Complete Comfort

October 12, 2021

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

Company Symbol : ICIL

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

Scrip Code: 521016

Subject: Notice of the Meeting of the Equity Shareholders of Indo Count Industries Limited ("Company"/ Transferee Company") to be held on Monday, 15th November, 2021 at 2.30 p.m. (IST) through video conferencing (VC) or other Audio visual means (OAVM) pursuant to the directions of the National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") vide its order dated 18th August, 2021, in the matter of Scheme of Amalgamation of Pranavaditya Spinning Mills Limited ("Transferor Company") with the Company and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 ('Scheme').

Dear Sir/Madam

We wish to inform the exchanges that pursuant to the order dated August 18, 2021 in the Company Scheme Application No. CA(CAA)/143/MB/2021 ("Order"), passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble Tribunal" or "NCLT"), a meeting of the Equity Shareholders of Indo Count Industries Limited ("the Company") will be held on **Monday, November 15, 2021 at 2:30 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")** ("Tribunal convened meeting") to consider and approve scheme of amalgamation (by way of merger by absorption) of Pranavaditya Spinning Mills Limited ("First Applicant Company"/ "Transferor Company") with Indo Count Industries Limited ("The Company"/ "Transferee Company"/ "Second Applicant Company") and their respective shareholders, under Sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act read with rules framed thereunder ("Scheme").

A copy of the Notice of the Tribunal convened meeting dated October 5, 2021 along with the Explanatory Statement and other Annexures *inter alia* containing the copy of scheme is enclosed herewith for your information and records.

Pursuant to the aforesaid order of Hon'ble NCLT, Notice of the Tribunal convened meeting, together with the documents accompanying the same, is being sent through electronic mode to those Members whose names appear in the register of members/ list of beneficial owners as received from Link Intime India Pvt. Ltd., Registrar and Transfer Agent (RTA) as on October 1, 2021 and whose email addresses are registered with the Company/ Depositories. Further, members whose email address are not registered, the notice together with the documents accompanying the same, is being sent through physical mode.

In terms of the said Order of the Hon'ble NCLT and in compliance with the provisions of (a) Sections 230-232 read with Section 108 of the Companies Act, 2013; (b) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (c) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (d) Regulation 44 and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (e) Paragraph 9(a) of Circular No. CFD/DIL3/CIR/2017/21 dated

Indo Count Industries Ltd

Head Office: 301, Arcadia, 3rd Floor, Nariman Point, Mumbai - 400 021, Maharashtra, India; T: 022 4341 9500, F: 022 2282 3098
Marketing Office: Dosti Imperia, 2nd floor, Manpada, Ghodbunder Road, Thane (w) - 400 607, Maharashtra, India; T: 022 4151 1800, F: 022 2172 0121
Home Textile Division: T3, Kagal - Hatkanangale Five Star, MIDC Ind. Area, Kolhapur - 416216, Maharashtra, India; T: 0231 662 7900, F: 0231 662 7979
Spinning Division: D1, MIDC, Gokul Shirgaon, Kolhapur - 416234, Maharashtra, India; T: 0231 268 7400, F: 0231 267 2161
Regd. Office: Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road,Taluka Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra, India; T: 0230 2463100 / 2461929
CIN: L72200PN1988PLC068972, E: info@indocount.com, W: www.indocount.com

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March 10, 2017 issued by SEBI ("SEBI Circular"), the Company has provided the facility of voting by remote electronic voting ("remote e-voting") and e-voting during the Meeting through the platform provided by National Securities Depository Limited ("NSDL") so as to enable the equity shareholders of the Company, to consider and approve the Scheme by way of the resolution mentioned in the Notice. Further, the facility of attending the meeting through VC/OAVM is also provided through NSDL platform.

The remote e-voting period commences on Thursday, November 11, 2021 (9:00 A.M. IST) and ends on Sunday, November 14, 2021 (5:00 P.M. IST). The remote e-voting module shall be disabled for voting thereafter. During this period, members of the Company holding shares as on November 8, 2021 (Cut-off date), can cast their vote electronically. The voting rights of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on Cut-off Date. The Equity Shareholders are requested to read the instructions in the Notes in this notice for electronic voting and attending the meeting.

The above announcements are also being made available on the website of the Company www.indocount.com.

This disclosure is being made in compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We request you to take the above information on record.

Yours truly,

For Indo Count Industries Limited

Amruta Avasare
Company Secretary & Compliance Officer
Membership No: A18844

Indo Count Industries Limited

Encl.: As Above

Indo Count Industries Ltd

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CIN: L72200PN1988PLC068972, E: info@indocount.com, W: www.indocount.com

INDO COUNT INDUSTRIES LIMITED

CIN: L72200PN1988PLC068972
Registered Office: Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road,
Taluka Hatkanangale, Kolhapur – 416109 Maharashtra, India
Tel No.: + 91 230 2463100/2461929;
Corporate Office: 301, 3rd Floor, "Arcadia", Nariman Point, Mumbai -400 021
Tel No.: + 91 22 43419500 / 501; **Fax No.:** + 91 22 22823098
Email: icilinvestors@indocount.com; **Website:** www.indocount.com

MEETING OF THE EQUITY SHAREHOLDERS OF INDO COUNT INDUSTRIES LIMITED

(convened pursuant to the order dated August 18, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench)

NOTICE TO EQUITY SHAREHOLDERS

DETAILS OF THE MEETING:

Day	Monday
Date	November 15, 2021
Time	2:30 p.m. (IST)
Mode of Meeting	In view of the ongoing COVID-19 pandemic and related social distancing norms, as per the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench, the meeting shall be conducted through Video Conferencing / Other Audio Visual Means.

REMOTE E-VOTING AND E-VOTING AT THE MEETING:

Cut Off date for e-voting	November 8, 2021
Remote e-voting start and end date and time	From November 11, 2021 at 9:00 a.m. (IST) to November 14, 2021 at 5:00 p.m. (IST).
E-voting at the meeting start and end time	As may be instructed by the Chairperson of the Meeting, during the proceedings of the meeting.

INDEX OF DOCUMENTS ENCLOSED:

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, AT MUMBAI BENCH
CA(CAA) /143/ MB/ 2021

(Under Sections 230-232 of the Companies Act, 2013)

In the matter of the Companies Act, 2013

AND

In the matter of application under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

AND

In the matter of Scheme of Amalgamation (by way of Merger by Absorption) of Pranavaditya Spinning Mills Limited ('Transferor Company' or 'First Applicant Company') with Indo Count Industries Limited ('Transferee Company' or 'Second Applicant Company' or 'The Company')

AND

their respective shareholders.

Indo Count Industries Limited a public limited company, incorporated under the Companies Act, 1956 having its Registered Office situated at Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur - 416109 Maharashtra, India CIN: L72200PN1988PLC068972	))))))	**Second Applicant Company / Transferee Company / The Company**

NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF INDO COUNT INDUSTRIES LIMITED

To
The Equity Shareholders of Indo Count Industries Limited,

NOTICE is hereby given that by an order dated August 18, 2021 in the above mentioned Company Scheme Application ("**Order**"), the Hon'ble National Company Law Tribunal, Mumbai Bench (**"Hon'ble Tribunal"** or **"NCLT"**) has directed that a meeting of the equity shareholders of Indo Count Industries Limited ("**The Company**"), be held for the purpose of considering, and if thought fit, approving the proposed scheme of amalgamation (by way of merger by absorption) of Pranavaditya Spinning Mills Limited ("**First Applicant Company**"/ "**Transferor Company"**) with Indo Count Industries Limited ("**The Company**"/ "**Transferee Company**"/ "**Second Applicant Company**") and their respective shareholders, under Sections 230 to 232 of the Companies Act, 2013 ("**Scheme**").

TAKE FURTHER NOTICE that in pursuance of the aforesaid Order and as directed therein, a meeting of the equity shareholders of the Company, will be held on **Monday, November 15, 2021 at 2.30 p.m. (IST)** through Video Conferencing ("**VC**") / Other Audio Visual Means ("**OAVM**") ("**Meeting**") following the operating procedures (with requisite modifications as may be required) referred to in Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, General Circular No. 14/2020 dated April 8, 2020 read with General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020 and General Circular No. 10/2021 dated June 23, 2021 issued by the Ministry of Corporate Affairs, Government of India ("**MCA Circulars**") and circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India ("**SEBI Relaxation Circulars**").

TAKE FURTHER NOTICE that pursuant to the aforesaid order passed by the Hon'ble Tribunal and in view of ongoing COVID-19 pandemic, the meeting of members of the Company shall be convened through VC/OAVM and there shall be no meeting requiring physical presence of members at a common venue. Members are requested to attend the meeting through VC/OAVM.

TAKE FURTHER NOTICE that in terms of the said Order of the Hon'ble Tribunal and in compliance with the provisions of (a) Sections 230-232 read with Section 108 of the Companies Act, 2013; (b) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (c) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (d) Regulation 44 and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (e) Paragraph 9(a) of Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by SEBI ("**SEBI Circular**"), the Company has provided the facility of voting by remote electronic voting ("**remote e-voting**") and e-voting during the Meeting through the platform provided by National Securities Depository Limited ("**NSDL**") so as to enable the equity shareholders of the Company, to consider and approve the Scheme by way of the below mentioned resolution.

TAKE FURTHER NOTICE that remote e-voting period begins from 09:00 a.m. (IST) on Thursday, November 11, 2021 and ends at 5:00 p.m. (IST) on Sunday, November 14, 2021. Remote e-voting module will be disabled by NSDL thereafter. The voting rights of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on November 8, 2021 ("**Cut-off Date**"). The Equity Shareholders opting to cast their votes by remote e-voting or e-voting during the Meeting are requested to read the instructions in the Notes in this notice carefully.

TAKE FURTHER NOTICE that each equity shareholder can opt for only one mode of voting i.e. (a) remote e-voting or (b) e-voting during the Meeting. If the shareholders opt for remote e-voting, they will be entitled to attend and participate in the Meeting, but will not be entitled to vote again during the Meeting.

TAKE FURTHER NOTICE that since the physical attendance of members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Companies Act 2013, ("Act") will not be available for the said meeting and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, pursuant to Sections 112 and 113 of the Act, in case of body corporates, authorized representatives can be appointed for the purpose of voting through remote e-voting, for attending the Meeting through VC/OAVM facility and e-voting during the Meeting. Further, an authority letter/ power of attorney by the board of directors or a certified copy of the resolution passed by its board of directors or other governing body authorizing such representative to attend and vote at the Meeting on its behalf be emailed to the Scrutinizer at csvrca@gmail.com or amruta.avasare@indocount.com with a copy marked to evoting@nsdl.co.in not later than 48 (forty eight) hours before the time for holding the Meeting.

TAKE FURTHER NOTICE that a copy of the Scheme, the Explanatory Statement under Sections 230, 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, are enclosed herewith. A copy of this notice and the accompanying documents will be placed on the website of the Company at www.indocount.com and will also be available on the website of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com, respectively and also on the website of NSDL at www.evoting.nsdl.com. Pursuant to Rule 11 of Companies (Compromises, Arrangements and Amalgamations) Rule, 2016, a copy of the Scheme along with explanatory statement shall be furnished by the Company, on requisition from equity shareholders to the Company on its email icilinvestors@indocount.com.

The Hon'ble Tribunal has appointed Mr. Kailash R. Lalpuria, Executive Director & CEO (Non-promoter) of the Company, and failing him, Mr. Kamal Mitra, Director (Works) (Non-promoter) of the Company, as the Chairperson of the Meeting, including for any adjournment thereof. Further, the Hon'ble Tribunal has appointed Mr. Vikas R. Chomal, (Membership No.: ACS 24941; CP No: 12133), Proprietor of M/s. Vikas R. Chomal & Associates, Practicing Company Secretaries as the Scrutinizer for the Meeting, including for any adjournment thereof.

The Scheme, if approved by the equity shareholders (which includes Public Shareholders), will be subject to the subsequent approval of the Hon'ble Tribunal.

