Actuarial Assumptions

	GRATUITY		LEAVE ENCASHMENT	
	2020-21 (funded)	2019-20 (funded)	2020-21 (funded)	2019-20 (funded)
Discount Rate (p.a.)	6.73% p.a.	6.73% p.a.	6.73% p.a.	6.73% p.a.
Salary Escalation (p.a.)	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.
Mortality Rate during Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

	GRATUITY		LEAVE ENCASHMENT	
	2020-21 (funded)	2019-20 (funded)	2020-21 (funded)	2019-20 (funded)
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 March 31, 2021. 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.

50. DETAILS OF CAPITAL EXPENDITURE INCURRED DURING THE YEAR FOR RESEARCH AND DEVELOPMENT

₹ in lakhs

Particulars	2020-21	2019-20
Plant and Machinery	-	0.11
TOTAL	**-**	**0.11**

51. 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 lossess of these instruments.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

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 March 31, 2020	Level 1	Level 2	Level 3
Financial Assets at Amortised Cost:				
Trade Receivables	25,792.10	-	-	-
Loans and Other Receivables (Non-Current)	333.07	-	-	333.07

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

₹ in lakhs

Particulars	Carrying Amount	Fair value		
	As at March 31, 2020	Level 1	Level 2	Level 3
Loans and Other Receivables (Current)	464.22	-	-	464.22
Cash and Bank Balances	12,563.67	-	-	-
Bank Deposits	254.37	-	-	-
TOTAL	**39,407.43**	**-**	**-**	**797.29**
Financial Assets at Fair Value through Profit and Loss:				
Investments	9.54	9.54	-	-
TOTAL	**9.54**	**9.54**	**-**	**-**
Financial Liabilities at Amortised Cost:				
Non-Current Borrowings	3,609.72	-	-	-
Current Borrowings	29,184.60	-	-	-
Trade and Other Payables	11,622.38	-	-	-
Other Financial Liabilities (Non Current)	588.72	-	-	588.72
Other Financial Liabilities (Current)	3,576.11	-	-	1,583.80
TOTAL	**48,581.53**	**-**	**-**	**2,172.52**
Financial Assets at Fair Value through Other Comprehensive Income:				
Derivative Instruments	5,639.00	-	5,639.00	-
TOTAL	**5,639.00**	**-**	**5,639.00**	**-**

₹ in lakhs

Particulars	Carrying Amount	Fair value		
	As at March 31, 2021	Level 1	Level 2	Level 3
Financial Assets at Amortised Cost:				
Trade Receivables	52,514.59	-	-	-
Loans and Other Receivables (Non-Current)	191.47	-	-	191.47
Loans and Other Receivables (Current)	536.91	-	-	536.91
Cash and Bank Balances	11,430.56	-	-	-
Bank Deposits	223.97	-	-	-
TOTAL	**64,897.50**	**-**	**-**	**728.38**
Financial Assets at Fair Value through Profit and Loss:				
Investments	16,693.48	16,693.48	-	-
TOTAL	**16,693.48**	**16,693.48**	**-**	**-**
Financial Assets at Fair Value through Other Comprehensive Income:				
Derivative Instruments	4,763.42	-	-	4,763.42
TOTAL	**4,763.42**	**-**	**-**	**4,763.42**
Financial Liabilities at Amortised Cost:				
Non-Current Borrowings	1,935.26	-	-	-
Current Borrowings	50,586.22	-	-	-
Trade and Other Payables	22,976.46	-	-	-
Other Financial Liabilities (Non Current)	156.33	-	-	156.33
Other Financial Liabilities (Current)	3,012.63	-	-	1,418.22
TOTAL	**78,666.90**	**-**	**-**	**1,574.55**

During the reporting period ending March 31, 2021 and March 31, 2020, 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 March 31, 2021	As at March 31, 2020
Non-Current Security Deposits	Discounted Cash Flow method using current interest rate.	
Derivative Instruments	Based on quotes from banks.	
Other Financial Liabilities (Non-Current)	Discounted Cash Flow method using risk adjusted discount rate.	

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board of Directors.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimise the Company's position with regard to interest income and interest expense and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, an analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. Above 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to Interest Rate Risk

₹ In lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Total Borrowings	54,115.77	34,785.28
% of Borrowings out of above bearing Variable Rate of Interest	100%	100%

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit before Tax:

₹ In lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
50 bps increase would decrease the Profit before Tax by	270.58	173.93
50 bps decrease would increase the Profit before Tax by	(270.58)	(173.93)

Foreign Currency Risk

The Company operates internationally and portion of the business is transacted in serveral currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies.

Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign Currency in lakhs

Particulars	USD	EUR	GBP	CHF	JPY	Total
Foreign Currency Exposure as at March 31, 2020						
Trade and Other Receivables	298.07	0.80	0.91	1.45	19.27	320.50
Non-Current Borrowings	-	-	-	5.64	-	5.64
Current Borrowings	2.24	-	-	-	-	2.24
Bank Balances	36.82	-	-	-	-	36.82
Trade and Other Payables	74.01	0.28	0.72	-	-	75.01
Foreign Currency Exposure as at March 31, 2021						
Trade and Other Receivables	694.48	0.68	3.12	1.09	-	699.37
Non-Current Borrowings	-	-	-	1.37	-	1.37
Current Borrowings	37.72	-	-	-	-	37.72
Bank Balances	10.34	-	-	-	-	10.34
Trade and Other Payables	79.69	0.01	0.97	-	-	80.67

Forward Contracts

Foreign currency hedges taken by the Company against export trade receivables are as under:

Particulars	Number of Contracts	Foreign Currency in lakhs (US$)	₹ in lakhs	Buy / Sell
As at March 31, 2021	268	2,595.00	1,99,822.59	Sell
As at March 31, 2020	202	1,588.98	1,14,343.28	Sell

Foreign Currency Sensitivity

5 % increase or decrease in foreign exchange rates will have the following impact on profit before tax:

₹ in lakhs

Particulars	2020-21		2019-20	
	5 % Increase	5 % Decrease	5 % Increase	5 % Decrease
USD	3,005.65	(3,005.65)	1,555.44	(1,555.44)
EUR	2.93	(2.93)	4.47	(4.47)
GBP	20.60	(20.60)	7.62	(7.62)
CHF	9.55	(9.55)	25.94	(25.94)
JPY	-	-	13.42	(13.42)
INCREASE / (DECREASE) IN PROFIT AND LOSS	**3,038.73**	**(3,038.73)**	**1,606.90**	**(1,606.90)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Market Risk - Price Risk

Exposure

The Company's exposure to equity securities' price risk arises from investments held by the Company and classified in the Balance Sheet at fair value through Profit and Loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Sensitivity

The table below summarises the impact of increase / decrease of the BSE index on the Company's equity and gain / loss for the period. The analysis is based on the assumption that the index has increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Impact on Profit before Tax

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
BSE Sensex 30 - Increase 5%	834.67	0.48
BSE Sensex 30 - Decrease 5%	(834.67)	(0.48)

Above referred sensitivity pertains to quoted equity investment (Refer Note No. 13). Profit for the year would increase / decrease as a result of gains / losses on equity securities at fair value through profit and loss.

Credit Risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, they are recognised in profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industrial practices and the business enviornment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on historical data, loss on collection of receivable is not material, hence, no additional provision considered.

Exposure to Credit Risk

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets for which loss allowance is measured using 12-months' Expected Credit Losses (ECL)		
Investments in Debentures or Bonds	16,693.48	9.54
Non-Current Loans and Advances	191.46	333.06
Cash and Bank Balances	11,430.56	12,563.67
Bank Deposits	223.97	254.37
Current Loans and Advances	536.91	464.22

Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables	52,514.59	25,792.10

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 March 31, 2021	
Not Due	49,653.13
Up to 3 months	1,664.72
3 to 6 months	201.41
More than 6 months	995.33
TOTAL	**52,514.59**
As at March 31, 2020	
Not Due	22,088.60
Up to 3 months	1,765.69
3 to 6 months	670.63
More than 6 months	1,267.18
TOTAL	**25,792.10**

Financial assets are considered to be of good quality and there is no significant increase in credit risk.

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:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

₹ in lakhs

Particulars	Less than 1 year	1 to 5 years	Total
As at March 31, 2021			
Non-Current Borrowings	-	1,935.26	1,935.26
Other Non-Current Financial Liabilities	-	156.33	156.33
Current Borrowings	50,586.22	-	50,586.22
Trade Payables	22,976.46	-	22,976.46
Other Current Financial Liabilities	3,012.63	-	3,012.63
As at March 31, 2020			
Non-Current Borrowings	-	3,609.72	3,609.72
Other Non-Current Financial Liabilities	-	588.72	588.72
Current Borrowings	29,184.60	-	29,184.60
Trade Payables	11,622.38	-	11,622.38
Other Financial Liabilities	9,215.11	-	9,215.11

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 March 31, 2021	As at March 31, 2020
Exposure to Credit Risk		
Total Debt	54,115.77	34,785.28
Equity	1,27,437.66	97,236.64
Capital and Debt	**1,81,553.43**	**1,32,021.92**
GEARING RATIO	**29.81%**	**26.35%**

53 NET DEBT RECONCILIATION

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and Cash Equivalents	11,430.56	12,563.67
Non-Current Borrowings (including Current Maturities)	(3,529.55)	(5,600.68)
Current Borrowings	(50,586.22)	(29,184.60)
Interest Accrued but not Due	(0.12)	(1.35)
NET DEBT	**(42,685.33)**	**(22,222.96)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

₹ in lakhs

Particulars	Cash and Cash Equivalents	Non Current Borrowings (including Current Maturities)	Current Borrowings	Interest Accrued but not Due	Total
As at March 31, 2021					
Opening Net Debt	**12,563.67**	**(5,600.68)**	**(29,184.60)**	**(1.35)**	**(22,222.96)**
Cash Flows	(1,133.11)	2,071.13	(21,401.62)	-	(20,463.60)
Finance Cost	-	-	-	(2,693.41)	(2,693.41)
Interest Paid	-	-	-	2,694.64	2,694.64
CLOSING NET DEBT	**11,430.56**	**(3,529.55)**	**(50,586.22)**	**(0.12)**	**(42,685.33)**
As at March 31, 2020					
Opening Net Debt	**1,774.02**	**(8,035.62)**	**(22,850.03)**	**(53.58)**	**(29,165.21)**
Cash Flows	10,789.65	2,434.94	(6,334.57)	-	6,890.02
Finance Cost	-	-	-	(3,692.98)	(3,692.98)
Interest Paid	-	-	-	3,745.21	3,745.21
CLOSING NET DEBT	**12,563.67**	**(5,600.68)**	**(29,184.60)**	**(1.35)**	**(22,222.96)**

54 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

There are no loans given, which are covered under section 186(4) of the Companies Act, 2013. Investments made are given under the respective heads.