The result(s) of the meeting shall be announced by the Chairperson within 2 working days of the conclusion of the Meeting upon receipt of Scrutinizer's report and the same shall be displayed on the website of the Company at www.indocount.com and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL www.evoting.nsdl.com.

In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013 read with paragraph 9(a) of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the Scheme shall be considered approved by the Equity Shareholders and be acted upon only if (a) the Scheme is approved by majority in number representing three-fourths in value of the Equity Shareholders of the Company; and (b) the votes cast by the public shareholders of the Company in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

The Equity shareholders are requested to consider and if thought fit, to pass, by requisite majority, the following Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 230 read with Section 232 and other applicable provisions, if any, of the Companies Act, 2013 ("**The Act**") and the rules, circulars, notifications made thereunder, including the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (including any statutory modification(s) or re-enactment thereof for the time being in force), enabling provisions of the Memorandum and Articles of Association of the Company, relevant provisions of the Income-tax Act, 1961 and any other applicable laws, relevant provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended from time to time), issued by the Securities and Exchange Board of India, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time, the observation letter dated March 25, 2021 issued by BSE Limited and the observation letter dated March 26, 2021 issued by National Stock Exchange of India Limited and subject to the approval of the Mumbai Bench of the National Company Law Tribunal ("**Hon'ble Tribunal**"), and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble Tribunal or any other regulatory authority while granting such consents, approvals and permissions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this resolution), the scheme of amalgamation by way of merger by absorption of Pranavaditya Spinning Mills Limited ("**Transferor Company**") with Indo Count Industries Limited ("**Transferee Company**") and their respective shareholders ("**Scheme**") on a going concern basis, as enclosed to the notice of the Hon'ble Tribunal convened meeting of the equity shareholders of the Company, be and is hereby approved;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble Tribunal while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme as the Board may deem fit and proper, including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper, and delegate all or any of its powers herein conferred to any Director(s) and/ or officer(s) of the Company, to give effect to this resolution, if required, as it may in its absolute discretion deem necessary or desirable, without being required to seek any further approval of the Shareholders or otherwise to the end and intent that the Shareholders shall be deemed to have given their approval thereto expressly by authority under this resolution and the Board be and is hereby further authorized to nominate one or more officers of the Company to execute such further deeds, documents and writings that may be considered necessary, make necessary filings and to carry out any or all activities that the Board is empowered to do for the purpose of giving effect to this resolution."

Dated this October 5, 2021

For Indo Count Industries Limited

Sd/-
Mr. Kailash R. Lalpuria
DIN: 00059758
(Chairperson appointed for the meeting)

Registered Office: Office No. 1, Plot No. 266,
Village Alte, Kumbhoj Road, Taluka Hatkanangale,
Kolhapur - 416109 Maharashtra, India
CIN: L72200PN1988PLC068972
Email: icilinvestors@indocount.com
Website: www.indocount.com

NOTES

1. In view of the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its General Circular No. 14/2020 dated April 8, 2020 read with General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020 General Circular No. 39/2020 dated December 31, 2020 and General Circular No. 10/2021 dated June 23, 2021 issued by the Ministry of Corporate Affairs, Government of India, ("MCA Circulars"), permitted convening the General Meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. Pursuant to the order dated August 18, 2021, in Company Scheme Application CA(CAA) /143/ MB / 2021 ("collectively referred to as the "Order"), passed by the National Company Law Tribunal, Mumbai Bench ("Hon'ble Tribunal") and in accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 ("SEBI relaxation circulars") and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015 ("Listing Regulations"), this meeting is being held through VC/OAVM. The deemed venue for the meeting will be "301, 3rd Floor, Arcadia, NCPA Marg, Nariman Point, Mumbai – 400 021". Since the Meeting will be held through VC / OAVM, the Route Map is not annexed in this Notice.

2. The Explanatory Statement pursuant to Section 230, 232 and 102 of the Companies Act, 2013 ("the Act") read with Rule 6 of Companies (Compromises, Arrangements and amalgamation) Rules, 2016 (as amended from time to time) in respect of the above Resolution included in the notice is annexed hereto.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this meeting is being held pursuant to the aforesaid MCA circulars and SEBI relaxation circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this meeting and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

4. In case of joint holders attending the meeting, the Members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

5. The attendance of the Members at the meeting through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. The members, seeking any information or having questions with regard to the resolution / scheme placed at meeting, are requested to send an email to the Company on icilinvestors@indocount.com. The same will be replied suitably.

7. Notice of the Meeting, together with the documents accompanying the same, is being sent through electronic mode to those Members whose names appear in the register of members/ list of beneficial owners as received from Link Intime India Pvt. Ltd., Registrar and Transfer Agent (RTA) as on October 1, 2021 and whose email addresses are registered with the Company/ Depositories. Further, members whose email address are not registered, the notice together with the documents accompanying the same, is being sent through courier/ registered post/ speed post. Members may note that the Notice is also available on the Company's website www.indocount.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL at www.evoting.nsdl.com.

8. Voting rights shall be reckoned on the basis of paid-up value of the shares registered in the name(s) of the equity shareholders as on the Cut-off Date i.e. November 8, 2021. Persons who are not equity shareholders of the Company as on the Cut-off Date should treat this Notice for information purposes only.

9. As directed by the Hon'ble Tribunal, Mr. Vikas R. Chomal, (Membership No.: ACS 24941; CP No: 12133), Proprietor of M/s. Vikas R. Chomal & Associates, Practicing Company Secretaries shall act as Scrutinizer to scrutinize votes cast through remote e-voting or e-voting during the Meeting and shall submit a combined report on votes cast by the Equity Shareholders, which includes Public Shareholders of the Company to the Chairperson of the Meeting or to the person so authorised by him within 2 working days from the conclusion of the Meeting. The Scrutinizer's decision on the validity of the vote shall be final.

10. The result of the voting shall be announced within 2 working days of the conclusion of the Meeting, upon receipt of Scrutinizer's report and same shall be displayed on the website of the Company at www.indocount.com and on the website of NSDL at www.evoting.nsdl.com and on websites of BSE Limited www.bseindia.com and National Stock Exchange of India Limited www.nseindia.com.

11. The Notice convening the Meeting will be published through an advertisement in Business Standard (All editions) & Times of India (Kolhapur edition) in English language and Navshakti (All editions) & Pudhari (Kolhapur edition) in Marathi language.

12. INSTRUCTIONS FOR E-VOTING

Pursuant the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing 'remote e-voting' facility through the platform provided by National Securities Depository Limited (NSDL) to all Members of the Company to enable them to cast their votes electronically, on the resolution mentioned in the notice of the Meeting of the Company. Apart from remote e-voting, the Company has also provided e-voting facility at the meeting through NSDL platform.

General Instructions:

a) The remote e-voting period begins on Thursday, November 11, 2021 at 9.00 a.m. (IST) and ends on Sunday November 14, 2021 at 5.00 p.m. (IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Monday, November 8 , 2021 may cast their votes by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting after 5.00 p.m. (IST) on Sunday, November 14, 2021.

b) Mr. Vikas R. Chomal, (Membership No.: ACS 24941; CP No: 12133), Proprietor of M/s. Vikas R. Chomal & Associates, Practicing Company Secretaries has been appointed as a Scrutinizer to scrutinize the remote e-voting process and e-voting at meeting in a fair and transparent manner.

c) In accordance with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Company has fixed Monday, November 8, 2021 as the "cut-off date" to determine the eligibility of members to vote by remote e-voting and e-voting at the meeting. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. Monday, November 8 , 2021, shall be entitled to avail the facility of remote e-voting or e-voting at the meeting. Only those members, who will be present at the Meeting through VC/ OAVM facility and who would not have cast their vote by remote e-voting prior to the meeting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the meeting.

d) The members who have casted their vote by remote e-voting can also attend the meeting through VC/ OAVM but shall not be entitled to cast their vote again.

e) Any person who acquires shares of the Company and becomes member of the Company after the notice is sent and holding shares as on the cut-off date i.e. Monday, November 8, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or the Company or RTA. However, if he / she is already registered with NSDL for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote. If he / she has forgot his / her password, he / she can reset his / her password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholder holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Monday, November 8, 2021 may follow steps mentioned in the Notice of the meeting under "Access to NSDL e-Voting system".

f) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Monday, November 8 , 2021.

g) The Scrutinizer shall submit his consolidated report to the Chairman within 2 working days from the conclusion of the meeting.

h) The result declared along with the Scrutiniser's Report shall be placed on the website of the Company at www.indocount.com and on the website of NSDL at www.evoting.nsdl.com and shall simultaneously be communicated to the BSE Limited and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively. Subject to the receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of the meeting, i.e. November 15, 2021.

PROCESS AND MANNER FOR MEMBERS OPTING TO VOTE THROUGH REMOTE E-VOTING:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system
Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system.

Details on Step 1 are mentioned below:

Pursuant to SEBI circular no. SEBI/HO/ CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", E-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	**A. NSDL IDeAS facility:** If you are already registered, follow the below steps: 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on "Access to e-Voting" appearing on the left hand side under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against Company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting. If you are not registered, follow the below steps: 1. Option to register is available at https://eservices.nsdl.com. 2. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Please follow steps given in points 1-5.

Type of shareholders	Login Method
	B. e-Voting website of NSDL 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone. 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.
	4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against Company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. Once logged-in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 118510 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

      (ii) **If your email ID is not registered, please follow steps mentioned in process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. **EVEN of the Company is 118510**. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolution set out in this notice:

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to icilinvestors@indocount.com

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to icilinvestors@indocount.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

5. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE MEETING ARE AS UNDER:-

1. The procedure for e-Voting on the day of the Meeting is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the Meeting.

3. Members who have voted through Remote e-voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the Meeting.

4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the Meeting shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE MEETING THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the Meeting through VC/OAVM through the NSDL e-Voting system. Members may access the same by following the abovementioned steps under "**Access to NSDL e-Voting system**". After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.

2. Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience audio/ video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

3. Members who would like to express their views or ask questions during the Meeting may register themselves as a speaker by sending their request at icilinvestors@indocount.com by **November 9, 2021** from their registered Email ID mentioning their name, DP ID and Client ID / Folio No, PAN, mobile number. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the Meeting. For ease of conduct, speakers should send the questions in advance by sending the email on icilinvestors@indocount.com. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting. Members are requested to restrict their questions/views only on the Scheme. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Meeting.

4. The Members can join the Meeting in the VC/OAVM mode 15 minutes before the scheduled time of commencement of the Meeting by following the procedure mentioned in the Notice and the Company may close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the Meeting. The facility of participation at the Meeting through VC/OAVM will be made available for 1,000 members on first come first served basis.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, AT MUMBAI BENCH
CA(CAA) /143/ MB/ 2021

(Under Sections 230-232 of the Companies Act, 2013)

In the matter of the Companies Act, 2013

AND

In the matter of application under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

AND

In the matter of Scheme of Amalgamation (by way of Merger by Absorption) of Pranavaditya Spinning Mills Limited ('Transferor Company' or 'First Applicant Company') with Indo Count Industries Limited ('Transferee Company' or 'Second Applicant Company' or 'The Company')

AND

their respective shareholders.

Indo Count Industries Limited a public limited company, incorporated under the Companies Act, 1956 having its Registered Office situated at Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur - 416109 Maharashtra, India CIN: L72200PN1988PLC068972	)	**Second Applicant Company / Transferee Company/ The Company**

EXPLANATORY STATEMENT UNDER SECTION 230(3), 232 AND SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016, FOR THE MEETING OF THE EQUITY SHAREHOLDERS OF INDO COUNT INDUSTRIES LIMITED BEING CONVENED AS PER THE DIRECTIONS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

1. This is a statement accompanying the Notice convening the meeting of the equity shareholders of the Company ("**Meeting**") on Monday, November 15, 2021 at 2:30 p.m. (IST) through VC /OAVM pursuant to the Order dated August 18, 2021 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ("**Hon'ble Tribunal**" or "**NCLT**") in the Company Scheme Application No. CA(CAA)/143/MB/2021 ("**Order**"), for the purpose of considering and, if thought fit, approving, the Scheme of Amalgamation of Pranavaditya Spinning Mills Limited ("**First Applicant Company**" / "**Transferor Company**") with Indo Count Industries Limited ("**Second Applicant Company**" / "**Transferee Company**"/ "**The Company**") and their respective shareholders. ("**Scheme**").

2. In terms of the said Order, the quorum for the Meeting for equity shareholders shall be as prescribed under Section 103 of the Companies Act, 2013 i.e. 30 equity shareholders, present through VC/OAVM. If the quorum is not present within half an hour from the time appointed for the holding of the Meeting, the meeting shall be adjourned by 30 (thirty) minutes and thereafter, the persons present shall be deemed to constitute the quorum and the Meeting shall be held. Further, in terms of the said Order, the Hon'ble Tribunal has appointed Mr. Kailash R. Lalpuria, Executive Director & CEO (Non-promoter) of the Company and failing him, Mr. Kamal Mitra, Director of the Company, as the Chairperson of the Meeting of the Company ("**Chairperson**"), including for any adjournment thereof. Further, the Hon'ble Tribunal has appointed Mr. Vikas R. Chomal (Membership No.: ACS 24941; CP No: 12133), Proprietor of M/s. Vikas R. Chomal & Associates, Practicing Company Secretaries as the Scrutinizer for the Meeting ("**Scrutinizer**"), including for any adjournment thereof.

3. A copy of the Scheme is enclosed herewith as **Annexure I.** The proposed scheme is envisaged to be effective from the Appointed Date. The Appointed Date is October 1, 2020 or such other date as may be approved by the NCLT.

4. **Appointed Date, Effective Date, Record Date and Share Exchange Ratio and Other Considerations:**

   *Clause 1(d) of Part A of the Scheme defines "**Appointed Date**" as "1st October 2020 or such other date as may be approved by the Hon'ble National Company Law Tribunal ('NCLT')".*

*Clause 1(f) of Part A of the Scheme defines "**Effective Date**" as "the last of the dates on which the certified copies of the Order of NCLT, Mumbai bench under Sections 230 & 232 of the Act sanctioning the Scheme is filed with the Registrar of Companies, Pune, at Maharashtra by the Transferor Company and Transferee Company".*

*Clause 1(k) of Part A of the Scheme defines "**Record Date**" as "such date as may be mutually fixed by the Board of Directors of the Transferor Company and the Transferee Company for determining the names of the shareholders of the Transferor Company to whom equity shares of the Transferee Company will be allotted pursuant to the Scheme".*

*Clause 6.2 of Part B of the Scheme states "**Share Exchange Ratio**"* as *" 2 (Two) fully paid Equity Shares of face value of INR 2/- each of Transferee Company shall be issued and allotted for every 15 (Fifteen) Equity shares of face value of INR 10/- each held in Transferor Company"*

5. The proposed Scheme was placed before the Audit Committee of the Company ("**ICIL Audit Committee**") at its meeting held on October 21, 2020. In accordance with the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, ("**SEBI Circular**"), the ICIL Audit Committee vide resolution passed at its meeting held on October 21, 2020, recommended the Scheme to the Board of Directors of the Company *inter alia* on the basis of its evaluation and independent judgment and consideration of the following documents:

   (a) Valuation reports dated October 21, 2020, issued by AZR & Associates, Independent Chartered Accountants and Mr. Amit Kumar Singh, Registered Valuer containing the Share Exchange Ratio (defined hereinafter);

   (b) Fairness opinion, dated October 21, 2020, issued to the Company by Ernst & Young Merchant Banking Services LLP, a Category-I Merchant Banker registered with the Securities and Exchange Board of India ("SEBI") on the fairness of the share exchange ratio.

   (c) Certificate dated October 21, 2020, issued by Suresh Kumar Mittal & Co., Chartered Accountants, Statutory Auditors of the Company, confirming that the accounting treatment prescribed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013.

6. Based upon the recommendations of the ICIL Audit Committee and on evaluation of the scheme, the Board of Directors of the Company has come to the conclusion that the Scheme is in the best interest of the Company and its shareholders. A copy of the Scheme, as approved by the Board of Directors of the Company, taking into account the Valuation Reports, Fairness Opinion and the independent recommendation of the ICIL Audit Committee, is enclosed herewith to this Notice. The rationale and salient features of the Scheme are also mentioned in this Explanatory Statement.

7. The proposed Scheme was also placed before the Audit Committee of Transferor Company ("**PSML Audit Committee**") at its meeting held on October 21, 2020. In accordance with the provisions of SEBI Circular, the PSML Audit Committee vide resolution passed at its meeting held on October 21, 2020, recommended the Scheme to Board of Directors of Pranavaditya Spinning Mills Limited inter alia on the basis of its evaluation and independent judgment and consideration of the following documents:

   (a) Valuation report dated October 21, 2020, issued by AZR & Associates, Independent Chartered Accountants and by Mr. Amit Kumar Singh, Registered Valuer containing the Share Exchange Ratio (defined hereinafter);

   (b) Fairness opinion, dated October 21, 2020, issued to First Applicant Company by Saffron Capital Advisors Private Limited, a Category-I Merchant Banker registered with the Securities and Exchange Board of India ("SEBI") on the fairness of the share exchange ratio.

8. Based upon the recommendations of the PSML Audit Committee and on evaluation of the scheme, the Board of Directors of Pranavaditya Spinning Mills Limited ("Transferor Company") has come to the conclusion that the Scheme is in the best interest of the Transferor Company and its shareholders. A copy of the Scheme, as approved by the Board of Directors of Transferor Company, taking into account the Valuation Reports, Fairness Opinion and the independent recommendation of the PSML Audit Committee, is enclosed herewith to this Notice. Please refer to Explanatory Statement for the rationale and salient features of the Scheme.

9. The Scheme is presented for Amalgamation (by way of Merger by Absorption) of Pranavaditya Spinning Mills Limited with the Company, on a going concern basis in accordance with the Sections 230 to 232 of the Act and in compliance with Section 2(1B) of the Income-tax Act, 1961 ("**Amalgamation**").

10. In terms of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the equity shareholders of the Company if the resolution mentioned in the Notice is approved at the Meeting by a majority in number representing three-fourths in value of the equity shareholders of the Company, through electronic voting. Further, in accordance with the SEBI Circular, the Scheme shall be acted upon only if the number of votes cast by the Public Shareholders in favour of the aforesaid resolution for approval of Scheme is more than the number of votes cast by the Public Shareholders against it. Public shareholders shall have same meaning as defined in said circular.

DETAILS OF PRANAVADITYA SPINNING MILLS LIMITED / FIRST APPLICANT COMPANY / TRANSFEROR COMPANY AS PER RULE 6(3) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATION) RULES, 2016 ("RULES")

11. Details of First Applicant Company:

Name of First Applicant Company	Pranavaditya Spinning Mills Limited
Corporate Identification No. (CIN)	L17119PN1990PLC058139
Permanent Account No.(PAN)	AAACP4716B
Incorporation Date	September 12, 1990
Type of Company & Name of stock exchanges in which equity shares of the Company are listed	Public Limited Company The equity shares of the First Applicant Company are listed on the BSE Limited (Scrip Code : 531172).
Registered Office Address	Office No. 2, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur – 416109, Maharashtra, India
Details of change of Name, Registered Office and Objects of the Company during the last five years	There has been no change in the name, Registered Office and the object clause of First Applicant Company during the last 5 years.
Email address	investors@pranavaditya.com
Relationship with the parties to the Scheme	The First Applicant Company is a subsidiary of Second Applicant Company.

12. Summary of the main objects as per the memorandum of association of the First Applicant Company:

The main objects of the First Applicant Company, as set out in Clause III(A) of its memorandum of association, are as under:

"To carry on business as manufacturers, producers, processors, cultivators, fabricators, assemblers, ginners, balers, pressers, carders, sizers, spinners, woolcombers, worsted spinners woollen spinners, weavers, knitters, bleachers, dyers, printers, convertors, crimpers, texturisers, doublers, twisters, packers, reelers, refiners, distributors, traders, dealers agents, brokers, financiers, buyers, sellers, importers and exporters of cotton yarn, waste yarn, staple fibre yarn, synthetic yarn, blended yarn of all kinds, all other kinds of yarns and threads, including sewing thread and tyre cord yarn, natural and man-made fibres including cotton, staple fibre, synthetic, viscose, artificial silk, jute silk, hemp, flex wool, linen, nylon, terylene, cotton & synthetic waste or any other fibrous materials whether blended, spun, filament or otherwise and cloth including floor cloth, Tarapaulin cloth, American cloth, table cloth, upholstery, curtains, dress linings, boot linings, trunk linings and synthetic materials, knitted products, garments, readymade or otherwise including shirts, bush shirts, pyjama suits, uniform for the Army, Navy, Airforce and other personnel, safaries, suits, pants, coats, hosiery, vests, undergarments for men, women and childrens, madeups, shawls, sweaters, laces, stockings, mats, rugs, blankets, packing materials tapes socks fabrics whether textile felted, netted or looped".

13. Main business carried on by the First Applicant Company:

The First Applicant Company is authorised to carry on, inter alia, the business of manufacturing of cotton yarn. The First Applicant Company is in Textile segment.

14. Details of the capital structure of the First Applicant Company including authorized, issued, subscribed and paid-up share capital:

Authorised Share Capital as on August 31, 2021	**Amount (in Rs.)**
1,92,70,000 Equity Shares of Rs. 10/- each	19,27,00,000
Total	**19,27,00,000**
Issued, Subscribed and Paid-up Share Capital as on August, 31, 2021	
1,92,41,280 Equity Shares of Rs.10/- each fully paid up	19,24,12,800
Total	**19,24,12,800**

Subsequent to August 31, 2021, there has been no change in the authorised, issued, subscribed and paid-up share capital of First Applicant Company. Upon the Scheme becoming effective, the entire authorised share capital of the First Applicant Company shall stand transferred to Second Applicant Company.

The details regarding the pre-scheme shareholding pattern of the First Applicant Company as on September 30, 2020 is as under. The First Applicant Company will be automatically dissolved after the Scheme becomes effective.

Sr. No.	**Category of Shareholder(s)**	**No. of shares**	**% holding**
(A)	**Shareholding of Promoter and Promoter Group**		
1	**Indian**		
(a)	Individuals/ Hindu Undivided Family	NIL	NIL
(b)	Central Government/ State Government(s)	NIL	NIL
(c)	Bodies Corporate (Indo Count Industries Limited)	1,43,41,280	74.53
(d)	Financial Institutions/ Banks	NIL	NIL
(e)	Any Others	NIL	NIL
	Sub Total(A)(1)	**1,43,41,280**	**74.53**
2	**Foreign**		
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	NIL	NIL
(b)	Bodies Corporate	NIL	NIL
(c)	Institutions	NIL	NIL
(d)	Any Others	NIL	NIL
	Sub Total(A)(2)	**NIL**	**NIL**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**1,43,41,280**	**74.53**
(B)	**Public shareholding**		
1	**Institutions**	**NIL**	**NIL**
(a)	Mutual Funds/ UTI	NIL	NIL
(b)	FPI	NIL	NIL
(c)	Financial Institutions / Banks	NIL	NIL
(d)	Central Government/ State Government(s)	NIL	NIL
(e)	Venture Capital Funds	NIL	NIL
(f)	Insurance Companies	NIL	NIL
(g)	Foreign Institutional Investors	NIL	NIL
(h)	Foreign Venture Capital Investors	NIL	NIL
(i)	Any Other	NIL	NIL
	Sub-Total (B)(1)	**NIL**	**NIL**

Sr. No.	Category of Shareholder(s)	No. of shares	% holding
2	**Non-institutions**		
(a)	Individuals		
I	Individual shareholders holding nominal share capital up to Rs. 2 lakhs	7,97,696	4.15
II	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	15,90,427	8.27
(b)	Any Other		
	Bodies Corporate	19,59,835	10.19
	Clearing Members	1,700	0.01
	Non-Resident Indian (NRI)	27,858	0.14
	HUF	5,14,888	2.68
	Trusts	7,596	0.04
	Sub-Total (B)(2)	**49,00,000**	**25.47**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**49,00,000**	**25.47**
	TOTAL (A)+(B)		
(C)	Shares held by Custodians and against which DRs have been issued	NIL	NIL
	GRAND TOTAL (A)+(B)+(C)	**1,92,41,280**	**100.00**

The First Applicant Company does not have any stock options or equity linked benefits to its employees, as on August 31, 2021. Further, there are no convertible securities outstanding as on August 31, 2021.