Corporate guarantee given by the Company in respect of loans as at March 31, 2021:

₹ in lakhs

Name of the Company	As at March 31, 2021	As at March 31, 2020
Indo Count Global Inc., USA	4,752.15	7,188.18
TOTAL	**4,752.15**	**7,188.18**

55. IMPACT OF COVID PANDEMIC AND RELATED LOCKDOWN MEASURES

Due to outbreak of Covid-19 pandemic and subsequent lockdown enforced by the Government of India, the manufacturing operations were temporarily shut down from 23rd March, 2020 and after a period of ~ 30 days, restarted partially from 26th April, 2020 subject to conditions imposed by the Government. As a result of lockdown, the volumes for the month of April 2020 and May 2020 were impacted and accordingly, results of FY 2021 are not comparable with corresponding FY 2020. The Company has assessed, and is continuously reviewing, its liquidity, future cash flow projections and the probability of occurrence of the forecasted transactions underlying the hedges based on orders in hand and current indicators of future economic conditions. The financial results for Q4 FY 21 takes into consideration such assessment of the possible effects of the Covid 19 and the recoverability of the carrying value of its assets. However, the impact of pandemic in the subsequent period may be different from the estimations used at the time of finalising these financial result.

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

New Delhi, May 17, 2021

For and on behalf of Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Mumbai, May 17, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Indo Count Industries Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **Indo Count Industries Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated statement of Profit and Loss (including consolidated other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs as at March 31, 2021, consolidated profit(including consolidated other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 55 to the consolidated financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Group's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

1. The group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk. Foreign currency exchange rate exposure through its sales are partly balanced by purchasing of goods, commodities and services in the respective currencies. The balance foreign currency exchange rate exposure is hedged through derivative like foreign exchange forward contracts. (Refer Note No. 52 to the consolidated financial statements). We assessed the foreign exchange risk management policies adopted by the group. The group manages risk through a treasury department which formulates risk management objectives and policies which are reviewed by the senior management, Audit Committee and Board of Directors of the holding company. Our audit approach was a combination of test of internal controls and substantive procedures to evaluate chances of minimizing the risk involved.

2. The group has material matters under dispute which involves significant judgement to determine the possible outcome of these disputes (Refer Note No. 43 to the consolidated financial statements). We obtained the details of the disputes with their present status and documents. We made an indepth analysis of the dispute. We also considered legal procedures and other rulings in evaluating managements position on these disputes to evaluate whether any change was required to management's position on these disputes.

3. As on 31st March 2021, current tax assets and other current assets includes amounts recoverable from government department for which efforts for recovery are being made (refer Note No. 19 and 20 to the consolidated financial statements). Our audit procedures consisted of evaluating whether any change was required to management's position on these uncertainties and the likelihood of recoverability.

4. The plant operations of a subsidiary were temporarily shut down in April and May 2020 with lockdown declared

by the Government pursuant to outbreak of Covid 19 pandemic. The Board approved VRS/Separation Scheme on July 15, 2020 which resulted in production stoppage. Thereafter, the Board at its meeting held on 21st October 2020 approved the scheme of amalgamation of the Company with the holding company from the appointed date i.e., 1st October,2020 or such other date as directed by the Mumbai Bench of the National Company Law Tribunal (NCLT). No-objection to the said scheme have been received from BSE Limited and SEBI. Application is being filed with NCLT. Consequently, the accounts of the subsidiary company have been prepared without giving effect of amalgamation on a going concern basis. (refer note 15 and 31 to the financial statements).

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The holding company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

(a) We did not audit the financial statements / financial information of one subsidiary whose financial statements / financial information reflect total assets of ₹ 10,406.40 lakhs as at 31st March, 2021, total revenues of ₹ 13,261.83 lakhs and net cash flows amounting to ₹ (455.75) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of three subsidiaries whose financial statements / financial information reflect total assets of ₹ 666.28 lakh as at 31st March, 2021, total revenues of ₹ 335.42 lakhs and net cash flows amounting to ₹ (63.72) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the group's internal financial controls over financial reporting.

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

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

INDEPENDENT AUDITOR'S REPORT

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note No. 43 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note No. 52 to the consolidated financial statements in respect of such items as it relates to the Group.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.

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

Ankur Bagla
Partner
Membership No.: 521915
UDIN: 21521915AAAACE3804

Place: New Delhi
Date: 17th May, 2021

Annexure A referred to in Paragraph 6(I)(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date on the consolidated financial statements of Indo Count Industries Limited and its subsidiary companies incorporated in India for the year ended 31st March 2021.

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 March 31 2021, we have audited the internal financial controls over financial reporting of Indo Count Industries Limited (hereinafter referred to as "the Holding Company") and received audit report of the statutory auditor of its subsidiary company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the 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, 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Ankur Bagla
Partner
Membership No.: 521915
UDIN: 21521915AAAACE3804

Place: New Delhi
Date: 17th May, 2021

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2021

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	6	54,025.11	55,371.90
(b) Capital Work-In-Progress	6	772.40	586.11
(c) Right-of-Use	7	1,823.30	1,825.46
(d) Other Intangible Assets	8	264.95	262.62
(e) Financial Assets			
(i) Loans	9	383.86	395.97
(ii) Others	10	0.01	0.01
(f) Other Non-Current Assets	11	827.39	643.51
(2) Current Assets			
(a) Inventories	12	71,803.75	52,371.62
(b) Financial Assets			
(i) Investments	13	16,693.48	9.54
(ii) Trade Receivables	14	51,566.06	24,233.31
(iii) Cash and Cash Equivalents	15	11,975.65	13,935.90
(iv) Bank balances other than (iii) above	16	677.86	1,099.35
(v) Loans	17	139.88	31.30
(vi) Others	18	5,130.46	432.93
(c) Current Tax Assets (Net)	19	898.99	2,320.06
(d) Other Current Assets	20	12,570.85	16,052.61
TOTAL ASSETS		**2,29,554.00**	**1,69,572.20**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	21	3,947.99	3,947.99
(b) Other Equity		1,24,509.12	94,653.81
NON-CONTROLLING INTEREST		551.57	694.40
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	1,935.26	3,609.72
(ii) Other Financial Liabilities	23	156.33	588.72
(b) Provisions	24	276.25	645.95
(c) Deferred Tax Liabilities (Net)	25	7,964.12	5,747.77
(d) Other Non-Current Liabilities	26	758.56	797.93
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	27	53,707.85	29,273.45
(ii) Trade Payables			
- Micro & Small Enterprises	28	4,065.26	2,025.16
- Other than Micro & Small Enterprises	29	19,397.18	10,894.66
(iii) Other Financial Liabilities	30	2,917.30	9,173.09
(b) Other Current Liabilities	31	9,357.19	7,502.86
(c) Current Tax Liabilities (Net)	32	10.02	16.69
TOTAL EQUITY AND LIABILITIES		**2,29,554.00**	**1,69,572.20**
CONTINGENT LIABILITIES AND COMMITMENTS	33,43		
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

New Delhi, May 17, 2021

For and on behalf of Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Mumbai, May 17, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lakhs)

Particulars		Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
CONTINUING OPERATIONS				
I	**INCOME**			
	Revenue from Operations	34	2,51,918.58	2,08,012.74
	Other Income	35	3,783.02	5,463.80
	TOTAL INCOME		**2,55,701.60**	**2,13,476.54**
II	**EXPENSES**			
	Cost of Materials Consumed	36	1,33,438.23	1,10,763.94
	Purchase of Stock-In-Trade		7,071.09	37.13
	Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	37	(13,525.00)	3,145.66
	Employee Benefits Expense	38	15,904.44	14,807.31
	Finance Cost	39	2,807.90	3,924.53
	Depreciation and Amortisation Expense	40	4,314.92	4,346.22
	Other Expenses	41	71,362.80	60,937.55
	TOTAL EXPENSES		**2,21,374.38**	**1,97,962.34**
III	**Profit before Exceptional Items and Tax (I-II)**		**34,327.22**	**15,514.20**
IV	**Exceptional Items**	42	(365.04)	(9,846.45)
V	**Profit before Tax (III-IV)**		**33,962.18**	**5,667.75**
VI	**Tax Expense**			
	a) Current Tax		8,809.21	1,888.05
	b) Previous Year Tax		113.64	0.22
	c) Deferred Tax		126.66	(3,530.21)
VII	**Profit for the Year (V-VI)**		**24,912.67**	**7,309.69**
VIII	**Other Comprehensive Income**			
	A Items that will not be reclassified to Profit and Loss:			
	(i) Remeasurement of the Net Defined Benefit Liability / Asset		120.67	(81.61)
	(ii) Income Tax relating to items that will not be reclassified to Profit and Loss		(31.47)	21.57
	B Items that will be reclassified to Profit and Loss:			
	(i) Remeasurement of the net change in Forex Liability / Asset		8,177.90	(6,212.74)
	(ii) Income Tax relating to items that will be reclassified to Profit and Loss		(2,058.21)	1,563.62
	(iii) Exchange Difference on translation of Foreign Operations		(192.44)	(149.93)
IX	**Total Comprehensive Income for the Year (VII+VIII)**		**30,929.12**	**2,450.60**
X	**Profit attributable to:**			
	Owners of the Company		25,063.14	7,378.00
	Non-Controlling Interests		(150.47)	(68.31)
XI	**Total Comprehensive Income attributable to:**			
	Owners of the Company		31,071.94	2,519.42
	Non-Controlling Interests		(142.82)	(68.82)
X	**Earnings per Equity Share**	48		
	a) Basic (₹)		12.70	3.74
	b) Diluted (₹)		12.70	3.74
SIGNIFICANT ACCOUNTING POLICIES		4		

The accompanying notes form an integral part of Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors

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

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

Ankur Bagla
Partner
Membership No.: 521915

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

New Delhi, May 17, 2021

Mumbai, May 17, 2021

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

A. EQUITY SHARE CAPITAL

Particulars	Note No.	₹ in lakhs
As at March 31, 2019		**3,947.99**
Changes in Equity Share Capital	21(a)	-
As at March 31, 2020		**3,947.99**
Changes in Equity Share Capital	21(a)	-
As at March 31, 2021		**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	Securities Premium Reserve	Retained Earnings			
Balance as at 31.03.2019	**198.81**	**1,653.72**	**91,578.61**	**(1.05)**	**96.62**	**93,526.71**
Profit for the Year	-	-	7,378.00	-	-	**7,378.00**
Other Comprehensive Income for the Year	-	-	(4,858.58)	-	-	**(4,858.58)**
Total Comprehensive Income for the year	**-**	**-**	**2,519.42**	**-**	**-**	**2,519.42**
- Creation during the period for Balance Sheet items	-	-	-	-	(52.47)	**(52.47)**
- Creation during the period for Profit and Loss items	-	-	-	-	149.93	**149.93**
Share in Losses of Minority due to purchase of Shares	-	-	(61.92)	-	-	**(61.92)**
Final Dividend on Equity Shares	-	-	(1,184.40)	-	-	**(1,184.40)**
Dividend Distribution Tax on Final Dividend	-	-	(243.46)	-	-	**(243.46)**
Amortised during the year	-	-	(0.52)	0.52	-	**-**
Balance as at March 31, 2020	**198.81**	**1,653.72**	**92,607.73**	**(0.53)**	**194.08**	**94,653.81**
Profit for the Year	-	-	25,063.14	-	-	**25,063.14**
Other Comprehensive Income for the Year	-	-	6,008.80	-	-	**6,008.80**
Total Comprehensive Income for the year	**-**	**-**	**31,071.94**	**-**	**-**	**31,071.94**
- Creation during the period for Balance Sheet items	-	-	-	-	(224.67)	**(224.67)**
- Creation during the period for Profit and Loss items	-	-	-	-	192.44	**192.44**
Amortised during the year	-	-	(0.52)	0.52	-	**-**
Final Dividend on Equity Shares	-	-	(1,184.40)	-	-	**(1,184.40)**
Balance as at March 31, 2021	**198.81**	**1,653.72**	**1,22,494.75**	**(0.01)**	**161.85**	**1,24,509.12**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended March 31, 2021

NATURE AND PURPOSE OF RESERVES:

i) Capital Reserve:

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

ii) Capital Redemption Reserve:

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

iii) Securities Premium Reserve:

Securities Premium Reserve is created when shares issued at premium.

The accompanying notes form an integral part of Financial Statements

As per our report of even date attached

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

Ankur Bagla
Partner
Membership No.: 521915

New Delhi, May 17, 2021

For and on behalf of Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Mumbai, May 17, 2021

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2021

₹ in lakhs

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Exceptional Items and Tax		**34,327.22**		**15,514.20**
Adjustments for:				
Depreciation and Amortisation		4,314.92		4,346.22
Profit on Sale of Assets		(49.93)		(0.06)
Finance Cost		2,807.90		3,924.53
Interest Income		(1,012.14)		(238.15)
Other Comprehensive Income		8,298.57		(6,294.35)
Dividend Income on Mutual Funds		-		(80.52)
Loss on Sale of Assets		199.00		1.51
Loss/(Profit) on Redemption of Mutual Funds		(8.22)		18.20
Loss in value of NAV of Mutual Funds		(94.18)		7.82
Exceptional Items		(365.04)		(9,846.45)
Operating Profit before Working Capital changes		**48,418.10**		**7,352.95**
Changes in Working Capital:				
Adjustment for (Increase) / Decrease in Operating Assets:				
Non-Current Financial Assets	12.11		(223.40)	
Other Non-Current Assets	(183.87)		122.49	
Inventories	(19,432.12)		699.05	
Trade Receivables	(27,332.76)		1,296.81	
Current Financial Assets	(4,384.62)		1,375.25	
Other Current Assets	3,481.74	(47,839.52)	(3,676.11)	(405.91)
Adjustment for Increase / (Decrease) in Operating Liabilities:				
Other Non Current Financial Liabilities	(432.38)		588.72	
Non Current Provisions	(369.71)		82.52	
Other Non-Current Liabilities	(39.37)		(39.37)	
Trade Payables	10,542.62		(1,474.66)	
Other Current Financial Liabilities	(6,255.79)		5,551.48	
Other Current Liabilities	1,854.34	5,299.71	4,931.70	9,640.39
Net Taxes (paid) / refund received		(7,508.44)		(2,611.16)
Net Cash Flow from Operating Activities (A)		**(1,630.15)**		**13,976.27**
B) CASH FLOW FROM INVESTING ACTIVITIES				
Capital Expenditure		(3,583.77)		(3,312.32)
Proceeds from Sale of Assets		280.11		0.73
Purchase of Shares of Minority		-		(0.18)
Purchase of Current Investments		(16,581.54)		4,598.99
Dividend Income on Mutual Funds		-		80.52
Interest Income		1,012.14		238.15
Net Cash Flow from Investing Activities (B)		**(18,873.06)**		**1,605.89**

CONSOLIDATED CASH FLOW STATEMENT
For the year ended March 31, 2021

₹ in lakhs

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
C) CASH FLOW FROM FINANCING ACTIVITIES				
Net Increase / (Decrease) in Non-Current Borrowings		(1,674.47)		(2,133.80)
Net Increase / (Decrease) in Current Borrowings		24,434.40		3,580.24
Finance Cost		(2,807.90)		(3,924.53)
Final Dividend on Equity Shares (including DDT)		(1,184.40)		(1,427.85)
Transitional Reserve of Balance Sheet Items		(224.67)		(52.46)
Net Cash Flow from Financing Activities (C)		**18,542.96**		**(3,958.41)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		**(1,960.25)**		**11,623.75**
Cash and Cash Equivalents at the beginning of the year		13,935.90		2,312.15
Cash and Cash Equivalents at the end of the year		**11,975.65**		**13,935.90**
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:				
Cash and Cash Equivalents as per Balance Sheet		**11,975.65**		**13,935.90**
Cash and Cash Equivalents at the end of the year comprises of:				
(a) Cash in Hand		7.46		28.23
(b) Balance with Banks				
- In Current Accounts		3,310.19		5,589.70
- In Fixed Deposits		8,658.00		8,317.97

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

New Delhi, May 17, 2021

For and on behalf of Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Mumbai, May 17, 2021

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 March 31, 2021 were authorized for issue in accordance with a resolution of the Board of Directors on May 17, 2021.

2. BASIS OF PREPARATION

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

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

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

The financial statements are presented in Indian Rupees ('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. Inter-Company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provided evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment and right-of-use assets:

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

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

Right-of-use (ROU) assets are stated at cost, less accumulated depreciation and impairment loss, if any. The carrying amount of ROU assets is adjusted for remeasurement of lease liability, if any, in future.

Cost of ROU assets comprises the amount of initial measurement of lease liability, lease payments made before the commencement date (net of incentives received), initial direct costs and present value of estimated costs of dismantling and restoration, if any.

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.

ROU assets are depreciated on straight line basis from the commencement date to the end of useful life of asset or lease term whichever is earlier.

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

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

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

4.2 Investment properties

Investment properties comprise portions of freehold land and office building that are held for long-term rental yields and/or for capital appreciation. Investment properties are initially 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.

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.

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 exists 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 transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

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

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 ₹ 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 loss of the item that gave rise 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 is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

4.10 Fair value measurement

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

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

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

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

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.

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

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

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

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

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

4.11 Revenue Recognition

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

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

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

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

Sale of goods:

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

Rendering of Services:

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

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

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

4.13 Earnings per share

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

4.14 Taxes

Current Income Tax:

- Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.
- Current income tax relating to items 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 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.

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 the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.

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

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

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

Inter-Segment transfer pricing

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

4.16 Leases

The Group as a lessee:

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset,

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease, and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor:

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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.

b) Defined Benefit Plans

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

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

Remeasurements, comprising of actuarial gain and loss, the effect of asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are 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.

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4.18 Provisions, 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 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.

Onerous contracts

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

4.19 Exceptional Items

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

4.20 Non-current assets held for sale and discontinued operations

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

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

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

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

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

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

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.
- 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 lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Investment in associates, joint venture and subsidiaries

The Group has accounted for its investment in associates, joint venture and subsidiaries at cost.

Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months' expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months' ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognize impairment loss allowance based on 12-months' ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of 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.

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, only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are 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 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.

iv) Derivative financial instruments and hedge accounting

The Group enters into derivative contracts

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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 derivate contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges, which is 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 respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

4.23 Preference Shares

i) Non-convertible Preference Shares

On issuance of non-convertible preference shares, the fair value is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

ii) Convertible Preference Shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

4.24 Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made judgements, which have the most significant effect on the amounts recognised in the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these 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 April 1, 2020	**-**	**1,066.66**	**16,363.39**	**79,917.26**	**1,612.47**	**1,626.28**	**531.52**	**1,01,117.58**	**586.11**
Additions	-	-	1,166.82	1,447.89	52.14	63.70	-	**2,730.55**	186.75
Disposals / Transfers	-	-	-	2,358.61	-	6.22	33.80	**2,398.63**	0.46
As at March 31, 2021	**-**	**1,066.66**	**17,530.21**	**79,006.54**	**1,664.61**	**1,683.76**	**497.72**	**1,01,449.50**	**772.40**
Accumulated Depreciation									
As at April 1, 2020	**-**	**-**	**4,842.84**	**38,423.04**	**1,062.05**	**1,106.99**	**310.76**	**45,745.68**	**-**
Depreciation charged for the year	-	-	651.15	2,825.43	64.93	155.48	48.20	**3,745.19**	-
Disposals / Transfers	-	-	-	2,033.47	-	0.90	32.11	**2,066.48**	-
As at March 31, 2021	**-**	**-**	**5,493.99**	**39,215.00**	**1,126.98**	**1,261.57**	**326.85**	**47,424.39**	**-**
Net Carrying Amount									
As at March 31, 2020	**-**	**1,066.66**	**11,520.55**	**41,494.22**	**550.42**	**519.29**	**220.76**	**55,371.90**	**586.11**
As at March 31, 2021	**-**	**1,066.66**	**12,036.22**	**39,791.54**	**537.63**	**422.19**	**170.87**	**54,025.11**	**772.40**

* 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 ₹ 1.25 lakhs (previous year ₹ 72.96 lakhs).