15. Names and addresses of the promoters of the First Applicant Company as on August 31, 2021 along with their addresses:

Sr. No.	Name of the Promoter	Address
1.	Indo Count Industries Limited	Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur – 416109, Maharashtra, India

16. Names of the directors of the First Applicant Company as on August 31, 2021 along with their addresses:

Sr. No.	DIN	Name of the Director	Category	Residential Address
1.	00400892	Mr. S K Agrawal	Non-Executive Independent Chairman	A-2, Matru Ashish Building, 14th floor, 454, Nepeansea Road, Near Petrol Pump, Nepeansea Road, Mumbai - 400 036
2.	00086106	Mr. Anil Kumar Jain	Non-Executive Non-Independent Director	FRH -5, Grand Paradi Apt, A. K. Marg, Kemps Corner, Near Shalimar Hotel, August Kranti Marg, Mumbai - 400 036
3.	01839261	Mr. Kamal Mitra	Non-Executive Non-Independent Director	House No. D -1, R. S. No. 177, Hari Puja Puram, E ward, Nagala Park, Karvir, Kolhapur, Maharashtra - 416 003
4.	03609419	Dr. Ashok Desai	Non-Executive Independent Director	1804, Victoria Lodha Paradise, Majiwada, Thane West, Thane – 400 601
5.	08015576	Ms. Kala Agarwal	Non-Executive Independent Director	B / 4, New Rakhi CHS, M. G. Road, Opp. Corporation Bank, Kandivali (West), Mumbai - 400 067
6.	00193056	Mr. L. Viswanathan	Non-Executive Independent Director	Flat No: 804, B wing, Tower 6, Elisium Building, New Cuffe Parade, Wadala (East), Mumbai - 400 037

17. The date of the board meeting at which the Scheme was approved by the Board of the First Applicant Company including the names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Scheme was approved by the Board of Directors of the First Applicant Company on October 21, 2020. All Directors were present at the meeting and voted unanimously in favour of the scheme. The details of voting on the resolution are as under:

Sr. No.	Names of the Directors	Voted in favour/against/did not participate
1.	Mr. S K Agrawal	In Favour
2.	Mr. Anil Kumar Jain	In Favour
3.	Mr. Kamal Mitra	In Favour
4.	Dr. Ashok Desai	In Favour
5.	Ms. Kala Agarwal	In Favour
6.	Mr. L. Viswanathan	In Favour

18. Amount due to unsecured creditors: As on December 31, 2020, the aggregate amount due to the unsecured creditors of the First Applicant Company is Rs. 6,02,68,498/- (Six Crore Two Lakh Sixty Eight Thousand Four Hundred and Ninety Eight Rupees Only). There were no secured creditors as on December 31, 2020 in First Applicant Company.

19. Disclosure about effect of the Scheme / amalgamation on promoter, non-promoter shareholders, directors & key managerial personnel, creditors, employees, depositors & deposit trustee, debenture trustee of the First Applicant Company:

Sr. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Promoters	Indo Count Industries Limited (Promoter & Transferee Company) holds 1,43,41,280 equity shares of face value Rs. 10/- each of Pranavaditya Spinning Mills Limited (Transferor Company) representing 74.53% of paid up equity share capital of Transferor Company. The said shares held by Transferee Company in Transferor Company will stand cancelled pursuant to this scheme on account of amalgamation without any further application, act and deed.
2.	Non-Promoter Shareholders	As consideration for the amalgamation of Transferor Company with the Transferee Company, the Transferee Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of Transferor Company as on the Record Date (as defined in the Scheme), 2 equity shares of Rs. 2 each of the Transferee Company for every 15 equity shares of Rs. 10 each of Transferor Company. ("**Share Exchange Ratio**"). Upon the amalgamation of Transferor Company with the Transferee Company, Transferor Company shall stand dissolved without being wound-up and without any further act or deed. The name of Transferor Company shall be struck off from the records of the Registrar of Companies on amalgamation.
3.	Directors and Key Managerial Personnel ("**KMPs**")	All KMPs (Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary) of Transferor Company shall cease to hold their respective positions in the Transferor Company. Any KMPs holding equity shares in Transferor Company, as on record date, will receive the shares of Transferee Company as per the aforementioned share exchange ratio.

Sr. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
4.	Creditors	There are no secured creditors in Transferor Company. Inter-company unsecured creditors: Upon the scheme becoming effective, w.e.f. Appointed Date, the Receivables of Transferee Company from Transferor Company shall stand cancelled. Further, other unsecured creditor of Transferor Company would become creditor of Transferee company and Transferee company shall be liable to meet, discharge or satisfy the same in accordance with terms agreed with creditors. The Scheme does not involve any compromise or arrangement with the creditors of the Transferor Company. The liability of the Transferor Company towards its creditors is neither being reduced nor being extinguished under the Scheme and the Scheme is therefore not prejudicial to the interests of the creditors of the Transferor Company.
5.	Depositors & Deposit Trustee	Not Applicable, as the Transferor Company does not have any outstanding public deposits.
6.	Employees	Upon the amalgamation becoming effective, in terms of the Scheme, all employees of the Transferor Company, as on the Effective Date (as defined in the Scheme), shall be deemed to have become employees of the Transferee Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company, on the Effective Date. The services of such employees with the Transferor Company up to the Effective Date shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, severance pay, gratuity and other terminal benefits. In these circumstances, the rights of such employees of the Transferor Company would in no way be affected by the Scheme.
7.	Debenture holders & Debenture Trustee	Not Applicable, as the Transferor Company does not have any outstanding debentures.

20. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of the First Applicant Company:

None of the Directors, Key Managerial Personnel of the Transferor Company have any interest, financial or otherwise in the Scheme except to the extent of their shareholding in the Transferor Company and Transferee Company.

As on the date of this notice, Mr. Anil Kumar Jain and Mr. Kamal Mitra, Directors hold 75 and 1 equity share of Rs. 10/- each of the Transferor Company respectively. Further, Mr. Ashok G. Halasangi, Chief Executive Officer, holds 1 equity share of Rs. 10/- of the Transferor Company. They will be allotted equity shares of face value of Rs. 2/- each of the Transferee Company in the share exchange ratio as defined in the scheme. None of the other Directors and KMP hold any equity shares of the Transferor Company as on the date of this notice. Further, as on date of this notice, Mr. Anil Kumar Jain and Mr. Mohit Jain, Directors of Transferee Company hold 18,67,555 (0.95%) and 6,92,850 (0.35%) equity shares of Rs. 2/- each of the Transferee Company, respectively.

Mr. Anil Kumar Jain and Mr. Kamal Mitra are common Directors in Transferor and Transferee Company. Further, Mr. K. Muralidharan and Mrs. Amruta Avasare are Chief Financial Officer and Company Secretary respectively in Transferor and Transferee Company. They shall cease to hold their respective offices from effective date in Transferor Company.

21. In compliance with the provisions of section 232(2)(c) of the Act, the Board of the First Applicant Company, has adopted a report, inter-alia, explaining the effect of the Scheme on their respective shareholders and key managerial personnel among others. A copy of the report adopted by the Board of the First Applicant Company is enclosed as **ANNEXURE XVIII.**

22. As on the date of this notice, no investigation proceedings are pending in relation to the First Applicant Company under Sections 235 to 251 of the Companies Act, 1956 or under Sections 206 to 229 (Chapter XIV) of the Companies Act,2013.

23. No winding-up petition (including under Section 433 read with Section 434 of the Companies Act, 1956) and/ or insolvency proceedings under the Insolvency and Bankruptcy Code, 2016 are pending against the First Applicant Company.

24. The audited financial statements for the year ended March 31, 2021 of First Applicant Company along with the auditor's report and the Unaudited Financial Results for the quarter ended June 30, 2021, of the First Applicant Company along with the Limited Review Report thereon issued by the Statutory Auditors are enclosed as **ANNEXURE XV** and **ANNEXURE XVI**, respectively.

DETAILS OF INDO COUNT INDUSTRIES LIMITED / SECOND APPLICANT COMPANY / TRANSFEREE COMPANY AS PER RULE 6(3) OF THE RULES

25. Details of Second Applicant Company:

Name of Second Applicant Company	Indo Count Industries Limited
Corporate IdentificationNo. (CIN)	L72200PN1988PLC068972
Permanent Account No. (PAN)	AAACI0866P
Incorporation Date	November 7, 1988
Type of Company & Name of stock exchanges in which equity shares of the Company are listed	Public Limited Company The equity shares of Second Applicant Company are listed on BSE Limited (Scrip Code: 521016) and National Stock Exchange of India Limited (NSE Symbol: ICIL)
Registered Office Address	Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur - 416109 Maharashtra, India
Details of change of Name, Registered Office and Objects of the Company during the last five years	There has been no change in the name, Registered Office and/or the object clause of Second Applicant Company during the last 5 years.
Email address	icilinvestors@indocount.com
Relationship with the parties to the Scheme	Second Applicant Company is the promoter & Holding Company of First Applicant Company and holds 74.53% of the equity share capital of First Applicant Company.

26. Summary of the main objects as per the memorandum of association of Second Applicant Company:

The main objects of Second Applicant Company, as set out under Clause III(A) of its memorandum of association, are as under:

1. To set up or acquire plant or plants and also to set up Rolling Mill for the Manufacture of Aluminium billets, ingots, aluminium extrusions of all kinds and sizes, rods, wires and all kinds of re-rolled sections such as flats, angles, squares, channels, strips steels, plants and also to manufacture, buy, sell, manipulate, import or export or otherwise deal in aluminium, brass, copper, lead, silver wires and parts of billets, wire bars or ingots by extrusion process or any other process.

2. To set up a plant-for drawing aluminium rods and wires of all sizes from aluminium ingots and to manufacture and fabricate the aluminium structurals and fittings and to deal in such products.

3. To carry on the business as manufacturers, processors, re-rollers, refiners, converters, producers, exporters, importers, traders, dealers, distributors, stockists, buyers, sellers, agents or merchants in all kinds and forms of nonferrous and ferrous metals,. ferro-alloys including aluminium, copper,. Brass and bronze and to manufacture extrusion and sections of various sizes and description ingots, billets, bars, joists, plates, pipes, sheets, wire, rails,

rolling materials, Insulated cables, conductors, codes and semi-manufactured and other materials made wholly or partly of aluminium, copper, brass, bronze, alloys and metals required in all use for industrial, defence, agriculture, transport, commercial, domestic, building, power transmission and/or construction purposes.

4. To carry on business as producers, importers, exporters, manufacturers, buyers, sellers, distributors, stockists, agents of aluminium, aluminia, copper, bauxite, nickel, zinc, .lead, brass, ferro-alloys and ferrous and lion-ferrous metals and to act as metal founders, manufacturers, agents, dealers or metals of all kinds.

5. To carry on the business as traders, dealers, wholesalers, retailers, importers, exporters, spinners, weavers, finishers, processors, printers, dyers and manufacturers of yarns and fabrics of cotton, wool, silk, rayon, nylon, terene, terelene, and other natural, synthetic and/or fibrous substances including polyesters, poly-acrylonitriate, poly vinyl, acetate, cashmilon, acrylic, fabrics, poly or polylene polymers, monimers, elastomers and resins of all types, grades and copolymer formulations and forms or as processed products and to carry on the business as droppers and dealers of furnishing fabrics in all its branches.

6. To manufacture, design, develop, rent out, buy, sell, repair, service, import, export, take on lease of otherwise deal in and render services through computers, computing systems, software systems, software material, instrumentations, medical electronics, communication and visual devices, telecommunication, television, video, video equipments, electronics and electrical products equipments and device and to act as consultants in the matter of manufacturing, mining, engineering, quality control and to carry on general research and development.