*** Does not include Capital Advances of ₹ 400.53 lakhs (previous year ₹ 76.16 lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. RIGHT-OF-USE (ROU)

₹ in lakhs

Particulars	Land - Leasehold	Buildings	Total
Gross Carrying Amount			
As at April 1, 2020	**833.70**	**1,605.05**	**2,438.75**
Additions	586.74	-	586.74
Disposals / Transfers	-	468.06	468.06
As at March 31, 2021	**1,420.44**	**1,136.99**	**2,557.43**
Accumalated Depreciation			
As at April 1, 2020	**52.66**	**560.63**	**613.29**
Depreciation charged for the year	3.75	488.12	491.87
Disposals / Transfers	-	371.03	371.03
As at March 31, 2021	**56.41**	**677.72**	**734.13**
Net Carrying Amount			
As at March 31, 2020	**781.04**	**1,044.42**	**1,825.46**
As at March 31, 2021	**1,364.03**	**459.27**	**1,823.30**

Refer Note No. 43 for information about Leases.

8. OTHER INTANGIBLE ASSETS

₹ in lakhs

Particulars	Software	Patents	Total
Gross Carrying Amount			
As at April 1, 2020	**529.24**	**207.89**	**737.13**
Additions	23.05	57.14	80.19
Disposals / Transfers	-	-	-
As at March 31, 2021	**552.29**	**265.03**	**817.32**
Accumulated Depreciation			
As at 01.04.2020	**411.88**	**62.63**	**474.51**
Depreciation charged for the year	58.51	19.35	77.86
Disposals / Transfers	-	-	-
As at March 31, 2021	**470.39**	**81.98**	**552.37**
Net Carrying Amount			
As at March 31, 2020	**117.36**	**145.26**	**262.62**
As at March 31, 2021	**81.90**	**183.05**	**264.95**

9. NON-CURRENT FINANCIAL LOANS

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	362.56	349.95
Deferred Expenditure	21.30	46.02
TOTAL	**383.86**	**395.97**
Break-up:		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	383.86	395.97

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Loans which have significant increase in Credit Risk	-	-
Loans - Credit Impaired	-	-
TOTAL	**383.86**	**395.97**
Less: Allowance for Doubtful Loans	-	-
TOTAL	**383.86**	**395.97**

Refer Note No. 52 for information about Credit Risk and Market Risk of Loans.

10. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
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 March 31, 2021	As at March 31, 2020
Capital Advances	400.53	76.16
Security Deposits	107.80	107.70
Others	319.06	459.65
TOTAL	**827.39**	**643.51**

12. INVENTORIES

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Materials *	18,383.75	13,916.07
Work-in-Progress	24,920.88	20,423.65
Finished Goods	23,140.87	14,085.65
Waste	68.94	96.40
Stores & Spares **	4,314.25	3,133.77
Dyes and Chemicals ***	975.06	716.08
TOTAL	**71,803.75**	**52,371.62**

* Includes goods in transit ₹ 1,862.26 lakhs (previous year ₹ 98.13 lakhs).

** Includes goods in transit ₹135.97 lakhs (previous year ₹ 9.17 lakhs).

*** Includes goods in transit ₹ 44.19 lakhs (previous year ₹ 3.96 lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. CURRENT INVESTMENTS

Particulars		No. of Units		₹ in lakhs	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Investments carried at Fair Value through Profit and Loss					
QUOTED					
In Mutual Funds:					
Union Prudence Fund		-	99,990	-	9.54
Aditya Birla SL Arbitrage Fund-Growth		49,17,570	-	1,023.58	-
IDFC Arbitrage Fund-Growth		40,14,907	-	1,022.81	-
KOTAK Arbitrage Fund-Growth		17,66,184	-	513.13	-
ICICI Equity Arbitrage Fund-Growth.		38,16,997	-	1,022.96	-
INVESCO Mutual Fund		20,59,536	-	509.50	-
Union Hybrid Equity-Regular-Growth		99,985	-	10.70	-
Aditya Birla Sunlife Saving Fund		47,508	-	200.82	-
Avendus Absolute Return Fund		50,017	-	499.98	-
TOTAL	**A**	**-**	**-**	**4,803.48**	**9.54**
In Short Term Investments:					
HDFC Corporate Fixed Deposit		-	-	3,400.00	-
LIC Housing Finance Limited Fixed Deposit		-	-	7,990.00	-
Bajaj Finance Limited		-	-	500.00	-
TOTAL	**B**	**-**	**-**	**11,890.00**	**-**
TOTAL	**A+B**	**-**	**-**	**16,693.48**	**9.54**
Aggregate Value of:					
Quoted Investments		-	-	16,693.48	9.54
Unquoted Investments		-	-	-	-
Market Value of Quoted Investments		-	-	16,693.48	9.54

14. CURRENT TRADE RECEIVABLES

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables exceeding Six Months	995.33	445.71
Receivables - Others	50,570.73	23,787.60
Receivables from Related Parties (Refer Note No. 45)	**-**	**-**
Receivables which have significant increase in Credit Risk	-	-
Receivables - Credit Impaired	-	-
Allowance for Doubtful Receivables	-	-
TOTAL	**51,566.06**	**24,233.31**
Current Portion	51,566.06	24,233.31
Non-Current Portion	-	-
Break-up of Security Details:		
Secured, Considered Good	-	-

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good	51,566.06	24,233.31
Doubtful	-	-
TOTAL	**51,566.06**	**24,233.31**
Allowance for Doubtful Receivables	-	-
TOTAL	**51,566.06**	**24,233.31**

a) Trade Receivables include ₹ 3,972.98 lakhs (previous year ₹ 1,456.07 lakhs) for which credit risk is retained by the Group under a factoring arrangement. The Group retains interest liability upto an agreed date on the entire amount, the costs for which are recognised as part of finance costs.

b) Refer Note No. 52 for information about Credit Risk and Market Risk of Trade Receivables.

15. CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Cash in Hand	7.46	28.23
Balances with Banks:		
- In Current Acounts	3,310.19	5,589.70
- Held as Margin / Fixed Deposits	8,658.00	8,317.97
TOTAL	**11,975.65**	**13,935.90**

16. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
- Held as Margin / Fixed Deposits	677.86	1,099.35
TOTAL	**677.86**	**1,099.35**

a) Includes receipts for ₹ 212.67 lakhs (previous year ₹ 231.08 lakhs) held with bank as margin money against bank guarantees for Letter of Credit facilities.

b) Includes receipts for ₹ 0.05 lakhs (previous year ₹. 0.05 lakhs) lodged with Excise Department.

c) Includes receipts for ₹ 99.59 lakhs (previous year ₹ 99.59 lakhs) held with bank as margin money against guarantee given to MSEB.

d) Includes receipts for ₹ 365.55 lakhs (previous year ₹ 756.65 lakhs) held with bank as margin money against guarantee for cash credit facility by a Foreign Subsidiary.

17. CURRENT FINANCIAL LOANS

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	139.88	31.30
TOTAL	**139.88**	**31.30**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Break-up:		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	139.88	31.30
Loans which have significant increase in credit risk	-	-
Loans - Credit Impaired	-	-
TOTAL	**139.88**	**31.30**
Less: Allowance for Doubtful Loans	-	-
TOTAL	**139.88**	**31.30**

Refer Note No. 52 for information about Credit Risk and Market Risk of Loans.

18. OTHER CURRENT FINANCIAL ASSETS (Unsecured - considered good)

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Derivative Asset	4,763.42	-
Others	367.04	432.93
TOTAL	**5,130.46**	**432.93**

19. CURRENT TAX ASSETS

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Income Tax (including Tax Deducted at Source)	45.05	1,739.37
Refund Due	696.36	423.11
MAT Credit Entitlement	157.58	157.58
TOTAL	**898.99**	**2,320.06**

20. OTHER CURRENT ASSETS (Unsecured - considered good)

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Export Incentives / Claims Recoverable	2,889.05	8,232.83
Balances with Excise / Service Tax Authorities	70.83	97.05
Balances with VAT / GST Authorities	6,818.49	5,744.74
Interest Accrued on Loans & Deposits	222.00	21.32
Advance to Suppliers	1,611.45	885.84
Others	1,388.45	1,066.82
Security Deposits	4.01	4.01
TOTAL	**13,004.28**	**16,052.61**
Less: Allowance for Doubtful Loans	433.43	-
TOTAL	**12,570.85**	**16,052.61**

21. SHARE CAPITAL

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
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 March 31, 2021		As at March 31, 2020	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Authorised:				
Equity Shares of ₹ 2 each				
Balance at the beginning of the year	27,50,00,000	5,500.00	27,50,00,000	5,500.00
Balance at the end of the year	**27,50,00,000**	**5,500.00**	**27,50,00,000**	**5,500.00**
Preference Shares of ₹ 10 each				
Balance at the beginning of the year	50,00,000	500.00	50,00,000	500.00
Balance at the end of the year	**50,00,000**	**500.00**	**50,00,000**	**500.00**
TOTAL	**28,00,00,000**	**6,000.00**	**28,00,00,000**	**6,000.00**
Issued, Subscribed and Paid-Up:				
Equity Shares of ₹ 2 each				
Balance at the beginning of the year	19,73,99,670	3,947.99	19,73,99,670	3,947.99
Balance at the end of the year	**19,73,99,670**	**3,947.99**	**19,73,99,670**	**3,947.99**

(b Terms / Rights attached to Equity Shares:

(i) The Group has only one class of Equity Shares having a par value of ₹ 2 each. Each holder of Equity Shares is entitled to one vote per share and pro-rata dividend on the shares held.