7. To carry on the business of providing, through the medium of high speed telecommunication, computer networking and satellite. services covering the Internet and intranet services, electronic and e-commerce services, information technology enables services, internet access devices and services, all kinds of data analyzing and processing services and services related to computer software and hardware development.

8. To Set up and run computer center / educational institution imparting education and /or training in computers, information technology, electronic and telecommunications.

9. To set up, operate and manage establishments carrying-on the business of entertainment and amusement activities.

27. Main business carried on by Second Applicant Company:

The Second Applicant Company is engaged in the business of manufacturing of home textiles and its products broadly falls under the categories of Bed Sheets, Quilts and Comforters.

28. Details of the capital structure of Second Applicant Company including authorized, issued, subscribed and paid-up share capital:

Authorised Share Capital as on August 31, 2021	Amount (in Rs.)
27,50,00,000 shares of Rs. 2/- each	55,00,00,000
50,00,000 shares of Rs. 10/- each	5,00,00,000
Total	**60,00,00,000**
Issued, Subscribed and Paid-up Share Capital as on August 31, 2021	
19,73,99,670 shares of Rs. 2/- each	39,47,99,340
Total	**39,47,99,340**

Subsequent to August 31, 2021, there has been no change in the authorised, issued, subscribed and paid-up share capital of Second Applicant Company.

The details regarding the pre-scheme shareholding pattern of Second Applicant Company as on September 30, 2020 and indicative shareholding pattern of the Second Applicant Company after the Scheme becomes effective is as under:

Sr. No.	Description	Name of Shareholder	Pre- Amalgamation		Post – Amalgamation*	
			No. of equity shares	% holding	No. of equity shares	% holding
(A)	**Shareholding of Promoter and Promoter Group**					
1	**Indian**					
	Individuals/ Hindu Undivided Family	Gayatri Devi Jain	66,85,855	3.39	66,85,855	3.38
		Shikha Mohit Jain	52,48,825	2.66	52,48,825	2.65
		Neha Singhvi	22,79,130	1.15	22,79,137	1.15
		Shivani Patodia	21,73,750	1.10	21,73,750	1.10
		Anil Kumar Jain	18,67,555	0.95	18,67,565	0.94
		Mohit Anilkumar Jain	6,92,850	0.35	6,92,850	0.35
		Anil Kumar Jain HUF	75,000	0.04	75,000	0.04
		Sunita Jaipuria	20,000	0.01	20,000	0.01
(b)	Central Government/ State Government(s)	-	NIL	NIL	NIL	NIL
(c)	Bodies Corporate	-	NIL	NIL	NIL	NIL
(d)	Financial Institutions/ Banks	-	NIL	NIL	NIL	NIL
(e)	Any Others (Bodies Corporates)	Indocount Securities Limited	3,10,41,385	15.73	3,10,41,385	15.67
		Yarntex Exports Limited	23,12,500	1.17	23,12,500	1.17
		Margo Finance Limited	15,20,020	0.77	15,20,020	0.77
		Slab Promoters Private Limited	3,08,325	0.16	3,08,325	0.16
		Rini Investment And Finance Private Limited	1,19,100	0.06	1,19,100	0.06
	Sub Total(A)(1)		**5,43,44,295**	**27.53**	**5,43,44,312**	**27.44**
2	**Foreign**					
(a)	Individuals (Non-Residents Individuals/	-	NIL	NIL	NIL	NIL
	Foreign Individuals)		NIL	NIL	NIL	NIL
(b)	Bodies Corporate	-	NIL	NIL	NIL	NIL
(c)	Institutions	-	NIL	NIL	NIL	NIL
(d)	Any Others (Bodies Corporates)	Sandridge Investments Limited	6,20,02,455	31.41	6,20,02,455	31.31
	Sub Total(A)(2)		**6,20,02,455**	**31.41**	**6,20,02,455**	**31.31**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		**11,63,46,750**	**58.94**	**11,63,46,767**	**58.75**
(B)	**Public shareholding**					
1	**Institutions**					
(a)	Mutual Funds/ UTI	-	1,07,000	0.05	1,07,000	0.05
(b)	FPI	-	1,69,98,096	8.61	1,69,98,096	8.58
(c)	Financial Institutions / Banks	-	43,720	0.02	43,720	0.02
(d)	Central Government/ State Government(s)	-	NIL	NIL	NIL	NIL
(e)	Venture Capital Funds	-	NIL	NIL	NIL	NIL
(f)	Insurance Companies	-	NIL	NIL	NIL	NIL
(g)	Foreign Institutional Investors	-	NIL	NIL	NIL	NIL
(h)	Foreign Venture Capital Investors	-	NIL	NIL	NIL	NIL
(i)	Any Other	-	NIL	NIL	NIL	NIL
	Sub-Total (B)(1)		**1,71,48,816**	**8.69**	**1,71,48,816**	**8.66**

Sr. No.	Description	Name of Shareholder	Pre- Amalgamation		Post – Amalgamation*	
			No. of equity shares	% holding	No. of equity shares	% holding
2	**Non-institutions**					
(a)	Individuals	-				
I	Individual shareholders holding nominal share capital up to Rs 2 lakh	-	2,75,29,835	13.95	2,76,36,177	13.95
II	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	-	1,40,41,486	7.11	1,42,53,543	7.20
(b)	Any Other (Foreign Nationals, HUF, Non-Resident Indian (NRI), Clearing Members, Bodies Corporate)	-	2,23,32,783	11.31	2,26,67,700	11.45
	Sub-Total (B)(2)		**6,39,04,104**	**32.37**	**6,45,57,420**	**32.60**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**		**8,10,52,920**	**41.06**	**8,17,06,236**	**41.25**
	TOTAL (A)+(B)		**19,73,99,670**	**100.00**	**19,80,53,003**	**100.00**
(C)	**Shares held by Custodians and against which DRs have been issued**	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)		**19,73,99,670**	**100.00**	**19,80,53,003**	**100.00**

* Proposed post-amalgamation shareholding of transferee Company. However, it may vary due to fractional entitlement treatment, mentioned in the scheme

29. Names of the promoters & promoter group of Second Applicant Company as on August 31, 2021 along with their add

Sr. No.	Name of the Promoter & Promoter Group	Address
1.	Mrs. Gayatri Devi Jain	FRH -5, Grand Paradi Apt, A. K. Marg, Kemps Corner, Near Shalimar Hotel, August Kranti Marg, Mumbai 400 036
2.	Mrs. Shikha Mohit Jain	FRH -5, Grand Paradi Apt, A. K. Marg, Kemps Corner, Near Shalimar Hotel, August Kranti Marg, Mumbai 400 036
3.	Mrs. Neha Singhvi	House No 227, East of Kailash, Phase-1 ,South Delhi 110 065
4.	Mrs. Shivani Patodia	FRH -5, Grand Paradi Apt, A. K. Marg, Kemps Corner, Near Shalimar Hotel, August Kranti Marg, Mumbai 400 036
5.	Mr. Anil Kumar Jain	FRH -5, Grand Paradi Apt, A. K. Marg, Kemps Corner, Near Shalimar Hotel, August Kranti Marg, Mumbai 400 036
6.	Mr. Mohit Anilkumar Jain	FRH -5, Grand Paradi Apt, A. K. Marg, Kemps Corner, Near Shalimar Hotel, August Kranti Marg, Mumbai 400 036
7.	Anil Kumar Jain (HUF)	1101, Arcadia, Nariman Point, Mumbai 400 021
8.	Mrs. Sunita Jaipuria	A 9/24, Vasant Vihar, New Delhi 110 057
9.	Indocount Securities Limited	1101, Arcadia, Nariman Point, Mumbai 400 021
10.	Yarntex Exports Limited	301, 3rd Floor, Arcadia, Nariman Point, Mumbai 400 021
11.	Margo Finance Limited	Office No. 3, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur - 416 109 Maharashtra,
12.	Slab Promoters Private Limited	1101, Arcadia, Nariman Point, Mumbai 400 021
13.	Rini Investment and Finance Private Limited	1101, Arcadia, Nariman Point, Mumbai 400 021
14.	Sandridge Investments Limited	6/ 7th Floor, Dias Pier Building, Le Caudan Waterfront Caudan Port Louis Mauritius Pin 11307

30. Names of the directors of Second Applicant Company as on August 31, 2021 along with their addresses:

Sr. No.	Name	Category	Address
1.	Mr. Anil Kumar Jain	Executive Chairman	FRH -5, Grand Paradi Apt, A. K. Marg, Kemps Corner, Near Shalimar Hotel, August Kranti Marg, Mumbai – 400 036
2.	Mr. Mohit Anilkumar Jain	Executive Vice Chairman	FRH -5, Grand Paradi Apt, A. K. Marg, Kemps Corner, Near Shalimar Hotel, August Kranti Marg, Mumbai – 400 036
3.	Mr. Kailash R Lalpuria	Executive Director & CEO	D – 901, Lakshachandi Apartment, Krishna Vatika Marg, Near Gokuldham Temple, Gokuldham, Goregaon (East), Mumbai – 400 063
4.	Mr. Kamal Mitra	Director (Works)	House No. D -1, R. S. No. 177, Hari Puja Puram, E ward, Nagala Park, Karvir, Kolhapur, Maharashtra – 416003
5.	Mr. Dilip J Thakkar	Independent Director	12/22, Acropolis – B, Little Gibbs Road, Malabar Hill, Mumbai – 400 006
6.	Mr. Prem Malik	Independent Director	1201, Lok Nirman Apartment, A – 2, Dr. Ambedkar Road, Khar (W), Mumbai – 400 052
7.	Dr(Mrs.) Vaijayanti Pandit	Independent Director	B-9, Taj Building, 30, August Kranti Marg, Near Sripati Arcade – Nana Chowk, Mumbai – 400 036
8.	Mr. Sushil Kumar Jiwarajka	Independent Director	33-34, Suraj CHS, 71 Bhulabhai desai Road, Breach Candy, Cumballa Hill, Mumbai – 400 026
9.	Mr. Sanjay Kumar Panda	Independent Director	515, Ward No – 3, Sidheswar Sahi, Cuttack Sadar, Tulasipur, Cuttack, Odisha – 753008
10.	Mr. Siddharth Mehta	Independent Director	4, Matruchhaya, 70 Marine Drive, Marine Lines, Mumbai – 400 020

31. The date of the board meeting at which the Scheme was approved by the Board of Second Applicant Company including the names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Scheme was approved by the Board of Directors of the Second Applicant Company on October 21, 2020. All Directors were present at the meeting and voted unanimously in favour of the scheme. The details of voting on the resolution are as under:

Sr. No.	Names of the Directors	Votes In Favour/ against/ abstained
1.	Mr. Anil Kumar Jain	In favour
2.	Mr. Mohit Anilkumar Jain	In favour
3.	Mr. Kailash R Lalpuria	In favour
4.	Mr. Kamal Mitra	In favour
5.	Mr. Dilip J Thakkar	In favour
6.	Mr. Prem Malik	In favour
7.	Dr.(Mrs). Vaijayanti Pandit	In favour
8.	Mr. Sushil Kumar Jiwarajka	In favour
9.	Dr. Sanjay Kumar Panda	In favour
10.	Mr. Siddharth Mehta	In favour

32. Aggregate amount due to secured creditors & unsecured creditors:

As on December 31, 2020, the aggregate amount due to the Secured creditors and to the unsecured creditors of the Second Applicant Company is Rs.374,86,30,407/- (Three Hundred and Seventy Four Crore Eighty Six Lakh Thirty Thousand Four Hundred and Seven Rupees Only) and Rs. 223,52,92,851/- (Two Hundred and Twenty Three Crore Fifty Two Lakh Ninety Two Thousand Eight Hundred and Fifty One Rupees Only) respectively.

33. Disclosure about effect of the Scheme on material interests of directors, key managerial personnel, debenture trustee and other stakeholders of Second Applicant Company:

Sr. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Shareholders	(a) As consideration for the amalgamation of Pranavaditya Spinning Mills Limited (Transferor Company) with Indo Count Industries Limited (Transferee Company), the Transferee Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of Transferor Company as on the Record Date (as defined in the Scheme), 2 equity shares of Rs. 2/- each of the Transferee Company for every 15 equity shares of Rs. 10/- each of Transferee Company ("Share Exchange Ratio"). (b) Simultaneous with the amalgamation of Transferor Company with the Transferee Company, the shareholding of Transferor Company in the Transferee Company shall stand cancelled.
2.	Promoters	Due to allotment of equity shares by the Transferee Company in the aforesaid share exchange ratio, the overall shareholding percentage of promoter/ Promoter Group of the Transferee Company will get diluted by ~ 0.19%.
3.	Non-Promoter Shareholders	Upon the scheme becoming effective, the Transferee Company will issue equity shares to the shareholders of Transferor Company as on Record Date in the following share exchange ratio: "2 (Two) fully paid up equity shares of face value Re. 2/- each of Transferee Company to the equity shareholders of Transferor Company as on Record Date, for every 15 (Fifteen) fully paid up equity shares of Rs. 10/- each held by them in Transferor Company." The equity shares of the Transferee Company which will be issued & allotted to the Shareholders of Transferor Company shall be listed on BSE Limited and the National Stock Exchange of India Limited and shall rank pari passu in all respects with the existing equity shares of the Transferee Company. Due to aforesaid allotment, the total public shareholding of the Transferee Company will increase by ~ 0.19%. This will in turn increase the trading stock of the equity shares of the Transferee Company.
4.	Directors / Key Managerial Personnel ("**KMPs**")	There is no effect of the scheme on the KMPs (Directors, Chief Financial Officer and Company Secretary) of the Transferee Company. All KMPs shall continue to hold their respective positions in the Transferee Company. Further, as Transferor Company will get dissolved, any KMP holding directorship/ KMP positions in Transferor Company shall cease to hold those respective positions. Any KMPs holding equity shares in Transferor Company, as on record date, will receive the shares of Transferee Company as per the aforementioned share exchange ratio.
5.	Creditors	The Scheme does not involve any compromise or arrangement with the creditors of the Transferee Company. The liability of the Transferee Company towards its creditors is neither being reduced nor being extinguished under the Scheme and the Scheme is therefore not prejudicial to the interests of the creditors of the Transferee Company
6.	Depositors/ Deposit Trustee	Not applicable as Transferee Company does not have any public deposits.
7.	Debenture/ Debenture Holders	Not applicable as Transferee Company does not have any Debentures.
8.	Employees	There is no effect of the scheme on the employees of Transferee Company. The rights of the employees of Transferee Company are not affected by the scheme.

34. **Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of Second Applicant Company:**

None of the Directors, Key Managerial Personnel of the Transferee Company have any interest, financial or otherwise in the Scheme except to the extent of their shareholding in the Transferor Company and Transferee Company.

As on date of this notice, Mr. Anil Kumar Jain and Mr. Mohit Jain, Directors hold 18,67,555 (0.95%) and 6,92,850 (0.35%) equity shares of Rs. 2/- each of the Transferee Company, respectively. None of the other Directors and KMP hold any equity shares of the Transferee Company as on the date of this notice. Further, Mr. Anil Kumar Jain and Mr. Kamal Mitra, Directors hold 75 and 1 equity share of Rs. 10/- each of the Transferor Company respectively and will be allotted equity shares of face value of Rs 2/- each of the Transferee Company in the share exchange ratio as defined in the scheme.

Mr. Anil Kumar Jain and Mr. Kamal Mitra are common Directors in Transferor and Transferee Company. Further, Mr. K. Muralidharan and Mrs. Amruta Avasare are Chief Financial Officer and Company Secretary respectively in Transferor and Transferee Company. They shall cease to hold their respective offices from effective date in Transferor Company.

35. In compliance with the provisions of section 232(2)(c) of the Act, the Board of the Second Applicant Company, has adopted a report, inter-alia, explaining the effect of the Scheme on their respective shareholders and key managerial personnel among others. A copy of the report adopted by the Board of the Second Applicant Company is enclosed as **ANNEXURE XVII**

36. As on the date of notice, no investigation proceedings are pending in relation to the Second Applicant Company under Sections 235 to 251 of the Companies Act, 1956 or under Sections 206 to 229 (Chapter XIV) of the Act.

37. No winding-up petition (including under Section 433 read with Section 434 of the Companies Act, 1956) and/ or insolvency proceedings under the Insolvency and Bankruptcy Code, 2016 are pending against the Second Applicant Company.

38. The audited financial statements for the year ended March 31, 2021 of Second Applicant Company along with the auditors report and the Unaudited Financial Results for the quarter ended June 30, 2021, of the Second Applicant Company along with the Limited Review Report thereon issued by the Statutory Auditors are enclosed as **ANNEXURE XIII** and **ANNEXURE XIV**, respectively.

39. **Relationship between the Parties to the Scheme :** As on date of this notice, Pranavaditya Spinning Mills Limited (First Applicant Company) is a subsidiary of Indo Count Industries Limited (Second Applicant Company). Indo Count Industries Limited holds 74.53% paid up equity share capital in Pranavaditya Spinning Mills Limited.

40. **Relevant Extracts of Rationale of the Scheme and the benefits of the Scheme as perceived by the Board of Directors of the respective Companies:** Clause II of the Scheme (i.e. Rationale for the Scheme) is as under.

"The Transferor Company, listed on BSE Limited and the Transferee Company, listed on BSE Limited and National Stock Exchange of India Limited, both are a part of the same group. Further, the Transferor Company is a subsidiary of the Transferee Company wherein the Transferee Company holds majority shareholding in the Transferor Company. The main business of PSML has been manufacturing of cotton yarn and it has a huge freehold land of ~ 34 acres at Plot No 2, Village Alte, Tal. Hatkanangale, Dist. Kolhapur (near textile hub Ichalkaranji) and ~ 20000 spindle capacity for spinning. The land, machinery, infrastructure and all other resources available with the Transferor Company can be utilized in cost effective and efficient manner to carry out Transferee Company's business expansion. The Transferor and Transferee's industrial units are situated within a distance of ~ 40 kilometers. Hence, it is proposed to amalgamate Transferor Company into the Transferee Company in this Scheme. Further, the Amalgamation of the Transferor Company into the Transferee Company would inter alia have the following benefits:

a. *Consolidation of the Transferor Company and the Transferee Company will achieve simplified corporate structure, rationalise the number of listed entities and result in a single listed entity with combined businesses.*

b. *Provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, it will also enable optimal utilization of existing resources which are in excess of the current business requirements of the Transferor Company and provide an opportunity to fully leverage assets, capacities, experience and infrastructure of the Transferor Company and Transferee Company.*

c. *Reducing managerial overlaps involved in operating multiple entities, enable cost savings and effective utilization of valuable resources which will enhance the management focus thereby leading to increase in operational and management efficiency; integrate business functions; eliminate duplication and rationalization of administrative expenses.*

d. *Synchronization of efforts to achieve uniform corporate policy, greater integration and greater financial strength and flexibility for the Transferee Company.*

e. *Better value creation for the shareholders of both the companies enabling the public shareholders to hold shares of the combined listed entity.*

f. *Upon completion of the amalgamation, the Transferor Company will be dissolved. Consequently, there would be lesser regulatory and legal compliance obligations including accounting, reporting requirements, statutory and internal audit compliance requirements, tax filings, company law compliances, Stock Exchange compliances etc. and therefore reduction in administrative costs.*

The intended Scheme is not prejudicial to the interest of the creditors or the employees of the Transferor Company and the Transferee Company."

Appointed Date, Effective Date, Record Date and Share Exchange Ratio and Other Considerations:

*Clause 1(d) of Part A of the Scheme defines "**Appointed Date**" as "1st October 2020 or such other date as may be approved by the Hon'ble National Company Law Tribunal ('NCLT')".*

*Clause 1(f) of Part A of the Scheme defines "**Effective Date**" as "the last of the dates on which the certified copies of the Order of NCLT, Mumbai bench under Sections 230 & 232 of the Act sanctioning the Scheme is filed with the Registrar of Companies, Pune, at Maharashtra by the Transferor Company and Transferee Company".*

*Clause 1(k) of Part A of the Scheme defines "**Record Date**" as "such date as may be mutually fixed by the Board of Directors of the Transferor Company and the Transferee Company for determining the names of the shareholders of the Transferor Company to whom equity shares of the Transferee Company will be allotted pursuant to the Scheme".*

*Clause 6.2 of Part B of the Scheme states "**Share Exchange Ratio**"* as *" 2 (Two) fully paid Equity Shares of face value of INR 2/- each of Transferee Company shall be issued and allotted for every 15 (Fifteen) Equity shares of face value of INR 10/- each held in Transferor Company"*

41. Salient Features of the Scheme:

DEFINITIONS

Part A of the Scheme

1(d) "Appointed Date" means 1st October 2020 or such other date as may be approved by the Hon'ble National Company Law Tribunal ('NCLT').

1(f) "Effective Date" means the last of the dates on which the certified copies of the Order of NCLT, Mumbai bench under Sections 230 & 232 of the Act sanctioning the Scheme is filed with the Registrar of Companies, Pune, at Maharashtra by the Transferor Company and Transferee Company;

1(k) "Record Date" means such date as may be mutually fixed by the Board of Directors of the Transferor Company and the Transferee Company for determining the names of the shareholders of the Transferor Company to whom equity shares of the Transferee Company will be allotted pursuant to the Scheme;

1(s) "Transferor Company" shall have the meaning assigned to it in Point 1 of Clause I of the Preamble of this Scheme and shall include but not be limited to:

(i) all assets, whether moveable or immoveable, plant and machinery, equipment, stocks and inventory including all rights, title, interest, claims, covenants in such assets of the Transferor Company;

(ii) all investments, receivables, loans and advances extended (including CENVAT credit or other tax assets), including accrued interest thereon of the Transferor Company;

(iii) all debts, borrowings and liabilities, whether present or future, secured or unsecured, availed by the Transferor Company;

(iv) all permits, rights, entitlements, licenses, approvals, grants, allotments, recommendations, clearances, tenancies, offices, tax deferrals and benefits, subsidies, concessions, refund of any tax, duty, cess or any excess payment (including all amounts claimed as refund, whether or not so recorded in the books of accounts), tax credits (including, but not limited to, credits in respect of income tax, tax deducted at source, CENVAT, sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax, goods and service tax etc.) of every kind and description whatsoever of the Transferor Company;

(v) rights to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, under Applicable Law, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the IT Act, the rules and regulations thereunder, or any other Applicable Law, or any other or like benefits under the said acts or under and in accordance with any Applicable Law or act, whether in India or anywhere outside India;

(vi) all Intangible Assets of every kind and description whatsoever of the Transferor Company;

(vii) all privileges and benefits of, or under, all contracts, agreements or arrangements of any kind, and all other rights including lease rights, licenses and facilities of every kind and description whatsoever of the Transferor Company;

(viii) all employees of the Transferor Company existing as on the Effective Date;

(ix) all advance payments, earnest monies and/or security deposits or other entitlements of the Transferor Company;

(x) all legal, tax, regulatory, quasi-judicial, administrative or other proceedings, suits, appeals, applications or proceedings of whatsoever nature initiated by or against the Transferor Company; and

(xi) all books, records, files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, catalogues, quotations, websites, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form, in connection with or relating to the Transferor Company;

Capitalised terms used herein but not defined shall have the meaning assigned to them in the draft of the Scheme enclosed as ***Annexure I****.*

CONSIDERATION FOR AMALGAMATION (Part B clause 6.2)

"Upon this Scheme becoming effective, in consideration of the amalgamation of the Transferor Company, Transferee Company shall without any further application or deed, issue and allot its equity shares at par credited as fully paid up, as per the swap-ratio provided by the valuation report of the registered valuer and valuation report of chartered accountants and the fairness opinion dated provided by merchant banker, to the members of Transferor Company, holding equity shares in Transferor Company and whose names appear in the Register of Members/Depository Participant on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the respective Board of Directors in the following manner:

2 (Two) fully paid Equity Shares of face value of INR 2/- each of Transferee Company shall be issued and allotted for every 15 (Fifteen) Equity shares of face value of INR 10/- each held in Transferor Company"

CANCELLATION OF EQUITY SHARES (Part B clause 6.7)

"Upon the Scheme being effective and on allotment of new shares by the Transferee Company, the shares held in Transferor Company by the Transferee Company shall stand automatically cancelled without any further act or deed.