(ii) In the event of liquidation of the Group, the holders of Equity Shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

(c) Details of Equity Shares in the Group held by each shareholder holding more than 5% of shares is as under:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Percentage	No. of Shares	Percentage
Indo Count Securities Limited	3,10,41,385	15.73%	3,10,41,385	15.73%
Sandridge Investments Limited	6,20,02,455	31.41%	6,20,02,455	31.41%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	2020-21	2019-20
Final Dividend for F.Y. 2018-19: ₹ 0.60 per share (Face Value of ₹ 2 each)	-	1,184.40
Final Dividend for F.Y. 2019-20: ₹ 0.60 per share (Face Value of ₹ 2 each)	1,184.40	-

22. NON-CURRENT BORROWINGS

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
1) Term Loan		
i) Rupee loans		
- From Banks (a)	-	375.00
- From Financial Institutions (a)	1,935.26	3,020.33
Unsecured		
2) Foreign Currency Loan		
i) Buyer's Credit (b)	-	214.39
TOTAL	**1,935.26**	**3,609.72**

a) Secured by first pari-passu charge by way of mortgage of immovable properties of the Group situated at Kolhapur, and by second pari-passu charge on hypothecation of all movable properties and current assets of the Group both present and future. Loans include amounts appearing in current maturities of long term debts of ₹ 1,488.11lakhs, (previous year ₹ 1,765.00 lakhs).

b) Includes amount appearing in current maturity of long term debts ₹ 106.18 lakhs (previous year ₹ 225.96 lakhs).

c) Maturity Profile of Non-Current Borrowings:

₹ in lakhs

Particulars	1-2 Years	2-3 Years
1) Term Loan		
i) Rupee loans		
- From Financial Institutions	1,113.11	822.15
TOTAL	**1,113.11**	**822.15**

23. OTHER NON-CURRENT FINANCIAL LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liability Payable (Refer Note No. 44)	156.33	588.72
TOTAL	**156.33**	**588.72**

24. NON-CURRENT PROVISIONS

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits	276.25	645.95
TOTAL	**276.25**	**645.95**

25. INCOME TAX

The major components of Income Tax expense for the years ended March 31, 2021 and March 31, 2020 are:

STATEMENT OF PROFIT AND LOSS

Profit and Loss Section

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Current Income Tax:		
Current Income Tax charge	8,809.21	1,888.05
Adjustments in respect of Current Income Tax of previous years	113.64	0.22
Deferred Tax:		
Relating to origination and reversal of temporary differences	126.66	(3,530.21)
Income Tax expense reported in the Statement of Profit and Loss	**9,049.51**	**(1,641.94)**

(a) The Holding Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Holding Company has recognized Provision for Current Tax and re-measured its Deferred Tax Liabilities based on rate prescribed in the said section.

Other Comprehensive Income (OCI) section

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Net loss / (gain) on remeasurements of Defined Benefit Plans and change in Forex	2,089.69	(1,585.19)
Income Tax charged to OCI	**2,089.69**	**(1,585.19)**

DEFERRED TAX

₹ in lakhs

Particulars	Balance Sheet		Profit & Loss	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Deferred Tax relates to the following:				
Expenses allowable on payment basis	469.10	1,902.63	1,433.53	(1,577.85)
Incomes allowable on receipt basis	(1,198.86)	-	1,198.86	(506.57)
Unused Tax Losses / Depreciation	849.64	605.18	(244.46)	97.78
Accelerated Depreciation for Tax purpose	(8,084.00)	(8,255.58)	(171.58)	(3,128.76)
	(7,964.12)	**(5,747.77)**	**2,216.35**	**(5,115.40)**
Deferred Tax Expenses / (Income):				
- Recognised in Profit and Loss	-	-	126.66	(3,530.21)
- Recognised in OCI	-	-	2,089.69	(1,585.19)
Deferred Tax Assets / (Liabilities)	(7,964.12)	(5,747.77)	-	-
	(7,964.12)	**(5,747.77)**	**2,216.35**	**(5,115.40)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Deferred Tax asset in respect of long term capital losses of ₹ 67.50 lakhs (previous year ₹ 67.50 lakhs) has not been recognised in view of uncertainty of its realisation.

Reflected in the Balance Sheet :

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Deferred Tax Assets	1,318.74	2,507.81
Deferred Tax Liabilities	(9,282.86)	(8,255.58)
Deferred Tax Liabilities (Net)	**(7,964.12)**	**(5,747.77)**

Reconciliation of Deferred Tax Liabilities (Net)

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Opening Balance as of 1 April	(5,747.77)	(10,863.17)
Tax Income / (Expense) during the period recognised in Profit and Loss	(126.66)	3,530.21
Income / (Expense) during the year recognised in OCI	(2,089.69)	1,585.19
Closing Balance as at 31 March	**(7,964.12)**	**(5,747.77)**

26. OTHER NON-CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Government Grants related to Property, Plant & Equipment	758.56	797.93
TOTAL	**758.56**	**797.93**

27. CURRENT BORROWINGS (Secured)

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Loans repayable on Demand		
i) From Banks		
- In Rupees *	53,707.85	29,273.45
TOTAL	**53,707.85**	**29,273.45**

* Secured by first pari-passu charge by way of hypothecation on all current assets and movable assets and further secured by second pari-passu charge on immovable properties of the Group, both present and future.

28. TRADE PAYABLES DUE TO MICRO & SMALL ENTERPRISES

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Payables	4,065.26	2,025.16
TOTAL	**4,065.26**	**2,025.16**

Note:

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

₹ in lakhs

Particulars		As at March 31, 2021	As at March 31, 2020
a)	The principal amount remaining unpaid to any supplier at the end of the year	4,065.26	2,025.16
b)	Interest accrued and due to suppliers under the Act, on the above amount	24.76	55.49
c)	Payment made to suppliers (other than interest) beyond the appointed day, during the year	3,377.38	4,317.75
d)	Interest paid to suppliers under the Act	-	-
e)	Interest due and payable to suppliers under the Act, for payments already made	21.91	53.04
f)	Interest accrued and remaining unpaid at the end of the year under the Act	24.76	55.49
g)	The amount of further interest remaining due and payable even in the succeeding years for the purpose of disallowances under Section 23 of the Act	-	-

Disclosure of payable to vendors as defined under the MSMED Act is based on the information available with the Group regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Group.

29. TRADE PAYABLES OTHER THAN MICRO & SMALL ENTERPRISES

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Payables	19,397.18	10,894.66
TOTAL	**19,397.18**	**10,894.66**

30. OTHER CURRENT FINANCIAL LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long Term Debts	1,594.29	1,990.96
Interest Accrued but not due on Borrowings	0.12	1.35
Security Deposits	0.25	0.35
Unpaid Dividend *	132.09	108.45
Derivative Liabilities	-	5,639.00
Lease Liability Payable (Refer Note No. 44)	355.16	529.66
Other Payables	835.39	903.32
TOTAL	**2,917.30**	**9,173.09**

* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.

31. OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from Customers	208.47	146.68
Deferred Government Grants related to Property, Plant & Equipment	39.37	39.37
Other Payables	9,109.35	7,316.81
TOTAL	**9,357.19**	**7,502.86**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32. CURRENT TAX LIABILITIES (NET)

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Income Tax (Net of MAT Credit Entitlement)	10.02	16.69
TOTAL	**10.02**	**16.69**

33. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 37 "PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS"

₹ in lakhs

Particulars	Bank Guarantees		Excise Duty / Customs Duty / Service Tax		VAT/ GST	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Carrying amount at the beginning of the year *	1,049.04	1,044.54	182.84	182.84	-	-
Add : Provision made during the year **	-	4.50	-	-	148.19	-
Less: Amounts used during the year	491.18	-	-	-	-	-
Carrying amount at the end of the year *	**557.86**	**1,049.04**	**182.84**	**182.84**	**148.19**	**-**

₹ in lakhs

Particulars	Other Litigation Claims		Corporate Guarantee		Total	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Carrying amount at the beginning of the year *	58.86	62.72	7,188.18	6,569.73	8,478.92	7,859.83
Add : Provision made during the year **	1.68	1.70	-	618.45	149.87	624.65
Less: Amounts used during the year	-	5.56	2,436.03	-	2,927.21	5.56
Carrying amount at the end of the year *	**60.54**	**58.86**	**4,752.15**	**7,188.18**	**5,701.58**	**8,478.92**

* Carrying amounts comprise of non-current and current provisions.

** Additional provision made during the year and reversal of unused amounts are included in the respective head of accounts.

(ii) Nature of Provisions:

(a) Bank guarantee amount represents Group's performance obligation to the holder of guarantee.

(b) Provision for excise duty / customs duty / service tax represents the differential duty liability that may be expected to materialise in respect of matters in appeal.

(c) Provision for litigation represents liabilities that may be expected to materialise in respect of matters in appeal.

(d) Corporate guarantee amount represents guarantee given to a foreign bank on behalf of a foreign subsidiary.

From 1st April 2020, Business activities of Indo Count Retail Ventures Pvt Ltd (ICRVPL) alongwith its business assets and liabilities were taken over by the Holding Company Indo Count Industries Limited (ICIL) under slump sale for a consideration of

₹ 1.00 lakhs. In this slump sale, ICRVPL gained ₹ 819.45 lakhs which has been included in these accounts as capital reserve. ICRVPL being wholly owned subsidiary of ICIL no capital gain tax is payable in view of the provisions of section 47(v) of the Income Tax Act, 1961. However, in case ICIL's shareholding in ICRVPL is reduced or ICRVPL ceases to exist before a period of eight years, the capital gain of ₹ 819.45 lakhs shall be deemed to be the income of that year and capital gain tax shall be payable on that amount.

34. REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
1) Sale of Products		
- Manufactured	2,27,636.27	1,90,796.46
- Stock-In Trade	7,268.71	366.17
2) Sale of Services	-	0.77
3) Other Operating Revenue		
- Export Incentives / Benefits *	17,013.60	16,849.34
REVENUE FROM OPERATIONS	**2,51,918.58**	**2,08,012.74**

* The Central Government of India has announced a new scheme called Remission of Duties or Taxes on Export Product (RoDTEP) which has replaced Merchandise Export from India Scheme (MEIS) and Rebate of State and Central Taxes and Levies (RoSCTL) benefit w.e.f. January 1, 2021. As the rates under RoDTEP have not been declared till date, the income on account of benefits under the new scheme has not been recognized for the Quarter ended March 31, 2021.