Further, it is clarified that no shares will be issued for the shares that are held by the Transferee Company in Transferor Company."

AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE SECOND APPLICANT COMPANY

Part B Clause 8.4

"It is hereby clarified that for the purposes of this Clause 8 of this Scheme, the consent of the shareholders of the Transferor Company and the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment to the Memorandum of Association of the Transferee Company and no further resolution under Section 13 of the Act and/or any other applicable provisions of the Companies Act and rules and regulations framed thereunder would be required to be separately passed, nor shall the Transferee Company be required to pay any additional registration fees, stamp duty, etc."

LISTING OF NEW SHARES

Part B Clause 6.8

"The new shares to be issued and allotted by the Transferee Company in terms of Clause 6 of this Scheme shall be listed and shall be admitted for trading on the Stock Exchanges. The Transferee Company shall make all requisite applications and shall otherwise comply with the provisions of Applicable Laws, including, as applicable, the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Circulars. The Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the Stock Exchanges."

ACCOUNTING TREATMENT

Part B Clause 7

7.1 The Amalgamation of the Transferor Company with the Transferee Company shall be accounted for in the books of account of the Transferee Company in accordance with 'Pooling of Interest Method' of accounting as per Indian Accounting Standard (Ind AS) 103 (Business Combination) prescribed under Section 133 of the Companies Act, 2013, which is applicable to the Company since this is a common control business combination as follows:

7.2 All the assets, liabilities and reserves in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the scheme and shall be recorded by the Transferee Company at their carrying amounts as appearing in the books of Transferor Company, on the Appointed Date.

7.3 The Transferee Company shall credit to its share capital account, the aggregate face value of the new shares issued by it pursuant to Clause 6 of this Scheme.

7.4 The carrying amount of investments in the equity shares of the Transferor Company to the extent held by Transferee Company, shall stand cancelled and there shall be no further obligation in that behalf.

7.5 Upon the scheme coming into effect, the surplus /deficit, if any of the net value of assets, liabilities and reserves of the Transferor Company acquired and recorded by the Transferee Company in terms of clause 7.2 over the sum of (a) the face value of the new shares on Amalgamation issued and allotted pursuant to clause 6; and (b) the value of investments cancelled pursuant to Clause 7.4, shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company.

7.6 Any inter-company balance(s) and inter-company investments, debts, borrowings (secured or unsecured), if any between the Transferor Company and the Transferee Company shall stand cancelled and corresponding effect shall be given in the books of account and the records of Transferee Company for the reduction of any assets or liabilities, as the case may be. There would be no accrual of interest or other charges and there shall be no obligation/ outstanding in that behalf in respect of any such intercompany loans, debt, securities or balances with effect from the Appointed Date.

7.7 In case of any difference in any of the accounting policies between the Transferor Company and the Transferee Company, the impact of the same in the merger by absorption will be quantified and adjusted in the Capital Reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the true financial position on the basis of consistent accounting policies.

7.8 Upon the Scheme coming into effect, the accounts of the Transferee Company, as on the Appointed Date shall be reconstructed with the terms of this Scheme.

7.9 The balance of the retained earnings appearing in the financial statements of the Transferor Company shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.

7.10 The identity of the reserves shall be preserved and shall appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company.

CONDITIONALITY OF THIS SCHEME

Part C Clause 15

This Scheme is conditional upon and subject to:

a) The requisite consent, approval or permission from the Stock Exchanges under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which by law or otherwise may be necessary for implementation of the Scheme in compliance with. the provisions of SEBI Circular;

b) Securities and Exchange Board of India and the Stock Exchanges approving this Scheme and the other transactions contemplated in this Scheme.

c) Approval of the requisite majority of the shareholders of the Transferor Company and Transferee Company to the Scheme and the requisite orders of the NCLT sanctioning the Scheme in exercise of the powers vested in it under the Act;

d) Approval of public shareholders of the Transferor and Transferee Company through e-voting in terms of Para 9 of **Annexure I** of the SEBI Circular dated 10th March 2017, provided that the same shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by them against the Scheme; and

e) such other sanctions and approvals including sanctions of any government or regulatory authority as may be required by law in respect of the Scheme and the certified copies of the NCLT order sanctioning the Scheme being filed with ROC.

COMMENTS VIA OBSERVATION LETTERS DATED MARCH 25, 2021 & MARCH 26, 2021 ISSUED BY STOCK EXCHANGES:

Clause 24

Pursuant to the observation letters dated March 25, 2021 issued by BSE Limited to Transferor Company and March 25, 2021 & March 26, 2021 issued by BSE Limited and National Stock Exchange of India Limited, respectively to the Transferee Company, following information and facts on methods of valuation are provided below:

i. In case of ICIL only one method of valuation i.e. Market Approach has been used because its shares are frequently traded on Stock Exchanges, and market price reflects significant multiple of book value. Therefore, it was inappropriate to consider cost and income approach in case of ICIL. Further, ICIL is a listed Company and information related to the future profit and loss account, balance sheet and cash flows is price sensitive and hence was not provided to the valuer.

ii. Two Methods of Valuation i.e. Cost and Market Approach have been used for PSML and Income approach method has not been used as PSML is a listed Company and information related to the future profit and loss account, balance *sheet and cash flows is price sensitive and hence was not provided to the valuer. Further, PSML's production was stopped at the time of appointed date."*

THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME, THE EQUITY SHAREHOLDERS ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME (ANNEXED HEREWITH) TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF AND THE RATIONALE OF THE SCHEME.

42. Summary of the Valuation Reports including basis of valuation and the Fairness Opinion:

A Valuation report dated October 21, 2020 was issued by Mr. Amit Kumar Singh, Registered Valuer and AZR & Associates, Independent Chartered Accountants recommending the Share Exchange Ratio to the First Applicant Company and Second Applicant Company ("**Valuation Reports**"). Copies of the said Valuation Reports are enclosed herewith as **Annexure III** and **IV**. The information and facts on methods of valuation are also mentioned above (Clause 24 of the Scheme).

In terms of the SEBI Circular, Ernst & Young Merchant Banking Services LLP, a Category-I Merchant Banker submitted to the Board of Directors of the Second Applicant Company, fairness opinion, certifying that the Share Exchange Ratio provided in the Valuation Reports is fair and reasonable. Copy of the said fairness opinion is enclosed herewith as **Annexure V**.

Further, In terms of the SEBI Circular, Saffron Capital Advisors Private Limited, a Category-I Merchant Banker submitted to the Board of Directors of the First Applicant Company, fairness opinion, certifying that the Share Exchange Ratio provided in the Valuation Reports is fair and reasonable. Copy of the said fairness opinion is enclosed herewith as **Annexure VI**.

43. **Details of capital or debt restructuring, if any:** Upon the Amalgamation becoming effective on Effective Date, the authorised Share Capital of the First Applicant Company to the extent of Rs. 19,27,00,000 divided into 1,92,70,000 Equity Shares of Re. 10 each shall stand transferred/ added to and be merged with the authorised Share Capital of the Second Applicant Company, without any liability for payment of any additional fees or stamp duty. Thus, the authorized capital of the Second Applicant Company shall stand increased to Rs. 79,27,00,000 divided into 37,13,50,000 equity shares of Re. 2 each and 50,00,000 Preference shares of Rs.10 each. The Memorandum of Association of the Second Applicant Company shall be amended to reflect the same as an effect of the Scheme.

The scheme does not involve any debt restructuring.

44. **Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed Scheme:**

(a) The equity shares of the First Applicant Company are listed on BSE Limited ("BSE"). The BSE was appointed as the designated stock exchange by the First Applicant Company for the purpose of coordinating with SEBI, pursuant to the SEBI Circular. The First Applicant Company has received an observation letter dated March 25, 2021 from BSE wherein the Stock Exchange has granted its no objection to filing the Scheme with the Hon'ble Tribunal. The said observation letter issued by the BSE is enclosed as **ANNEXURE XII.**

(b) The equity shares of the Second Applicant Company are listed on BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") (collectively, the" Stock Exchanges"). The BSE was appointed as the designated stock exchange by the Second Applicant Company for the purpose of coordinating with SEBI, pursuant to the SEBI Circular. The Second Applicant Company has received an observation letter dated March 25, 2021 from BSE and an observation letter dated March 26, 2021 from NSE wherein the Stock Exchanges have granted their no objection to filing the Scheme with the Hon'ble Tribunal. The said observation letters issued by BSE and NSE are enclosed as **ANNEXURE X** and **ANNEXURE XI**, respectively.

(c) As required by the SEBI Circular, the First Applicant Company has filed its Complaints Report with BSE on December 14, 2020. The Complaint Report filed by the First Applicant Company indicates that it has received 'Nil' complaints. Copy of the Complaints Report is enclosed as **ANNEXURE IX.**

(d) As required by the SEBI Circular, the Second Applicant Company has filed its Complaints Report with BSE and NSE, on December 14, 2020 and December 15, 2020 respectively. The Complaint Reports filed by the Second Applicant Company indicates that it has received 'Nil' complaints. Copies of the Complaints Report are enclosed as **ANNEXURE VII** and **ANNEXURE VIII** respectively.

(e) Notice under Section 230(5) of the Act is being given to/filed with (i) the Central Government through the office of jurisdictional Regional Director with respect to both Companies, (ii) jurisdictional Registrar of Companies with respect to both Companies, (iii) Income Tax Authorities in respect of both Companies, (iv) BSE with respect to both Companies, (v) NSE with respect to Second Applicant Company, (vi) SEBI with respect to both Companies, and (vi) Official Liquidator, High Court, Bombay with respect of the First Applicant Company for their representation/approval to the Scheme.

(f) The application and scheme was filed with the Hon'ble Tribunal, on June 10, 2021. Consequently, the Hon'ble Tribunal vide order dated August 18, 2021, has directed, inter alia, the convening of the Meeting of equity shareholders of the First and Second Applicant Company.

(g) On the Scheme being approved by the requisite majority of the shareholders of the respective companies involved in the Scheme as per the requirement of Section 230 of the Act, both the Companies will file petitions with the Hon'ble Tribunal for sanction of the Scheme.

(h) The First and Second Applicant Company have filed a copy of the Scheme with the Registrar of Companies, Pune, pursuant to Section 232(2)(b) of the Act in GNL-1.