Disaggregation of Revenue

Revenue based on Geography

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
India	13,444.56	14,882.43
Rest of World	2,38,474.02	1,93,130.31
REVENUE FROM OPERATIONS	**2,51,918.58**	**2,08,012.74**

Reconciliation of Revenue from Operations with Contract Price

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Contract Price	2,65,271.38	2,18,623.42
Less:		
Sales Returns	575.02	593.96
Rebates & Discounts	1,651.94	3,549.85
Embedded Interest	155.92	171.11
Others	10,969.92	6,295.76
REVENUE FROM OPERATIONS	**2,51,918.58**	**2,08,012.74**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. OTHER INCOME

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Interest - Banks	737.25	35.16
Interest - Others	274.89	202.99
Government Grants related to Property, Plant & Equipment	39.37	39.37
Government Grants Received	107.88	-
Miscellaneous Receipts	54.77	21.78
Cash Discount Received	0.63	5.57
Insurance Claim Received	4.31	-
Profit on changes in NAV of Mutual funds	94.18	-
Profit on Redemption of Mutual funds	8.22	-
Dividend Received on Mutual Fund	-	80.52
Profit on Sale of Assets	49.94	0.05
Exchange Rate Difference (Net)	-	4,942.83
Rent Received	1.10	1.20
Mark to Market on Forward Contracts	2,224.53	-
Provision for Doubtful Debts Written Back	-	10.03
Sundry balances / Excess provision written back (Net)	6.51	14.23
Liability no longer payable written back	179.44	110.07
TOTAL	**3,783.02**	**5,463.80**

36. COST OF MATERIALS CONSUMED

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Raw Material & Components Consumed		
Opening Stock	13,916.07	11,890.98
Add: Purchases	1,38,021.65	1,12,789.03
SUB-TOTAL	**1,51,937.72**	**1,24,680.01**
Less : Material Returned out of Opening Stock	115.74	-
Less: Closing Stock	18,383.75	13,916.07
COST OF MATERIALS CONSUMED	**1,33,438.23**	**1,10,763.94**

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

₹ in lakhs

Particulars		For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Opening Stock			
Finished Goods		14,085.65	18,363.14
Stock in Process		20,423.65	19,336.49
Waste		96.40	51.73
SUB-TOTAL	**A**	**34,605.70**	**37,751.36**
Less : Tranferred under Slump Sale	**B**	-	-

₹ in lakhs

Particulars		For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Less: Closing Stock			
Finished Goods		23,140.87	14,085.65
Stock in Process		24,920.88	20,423.65
Waste		68.95	96.40
SUB-TOTAL	**C**	**48,130.70**	**34,605.70**
(INCREASE) / DECREASE IN STOCK	**A-(B+C)**	**(13,525.00)**	**3,145.66**

38. EMPLOYEE BENEFITS EXPENSE

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Salaries & Wages	12,476.78	12,457.52
Directors' Remuneration	2,371.58	1,214.31
Contribution to Provident & Other Funds	668.94	699.11
Gratuity	185.34	163.71
Staff Welfare Expense	172.03	259.30
Recruitment & Training Expense	29.77	13.36
TOTAL	**15,904.44**	**14,807.31**

39. FINANCE COST

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Interest Expense:		
- On Term Loans	394.99	588.11
- Banks	1,434.33	2,421.71
- Others	114.65	168.37
Bank Charges	791.46	697.35
Finance Procurement Charges	72.47	48.99
TOTAL	**2,807.90**	**3,924.53**

40. DEPRECIATION & AMORTISATION EXPENSE

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Depreciation	4,314.92	4,346.22
TOTAL	**4,314.92**	**4,346.22**

Refer Note No. 44 for information about Leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41. OTHER EXPENSES

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Consumption of Stores, Dyes and Packing Materials	18,435.66	15,249.03
Jobwork Charges	29,280.32	20,181.42
Power & Fuel	6,466.30	8,156.69
Loss due to decline in value of inventory	-	88.01
Rent (a)	578.43	500.07
Rates, Taxes & Fees	140.63	160.46
Insurance	538.10	438.57
Repairs to Machinery	573.45	410.97
Repairs to Buildings	85.74	96.08
Commission & Brokerage	1,133.01	1,615.83
Freight Outward	4,384.12	3,673.80
Other Selling Expenses	2,481.44	3,197.19
Loss on Sale of Assets	199.00	1.51
Loss on Sale of Investments	0.51	-
Loss in value of NAV of Mutual Funds	-	7.82
Loss on Redemption of Mutual Funds	-	18.20
Bad Debts / Advances written off	13.82	54.29
Exchange Rate Difference (Net)	296.69	-
Provision for Doubtful Debts/Advances	433.43	-
Mark to Market on Forward Contracts	-	875.92
Miscellaneous Expenses (b)	6,322.15	6,211.69
TOTAL	**71,362.80**	**60,937.55**

(a) Refer Note No. 44 for information about Leases.

(b) Includes Payment to Auditors

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
As Statutory Audit Fee	59.90	52.40
As Quarterly Audit / Limited Review Fees	10.50	10.50
As Tax Audit Fee	3.50	3.55
For Certification Work	0.28	0.20
In Other Capacity	3.65	1.80
For Reimbursement of Expenses	0.70	1.29
TOTAL	**78.53**	**69.74**

42. EXCEPTIONAL ITEMS

(a) Includes ₹ Nil (previous year ₹ 9,427.12 lakhs) provided against refund of excess export benefits of earlier years by way of MEIS claimed to the extent of ₹ Nil (previous year ₹ 7,267.87 lakhs) along with interest thereon against Adjudication Order issued by office of The Commissioner of Customs.

(b) Pursuant to the Notifications dated January 14, 2020 and January 29, 2020 issued by The Ministry of Textiles & the Ministry of Commerce, Government of India, withdrawing the entitlement under Merchandise Exports from India Scheme (MEIS) with retrospective effect from March 07, 2019 on certain products exported in the past, the Group had written off the MEIS benefit of ₹ Nil (previous year ₹ 419.33 lakhs) for the period from March 07, 2019 to March 31, 2019 as Exceptional Item.

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

A. Contingent Liabilities

₹ in lakhs

Particulars		As at March 31, 2021	As at March 31, 2020
i)	Bank Guarantee	557.86	1,049.04
ii)	Excise duty / Custom duty / Service Tax demands disputed in Appeals	182.84	182.84
iii)	VAT / GST demands disputed in appeals	148.19	-
iv)	Other Litigation Claims (including Pending Labour Cases)	60.54	58.86
v)	Corporate Guarantee given to a Foreign Bank outside India for securing financial assistance	4,752.15	7,188.18

(a) In terms of EPCG Licences issued, the Group has undertaken an export obligation for ₹ 64,797 lakhs, which is to be fulfilled over a period of 6 years. The Group has completed the export obligation to the extent of ₹ 64,797 lakhs till the year end, of which licenses having Export Obligation of ₹ 50,442 lakhs redeemed by the DGFT and balance licenses having completed Export Obligation value of ₹ 14,355 lakhs are under redemption at DGFT. Further, there are licenses issued by the DGFT amounting to ₹ 4,439 lakhs for which capital goods are under imports.

(b) The Group does not have any Advance Authorization (Advance Import Licenses) at the year end.

(c) Under the package scheme of incentives of Government of Maharashtra for Mega Projects, the Group was eligible for VAT and Electricity duty refund benefits. However, if it contravenes any of the conditions of the scheme or eligibility certificate of entitlement, it shall repay forthwith the entire benefits drawn / availed alongwith interest thereon together with costs, charges and expenses.

(d) No provision has been made in the accounts towards Electricity Duty on electricity generated for captive use during the period 01.04.2000 to 30.04.2005 amounting to ₹ 292.07 lakhs (previous year ₹ 292.07 lakhs) excluding interest, as the Group has won the case against MSEDCL vide order number 2204 of 2007 dated 07.11.2009 of the Hon'ble High Court of Mumbai whereby it was decided that no such duty is payable. MSEDCL has appealed before the Hon'ble Supreme Court with condonation of delay and matter is yet to be heard. As the matter is subjudice, the management feels that no provision is necessary.

B. Commitments

₹ in lakhs

Particulars		As at March 31, 2021	As at March 31, 2020
a)	Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	3,266.02	76.16
b)	Letter of credits opened for which the material has not yet been shipped	7,170.65	-

44. LEASES

a) The effect of adoption of Ind AS 116 is as follows:

The following is the summary of practical expedients elected on initial application:

i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

ii) Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

iii) Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

iv) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2020 is 8.55%.

b) The changes in the carrying value of ROU assets for the year ended March 31, 2021 are as follows:

₹ in lakhs

Particulars	Gross Carrying Amount	Depreciation	Net Carrying Amount
Land	1,420.44	56.41	1,364.03
Building	1,136.99	677.72	459.27
TOTAL	**2,557.43**	**734.13**	**1,823.30**

c) The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

d) Expense relating to short-term leases and leases of low value assets amounted to ₹ 578.43 lakhs has been disclosed under Note 39 to the financial statements.

e) Carrying value of Right-of-Use (ROU) assets amounted to ₹ 1,823.30 lakhs are disclosed under Note 6 to the financial statements.

f) The break-up of non-current and current lease liabilities as at March 31, 2021 are disclosed under Note No. 23 & 30 respectively.

g) The details of the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis are as follows:

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
A) The total of future minimum lease payments under non-cancellable leases for each of the following years:		
i) Not later than one year	948.89	903.64
ii) Later than one year and not later than five years	1,498.11	746.68
iii) Later than five years	804.94	-
B) Lease payments recognized in the Statement of Profit and Loss	578.43	500.07

h) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

45. 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	Executive Vice Chairman (w.e.f. 01.07.2019), Non Executive Director (from 01.07.2018 to 30.06.2019)
3.	Shri K. R. Lalpuria	Executive Director & C.E.O.
4.	Shri Kamal Mitra	Director (Works)
5.	Shri P. N. Shah	Independent Director (upto 15.08.2019)

6.	Shri R. Anand	Independent Director (upto 15.08.2019)
7.	Shri Dilip Thakkar	Independent Director
8.	Shri Prem Malik	Independent Director
9.	Shri Sushil Kumar Jiwarajka	Independent Director
10.	Dr. (Mrs.) Vaijayanti Pandit	Independent Director
11.	Shri Sanjay Kumar Panda	Independent Director
12.	Shri Siddharth Mehta	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. A. K. Jain HUF

B. Others

1. Indo Count Foundation

₹ in lakhs

Particulars	Associates	Relatives of Key Management Personnel	Key Management Personnel	Others	Total
Remuneration Paid	-	40.07	2,280.44	-	2,320.51
	(-)	(40.07)	(1,088.55)	(-)	(1,128.62)
Commission Paid	-	-	6.00	-	6.00
	(-)	(-)	(7.00)	(-)	(7.00)
Sitting Fees	-	-	20.45	-	20.45
	(-)	(-)	(16.30)	(-)	(16.30)
Sale of Goods	-	-	-	25.00	25.00
	(-)	(-)	(-)	(1.16)	(1.16)
Lease Rent Paid	50.59	-	-	-	50.59
	(70.98)	(-)	(-)	(-)	(70.98)
CSR Expenses	-	-	-	336.23	336.23
	(-)	(-)	(-)	(276.30)	(276.30)
Balance outstanding at the end of the year:					
a) Deposit - Rent	15.60	-	-	-	15.60
	(15.60)	(-)	(-)	(-)	(15.60)
b) Other Payables:					
Remuneration Payable	-	-	1,048.48	-	1,048.48
	(-)	(-)	(242.05)	(-)	(242.05)
Commission Payable	-	-	6.00	-	6.00
	(-)	(-)	(7.00)	(-)	(7.00)
Lease Rent Payable	1.17	-	-	-	1.17
	(-)	(-)	(-)	(-)	(-)

a) Previous year figures are given in brackets.

b) Related parties enlisted above are those having transactions with the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

46. It is Management's opinion that since the Group is exclusively engaged in the activity of manufacture of textile products which constitutes a single reportable segment in the context of Indian Accounting Standard (Ind-AS) 108 on "Operating Segments" issued by the Institute of Chartered Accountants of India.

47. 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 was ₹ 235.21 lakhs (previous year ₹ 430.87 lakhs).

b) Amount incurred during the year:

Particulars	₹ in lakhs
i) Construction / Acquisition of Asset	-
ii) On purpose other than (i) above	390.34

Out of the above, the Group has paid ₹ 276.30 lakhs (previous year ₹ 293.97 lakhs) to Indo Count Foundation.

48. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 33 "EARNINGS PER SHARE"

₹ in lakhs

Particulars	UoM	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
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	25,063.14	7,378.00
Weighted Average earnings per share (Basic and Diluted)	₹	12.70	3.74

49. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 19 "EMPLOYEE BENEFITS"

Defined Contribution Plans:

Amount of ₹ 668.94 lakhs (previous year ₹ 699.11 lakhs) is recognised as an expense and included in Employee Benefits Expense under the following defined contribution plans (Refer Note 38, supra):

₹ in lakhs

Particulars	For the year April 1, 2020 to March 31, 2021	For the year April 1, 2019 to March 31, 2020
Benefits:		
Provident Fund	601.23	600.79
Employee State Insurance Scheme	65.41	94.58
Labour Welfare Scheme	2.30	3.74
TOTAL	**668.94**	**699.11**

Defined Benefit Plans:

Gratuity

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

The Group makes annual contributions to the Life Insurance Corporation of India, which is funded defined benefit plan for qualifying employees.

Leave Encashment Benefit

The Group provides for leave encashment, a defined benefit retirement plan covering eligible employees. The Leave Encashment Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 12 days salary for each completed year of service till retirement, subject to maximum of 90 days.

The Group makes annual contributions to the Life Insurance Corporation of India, which is funded defined benefit plan for qualifying employees.

₹ in lakhs

Sr. No.	Particulars	GRATUITY		LEAVE ENCASHMENT	
		2020-21 (funded)	2019-20 (funded)	2020-21 (funded)	2019-20 (funded)
I	**Change in Present Value of Defined Benefit Obligation during the Year**				
1	Present Value of Defined Benefit Obligation at the beginning of the Year	2,219.93	1,893.74	531.84	481.23
2	Interest Cost	139.68	136.40	28.98	29.98
3	Current Service Cost	190.99	180.33	79.48	46.65
4	Past Service Cost	-	-	-	-
5	Liability Transfer from other Company	-	-	-	-
6	Liability Transferred out / Divestment	-	-	-	-
7	Benefits Paid Directly by Employer	-	-	-	(2.30)
8	Benefits Paid	(292.79)	(65.85)	(48.25)	(16.86)
9	Actuarial Changes Arising from Changes in Demographic Assumptions	-	(1.13)	-	(0.20)
10	Actuarial Changes Arising from Changes in Financial Assumptions	(13.67)	137.72	(2.50)	33.43
11	Actuarial Changes Arising from Changes in Experience Adjustments	(97.55)	(52.47)	(32.83)	(37.78)
12	Present Value of Defined Benefit Obligation at the end of the Year	2,146.58	2,228.75	556.72	536.65
II	**Change in Fair Value of Plan Assets during the Year**				
1	Fair Value of Plan Assets at the beginning of the Year	1,613.84	1,370.22	500.06	443.96
2	Interest Income	106.14	105.80	33.03	34.26
3	Contributions Paid by the Employer	523.00	210.36	30.59	44.29
4	Benefits Paid from the Fund	(292.79)	(65.85)	(48.25)	(19.16)
5	Assets Transferred Out / Divestments	-	-	-	(0.02)
6	Return on Plan Assets Excluding Interest Income	-	-	-	-
7	Actuarial Losses / (Gains)	11.91	2.22	0.55	(0.05)
8	Fair Value of Plan Assets at the end of the Year	1,962.10	1,622.75	515.98	503.29
III	**Net Asset / (Liability) recognised in the Balance Sheet**				
1	Present Value of Defined Benefit Obligation at the end of the Year	2,146.58	2,228.75	556.72	536.65
2	Fair Value of Plan Assets at the end of the Year	1,962.10	1,622.75	515.98	503.29
3	Amount recognised in the Balance Sheet	184.49	606.00	40.74	33.36
4	Net (Liability) / Asset - Current	-	-	-	-
5	Net (Liability) / Asset - Non-Current	(184.49)	(606.00)	(40.74)	(33.36)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Sr. No.	Particulars	GRATUITY		LEAVE ENCASHMENT	
		2020-21 (funded)	2019-20 (funded)	2020-21 (funded)	2019-20 (funded)
IV	**Expenses recognised in the Statement of Profit and Loss for the Year**				
1	Current service Cost	190.99	180.33	79.48	49.15
2	Interest Cost on Benefit Obligation (Net)	10.74	30.89	(3.47)	0.41
3	Actuarial Changes Arising from Changes in Demographic Assumptions	-	-	-	(0.20)
4	Actuarial Changes Arising from Changes in Financial Assumptions	-	-	2.68	30.47
5	Actuarial Changes Arising from Changes in Experience Adjustments	-	-	(32.83)	(37.78)
6	Return on Plan Assets excluding amount included in 'Net Interest on net Defined Liability / (Asset)' above	-	-	0.25	(2.05)
7	Total Expenses included in Employee Benefits Expense	201.73	211.23	46.11	40.00
V	**Recognised in Other Comprehensive Income for the Year**				
1	Actuarial Changes Arising from Changes in Demographic Assumptions	-	(1.13)	-	-
2	Actuarial Changes Arising from Changes in Financial Assumptions	(13.67)	137.72	-	-
3	Actuarial Changes Arising from Changes in Experience Adjustments	(97.55)	(52.47)	-	-
4	Return on Plan Assets excluding Interest Income	(9.45)	(2.50)	-	-
5	Recognised in Other Comprehensive Income	(120.67)	81.61	-	-
VI	**Maturity Profile of Defined Benefit Obligation**				
1	Within the next 12 Months (Next Annual Reporting Period)	247.49	283.83	193.87	202.57
2	Between 2 and 5 Years	471.19	412.34	98.17	85.00
3	Between 6 and 10 Years	1,043.53	943.91	185.38	148.37
VII	**Quantitative Sensitivity Analysis for Significant Assumption is as below:**				
	Increase / (Decrease) on Present Value of Defined Benefits Obligation at the end of the Year				
	(i) One Percentage Point increase in Discount Rate	(2,346.94)	(2,393.78)	(597.41)	(570.08)
	(ii) One Percentage Point decrease in Discount Rate	1,974.60	2,096.97	521.68	508.84
	(i) One Percentage Point increase in Rate of Salary Increase	1,983.93	2,065.65	523.24	508.03
	(ii) One Percentage Point decrease in Rate of Salary Increase	(2,331.09)	(2,387.34)	(594.95)	(570.33)

VIII Sensitivity Analysis Method

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

IX The major categories of plan assets as a percentage of total

Sr. No.	Particulars	GRATUITY		LEAVE ENCASHMENT	
		2020-21 (funded)	2019-20 (funded)	2020-21 (funded)	2019-20 (funded)
1	Insurer Managed Funds	100%	100%	100%	100%

X Actuarial Assumptions

Sr. No.	Particulars	GRATUITY		LEAVE ENCASHMENT	
		2020-21 (funded)	2019-20 (funded)	2020-21 (funded)	2019-20 (funded)
1	Discount Rate (p.a.)	6.73% p.a.	7.70% p.a.	6.73% p.a.	7.70% p.a.
2	Salary Escalation (p.a.)	5.00% p.a.	7.00% p.a.	5.00% p.a.	7.00% p.a.
3	Mortality Rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
4	Mortality post retirement Rate	NA	NA	NA	NA
5	Employee Turnover Rate (p.a.)	5.00%	5.00%	5.00%	5.00%
6	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 March 31, 2021. 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.

50. DETAILS OF CAPITAL EXPENDITURE INCURRED DURING THE YEAR FOR RESEARCH AND DEVELOPMENT

₹ in lakhs

Particulars	2020-21	2019-20
Plant and Machinery	-	0.11
TOTAL	**-**	**0.11**

51. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

a) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected lossess of these instruments.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 March 31, 2020	Level 1	Level 2	Level 3
Financial Assets at Amortised Cost:				
Trade Receivables	24,233.31	-	-	-
Loans and Other Receivables (Non-Current)	395.98	-	-	395.98
Loans and Other Receivables (Current)	464.23	-	-	464.23
Cash and Bank Balances	13,935.90	-	-	-
Bank Deposits	1,099.35	-	-	-
TOTAL	**40,128.77**	**-**	**-**	**860.21**
Financial Assets at Fair Value through Profit and Loss:				
Investments	9.54	-	9.54	-
TOTAL	**9.54**	**-**	**9.54**	**-**
Financial Liabilities at Amortised Cost:				
Non-Current Borrowings	3,609.72	-	-	-
Current Borrowings	29,273.45	-	-	-
Trade and Other Payables	12,919.82	-	-	-
Other Financial Liabilities (Non Current)	588.72	-	-	588.72
Other Financial Liabilities (Current)	3,534.09	-	-	1,541.78
TOTAL	**49,925.80**	**-**	**-**	**2,130.50**
Financial Assets at Fair Value through Other Comprehensive Income:				
Derivative Instruments	5,639.00	-	5,639.00	-
TOTAL	**5,639.00**	**-**	**5,639.00**	**-**

₹ in lakhs

Particulars	Carrying Amount	Fair value		
	As at March 31, 2021	Level 1	Level 2	Level 3
Financial Assets at Amortised Cost:				
Trade Receivables	51,566.06	-	-	-
Loans and Other Receivables (Non-Current)	383.87	-	-	383.87
Loans and Other Receivables (Current)	506.92	-	-	506.92
Cash and Bank Balances	11,975.65	-	-	-
Bank Deposits	677.86	-	-	-
TOTAL	**65,110.36**	**-**	**-**	**890.79**
Financial Assets at Fair Value through Profit and Loss:				
Investments	16,693.48	-	16,693.48	-
TOTAL	**16,693.48**	**-**	**16,693.48**	**-**
Financial Assets at Fair Value through Other Comprehensive Income:				
Derivative Instruments	4,763.42	-	4,763.42	-

₹ in lakhs

Particulars	Carrying Amount As at March 31, 2021	Fair value Level 1	Level 2	Level 3
TOTAL	**4,763.42**	**-**	**4,763.42**	**-**
Financial Liabilities at Amortised Cost:				
Non-Current Borrowings	1,935.26	-	-	-
Current Borrowings	53,707.85	-	-	-
Trade and Other Payables	23,462.44	-	-	-
Other Financial Liabilities (Non Current)	156.33	-	-	156.33
Other Financial Liabilities (Current)	2,917.30	-	-	1,322.89
TOTAL	**82,179.18**	**-**	**-**	**1,479.22**

During the reporting period ending March 31, 2021 and March 31, 2020, 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 March 31, 2021	As at March 31, 2020
Non-Current Security Deposits	Discounted Cash Flow method using current interest rate.	
Derivative Instruments	Based on quotes from banks.	
Other Financial Liabilities (Non-Current)	Discounted Cash Flow method using risk adjusted discount rate.	

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regard to interest income and interest expense and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Group, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, an analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. Above 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Exposure to Interest Rate Risk

₹ In lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Total Borrowings	57,237.40	34,874.13
% of Borrowings out of above bearing Variable Rate of Interest	100%	100%

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit before Tax:

₹ In lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
50 bps increase would decrease the Profit before Tax by	286.19	174.37
50 bps decrease would increase the Profit before Tax by	(286.19)	(174.37)

Foreign Currency Risk

The Group operates internationally and portion of the business is transacted in serveral currencies and consequently the Group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies.

Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign Currency in lakhs

Particulars	US$	EUR	CHF	GBP	JPY	Total
Foreign Currency Exposure as at March 31, 2020						
Trade and Other Receivables	301.32	0.80	0.91	1.45	19.27	323.75
Non-Current Borrowings	-	-	-	5.64	-	5.64
Current Borrowings	2.24	-	-	-	-	2.24
Bank Balances	36.82	-	-	-	-	36.82
Trade and Other Payables	74.07	0.28	0.72	-	-	75.07
Foreign Currency Exposure As at March 31, 2021						
Trade and Other Receivables	697.73	0.68	3.12	1.09	-	702.62
Non-Current Borrowings	-	-	-	1.37	-	1.37
Current Borrowings	37.72	-	-	-	-	37.72
Bank Balances	10.34	-	-	-	-	10.34
Trade and Other Payables	79.74	0.01	0.97	-	-	80.72

Forward Contracts

Foreign currency hedges taken by the Group against export trade receivables are as under:

Particulars	Number of Contracts	Foreign Currency in lakhs (US$)	₹ in lakhs	Buy / Sell
As at March 31, 2021	268	2,595.00	1,99,822.59	Sell
As at March 31, 2020	202	1,588.98	1,14,343.28	Sell

Foreign Currency Sensitivity

5 % increase or decrease in foreign exchange rates will have the following impact on profit before tax:

₹ in lakhs

Particulars	2020-21		2019-20	
	5 % Increase	5 % Decrease	5 % Increase	5 % Decrease
USD	3,123.20	(3,123.20)	1,567.96	(1,567.96)
EUR	2.83	(2.83)	4.47	(4.47)
GBP	19.12	(19.12)	7.62	(7.62)
CHF	9.01	(9.01)	25.94	(25.94)
JPY	-	-	0.67	(0.67)
INCREASE / (DECREASE) IN PROFIT AND LOSS	**3,154.16**	**(3,154.16)**	**1,606.66**	**(1,606.66)**

Market Risk - Price Risk

Exposure

The Group's exposure to equity securities' price risk arises from investments held by the Group and classified in the Balance Sheet at fair value through Profit and Loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Sensitivity

The table below summarises the impact of increases / decreases of the BSE index on the Group's equity and gain / loss for the period. The analysis is based on the assumption that the index has increased by 5% or decreased by 5% with all other variables held constant, and that all the Group's equity instruments moved in line with the index.

Impact on Profit before Tax

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
BSE Sensex 30 - Increase 5%	834.67	0.48
BSE Sensex 30 - Decrease 5%	(834.67)	(0.48)

Above referred sensitivity pertains to quoted equity investment (Refer Note No. 13). Profit for the year would increase / decrease as a result of gains / losses on equity securities at fair value through Profit and Loss.

Credit Risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. Individual risk limits are set accordingly.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, there are recognised in profit and loss.

The Group measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industrial practices and the business enviornment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on historical data, loss on collection of receivable is not material, hence, no additional provision considered.

Exposure to Credit Risk

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets for which loss allowance is measured using 12-months' Expected Credit Losses (ECL)		
Investments in Debentures or Bonds	16,693.48	9.54
Non-Current Loans and Advances	383.87	395.98
Cash and Bank Balances	11,975.65	13,935.90
Bank Deposits	677.86	1,099.35
Current Loans and Advances	506.92	464.23

Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables	51,566.06	24,233.31

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 March 31, 2021	
Not Due	48,227.67
Up to 3 months	2,139.10
3 to 6 months	203.96
More than 6 months	995.33
TOTAL	**51,566.06**
As at March 31, 2020	
Not Due	20,874.35
Up to 3 months	2,240.07
3 to 6 months	673.18
More than 6 months	445.71
TOTAL	**24,233.31**

Financial assets are considered to be of good quality and there is no significant increase in credit risk.

Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a resonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

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 March 31, 2021			
Non Current Borrowings	-	1,935.26	1,935.26
Other Non-Current Financial Liabilities	-	156.33	156.33
Current Borrowings	53,707.85	-	53,707.85
Trade Payables	23,462.44	-	23,462.44
Other Current Financial Liabilities	2,917.30	-	2,917.30
As at March 31, 2020			
Non-Current Borrowings	-	3,609.72	3,609.72
Other Non-Current Financial Liabilities	-	588.72	588.72
Current Borrowings	29,273.45	-	29,273.45
Trade Payables	12,919.81	-	12,919.81
Other Financial Liabilities	9,173.09	-	9,173.09

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 shareholders 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 March 31, 2021	As at March 31, 2020
Total Debt	57,237.40	34,874.13
Equity	1,28,457.11	98,601.80
Capital and Debt	**1,85,694.51**	**1,33,475.93**
GEARING RATIO	**30.82%**	**26.13%**

53 NET DEBT RECONCILIATION

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and Cash Equivalents	11,975.65	13,935.90
Non-Current Borrowings (including Current Maturities)	(3,529.55)	(5,600.68)
Current Borrowings	(53,707.85)	(29,273.45)
Interest Accrued but not Due	(0.12)	(1.35)
Net Debt	**(45,261.87)**	**(20,939.58)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Particulars	Cash and Cash Equivalents	Non Current Borrowings (including Current Maturities)	Current Borrowings	Interest Accrued but not Due	Total
As at March 31, 2021					
Opening Net Debt	13,935.90	(5,600.68)	(29,273.45)	(1.35)	(20,939.58)
Cash Flows	(1,960.25)	2,071.13	(24,434.40)	-	(24,323.52)
Finance Cost	-	-	-	(2,807.90)	(2,807.90)
Interest Paid	-	-	-	2,809.13	2,809.13
CLOSING NET DEBT	**11,975.65**	**(3,529.55)**	**(53,707.85)**	**(0.12)**	**(45,261.87)**
As at March 31, 2020					
Opening Net Debt	2,312.15	(8,035.62)	(25,693.22)	(53.58)	(31,470.27)
Cash Flows	11,623.75	2,434.94	(3,580.23)	-	10,478.46
Finance Cost	-	-	-	(3,924.53)	(3,924.53)
Interest Paid	-	-	-	3,976.76	3,976.76
CLOSING NET DEBT	**13,935.90**	**(5,600.68)**	**(29,273.45)**	**(1.35)**	**(20,939.58)**

54. (a) Pursuant to the acquisition of remaining 17.50% shareholding Indo Count Retail Ventures Pvt Ltd (ICRVPL) became the Wholly Owned Subsidiary of the Holding Company with effect from March 9, 2020.

(b) The Holding Company entered into a Business Transfer Agreement with ICRVPL, wholly owned subsidiary (WOS) on March 30, 2020, whereby the domestic home textile business of the WOS was acquired by the Holding Company on 'slump sale' basis w.e.f April 1, 2020 . The assets and liabilities transferred pursuant to the arrangement are dealt with by the Holding Company in its books in financial year 2020-21.

55. IMPACT OF COVID PANDEMIC AND RELATED LOCKDOWN MEASURES

Due to outbreak of Covid-19 pandemic and subsequent lockdown enforced by the Government of India, the manufacturing operations were temporarily shut down from 23rd March 2020 and after a period of ~ 30 days, restarted partially from 26th April, 2020 subject to conditions imposed by the Government. As a result of lockdown, the volumes for the month of April 2020 and May 2020 were impacted and accordingly, results of FY 2021 are not comparable with corresponding FY 2020. The Group has assessed, and is continuously reviewing, its liquidity, future cash flow projections and the probability of occurrence of the forecasted transactions underlying the hedges based on orders in hand and current indicators of future economic conditions. The financial results for Q4 FY 21 takes into consideration such assessment of the possible effects of the Covid 19 and the recoverability of the carrying value of its assets. However, the impact of pandemic in the subsequent period may be different from the estimations used at the time of finalising these financial results.

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

New Delhi, May 17, 2021

For and on behalf of Board of Directors

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & CEO
DIN: 00059758

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary

Mumbai, May 17, 2021

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Complete Comfort

Indo Count Industries Limited

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