45. **Inspection of Documents:** Copies of the following documents will be open for inspection to the equity shareholders of the Company on its website www.indocount.com and also at its registered office situated at Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur - 416109 Maharashtra, on all days except Saturday, Sunday and public holidays between 11:00 A.M. to 1:00 P.M. up to the date of the Meeting:

a. Scheme of Amalgamation (by way of merger by Absorption) of Pranavaditya Spinning Mills Limited ("Transferor Company") with Indo Count Industries Limited ("Transferee Company"/ "The Company") and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 ("Scheme").

b. Order dated August 18, 2021 passed by Hon'ble National Company Law Tribunal, Mumbai Bench in Company Application No. CA(CAA)/143/MB/2021.

c. Valuation report on recommendation of share exchange ratio dated October 21, 2020 issued by Mr. Amit Kumar Singh, Registered Valuer and AZR & Associates, Independent Chartered Accountants.

d. Fairness Opinion dated October 21, 2020 issued on share exchange ratio to Indo Count Industries Limited by Ernst & Young Merchant Banking Services LLP, a Category-I Merchant Banker, registered with the Securities and Exchange Board of India.

e. Fairness Opinion dated October 21, 2020 issued on share exchange ratio to Pranavaditya Spinning Mills Limited by Saffron Capital Advisors Private Limited, a Category –I Merchant Banker, registered with the Securities and Exchange Board of India.

f. Complaints Report dated December 14, 2020 filed by Indo Count Industries Limited with BSE Limited.

g. Complaints Report dated December 15, 2020 filed by Indo Count Industries Limited with National Stock Exchange of India Limited.

h. Complaints Report dated December 14, 2020 filed by Pranavaditya Spinning Mills Limited with BSE Limited.

i. Observation letter dated March 25, 2021 conveying no objection to the scheme issued by BSE Limited to Indo Count Industries Limited.

j. Observation letter dated March 26, 2021 conveying No-objection to the scheme issued by National Stock Exchange of India Limited to Indo Count Industries Limited.

k. Observation letter dated March 25, 2021 conveying No-objection to the scheme issued by BSE Limited to Pranavaditya Spinning Mills Limited.

l. Audited Financial Statements (Standalone & Consolidated) along with Auditor's Report of Indo Count Industries Limited for the year ended March 31, 2021.

m. Unaudited Financial Results of Indo Count Industries Limited for the quarter ended June 30, 2021 along with the Limited Review Report issued by Statutory Auditors.

n. Audited Standalone Financial Statements along with Auditor's Report of Pranavaditya Spinning Mills Limited for the year ended March 31, 2021.

o. Unaudited Financial Results of Pranavaditya Spinning Mills Limited for the quarter ended June 30, 2021 along with the Limited Review Report issued by Statutory Auditors

p. Report of the Audit Committee of Indo Count Industries Limited dated October 21, 2020 recommending the Scheme to the Board.

q. Report of the Audit Committee of Pranavaditya Spinning Mills Limited dated October 21, 2020 recommending the Scheme to the Board.

r. Report adopted by the Board of Directors of Indo Count Industries Limited, as required under Section 232(2)(c) of the Companies Act, 2013.

s. Report adopted by the Board of Directors of Pranavaditya Spinning Mills Limited, as required under Section 232(2)(c) of the Companies Act, 2013.

t. Pre-Scheme and estimated post-Scheme shareholding pattern of Indo Count Industries Limited.

u. Pre-Scheme shareholding pattern of Pranavaditya Spinning Mills Limited.

v. Board Resolution dated October 21, 2020 passed by Board of Directors of Indo Count Industries Limited.

w. Board Resolution dated October 21, 2020 passed by Board of Directors of Pranavaditya Spinning Mills Limited.

x. Statutory Auditor's certificate dated October 21, 2020 issued by M/s. Suresh Kumar Mittal & Co., Statutory Auditors to Indo Count Industries Limited confirming that the accounting treatment proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013.

Dated this October 5, 2021

For Indo Count Industries Limited

Sd/-
Mr. Kailash R. Lalpuria
DIN: 00059758
(Chairperson appointed for the meeting)

Registered Office: Office No. 1, Plot No. 266,
Village Alte, Kumbhoj Road, Taluka Hatkanangale,
Kolhapur - 416109 Maharashtra, India
CIN: L72200PN1988PLC068972
Email: icilinvestors@indocount.com
Website: www.indocount.com

SCHEME OF AMALGAMATION

(By way of Merger by Absorption)

OF

PRANAVADITYA SPINNING MILLS LIMITED ... TRANSFEROR COMPANY

WITH

INDO COUNT INDUSTRIES LIMITED ... TRANSFEREE COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS UNDER SECTIONS 230 TO 232 READ WITH OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER

("The Scheme")

Certified True Copy
For Pranavaditya Spinning Mills Limited

Authorised Signatory

Certified True Copy
For Indo Count Industries Limited

Authorised Signatory

PREAMBLE

I. BACKGROUND AND DESCRIPTION OF COMPANIES

1. **Pranavaditya Spinning Mills Limited** (hereinafter referred to as the "Transferor Company" or "PSML") is a public company, limited by shares, incorporated under the Companies Act, 1956, under corporate identification number (CIN) L17119PN1990PLC058139 and having its registered office at Office No. 2, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur – 416109, Maharashtra, India. The Transferor Company was incorporated on 12th September, 1990. The equity shares of the Transferor Company are listed on the BSE Limited. The Transferor Company is a subsidiary of the Transferee Company. The Transferor Company is authorised to carry on, inter alia, the business of manufacturing of cotton yarn.

2. **Indo Count Industries Limited** (hereinafter referred to as the "Transferee Company" or "ICIL") is a public company, limited by shares, incorporated under the Indian Companies Act, 1956, under corporate identification number (CIN) L72200PN1988PLC068972 and having its registered office at Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur - 416109 Maharashtra, India. The Transferee Company was incorporated on 7th November 1988 as Vishnu Aluminium Limited and subsequently, name was changed to Indo Count Industries Limited w.e.f 30th April 1990. The equity shares of the Transferee Company are listed on the BSE Limited and National Stock Exchange of India Limited (together the "Stock Exchanges"). The Transferee Company holds 1,43,41,280 equity shares of Rs 10/- each of the Transferor Company constituting 74.53% of the total paid up equity share capital of the Transferor Company. The Transferee Company is engaged in the business of manufacturing of home textiles and its products broadly falls under the categories of Bed Sheet, Pillow Cover and Comforter.

II. RATIONALE FOR THIS SCHEME

The Transferor Company, listed on BSE Limited and the Transferee Company, listed on BSE Limited and National Stock Exchange of India Limited, both are a part of the same group. Further, the Transferor Company is a subsidiary of the Transferee Company wherein the Transferee Company holds majority shareholding in the Transferor Company. The main business of PSML has been manufacturing of cotton yarn and it has a huge freehold land of ~ 34 acres at Plot No. 266 Village Alte, Tal. Hatkanangale, Dist. Kolhapur (near textile hub Ichalkaranji) and ~ 20000 spindle capacity for spinning. The land, machinery, infrastructure and all other resources available with the Transferor Company can be utilized in cost effective and efficient manner to carry out Transferee Company's business expansion. The Transferor and Transferee's industrial units are situated within a distance of ~ 40 kilometers. Hence, it is

Pranavaditya Spinning Mills Limited * Indo Count Industries Limited * proposed to amalgamate Transferor Company into the Transferee Company in this Scheme. Further, the Amalgamation of the Transferor Company into the Transferee Company would inter alia have the following benefits:

a. Consolidation of the Transferor Company and the Transferee Company will achieve simplified corporate structure, rationalise the number of listed entities and result in a single listed entity with combined businesses.
b. Provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, it will also enable optimal utilization of existing resources which are in excess of the current business requirements of the Transferor Company and provide an opportunity to fully leverage assets, capacities, experience and infrastructure of the Transferor Company and Transferee Company.
c. Reducing managerial overlaps involved in operating multiple entities, enable cost savings and effective utilization of valuable resources which will enhance the management focus thereby leading to increase in operational and management efficiency; integrate business functions; eliminate duplication and rationalization of administrative expenses.
d. Synchronization of efforts to achieve uniform corporate policy, greater integration and greater financial strength and flexibility for the Transferee Company.
e. Better value creation for the shareholders of both the companies enabling the public shareholders to hold shares of the combined listed entity.
f. Upon completion of the amalgamation, the Transferor Company will be dissolved. Consequently, there would be lesser regulatory and legal compliance obligations including accounting, reporting requirements, statutory and internal audit compliance requirements, tax filings, company law compliances, Stock Exchange compliances etc. and therefore reduction in administrative costs.

The intended Scheme is not prejudicial to the interest of the creditors or the employees of the Transferor Company and the Transferee Company.

III. PARTS OF THIS SCHEME

This Scheme is divided into the following parts:

- **Part A** dealing with the definitions, interpretation and share capital details of the Transferor Company and the Transferee Company.
- **Part B** dealing with amalgamation of the Transferor Company into and with the Transferee Company, consideration, accounting treatment in the books of the Transferee Company, combination of authorized share capital of Transferor Company with the Transferee Company, dissolution without winding up of the Transferor Company, exemptions under SAST

Spinning Mills Limited

Indo Count Industries Limited

Regulations (*as defined hereinafter*).

- **Part C** comprising of general terms and conditions applicable to this Scheme.

PART A

1. DEFINITIONS

For the purposes of this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings mentioned herein below:

(a) "**the Act**" or "**Companies Act**" means the Companies Act, 2013 any re-enactment thereof including the rules and regulations made thereunder, and, circulars, notifications, clarifications and orders issued thereunder, each as amended from time to time and to the extent in force;

(b) "**Accounting Standards**" means the Indian Accounting Standards as notified under Section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time by the Ministry of Corporate Affairs and the other accounting principles generally accepted in India;

(c) "**Applicable Laws**" means any statute, law, regulation, ordinance, rule, bye laws, judgment, order, decree, clearance, approval, terms of any approval, permit or no-objection of any Governmental Authority, directive, guideline, policy, code, requirement, listing agreement or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as in effect from time to time;

(d) "**Appointed Date**" means 1st October 2020 or such other date as may be approved by the Hon'ble National Company Law Tribunal ('NCLT').

(e) "**Board of Directors**" or "**Board**", with respect to a company, means the board of directors of Transferor Company and/or Transferee Company as the case may be, as constituted from time to time and, unless repugnant to the subject, context or meaning thereof, includes every committee of the Board or such committee of Directors for the purpose of various matters pertaining to the scheme or any other related, connected or incidental matters;

(f) "**Effective Date**" means the last of the dates on which the certified copies of the Order of NCLT, Mumbai bench under Sections 230 & 232 of the Act sanctioning the Scheme is filed with the Registrar of Companies, Pune, at Maharashtra by the Transferor Company and Transferee Company;

(g) "**Encumbrance**" means any: (a) charge, lien (statutory or other), or mortgage, any easement, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any person; (b) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, Transfer, receipt of income or

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exercise; or (c) any equity, assignments, hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above, and the term "Encumbered" shall be constructed accordingly;

(h) "**Governmental Authority**" means any competent governmental, regulatory, statutory or administrative authority, agency, department, commission or instrumentality (whether local, municipal, national or otherwise), court, board or tribunal of competent jurisdiction or other entity having, under any law, rule, regulation or order, jurisdiction over, or the power to regulate or pass orders binding upon, any person or matter and shall include any stock exchanges on which securities of any of such person are currently listed or may be listed in future, or arbitral tribunal or dispute resolution body empowered to pass orders binding on any person;

(i) "**Intangible Assets**" means and includes all intellectual property rights and licenses of every kind and description throughout the world, in each case whether registered or unregistered, and including any applications for registration of any of the following, including without limitation inventions (whether patentable or not), patents, rights in computer programs (whether in source code, object code, or other form), algorithms, databases, compilations and data, technology supporting the foregoing, and all documentation, including user manuals and training materials, related to any of the foregoing; copyrights and copyrightable subject matter; trademarks, service marks, trade names, domain names, logos, slogans, trade dress, design rights together with the goodwill symbolized by any of the foregoing; know-how, confidential and proprietary information, trade secrets, moral rights; any rights or forms of protection of a similar nature or having equivalent or similar effect to any of the foregoing which subsist anywhere in the world; and goodwill, whether or not covered in the foregoing, in connection with the businesses of the Transferor Company, together with the exclusive right for the Transferee Company and its assignees to represent themselves as carrying on the business in succession to the Transferor Company including business information and records; and product registrations and approvals;

(j) "**IT Act**" means the Income-tax Act, 1961, any re-enactment thereof and the rules, regulations, circulars and notifications issued thereunder, each as amended from time to time and to the extent in force;

(k) "**Record Date**" means such date as may be mutually fixed by the Board of Directors of the Transferor Company and the Transferee Company for determining the names of the shareholders of the Transferor Company to whom equity shares of the Transferee Company will be allotted pursuant to the Scheme;

(l) "**RoC**" means the Registrar of Companies, Pune, Maharashtra;

(m) "**SAST Regulations**" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(n) "**Scheme**" or "**Scheme of Amalgamation**" or "**Scheme of Merger by Absorption**" or "**Scheme of Arrangement**" or "**this Scheme**" means this Scheme of Amalgamation in its present form as

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submitted to the Hon'ble Tribunal or this Scheme with such modification(s), if any;

(o) "**SEBI**" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992;

(p) "**SEBI Scheme Circular**" or "**SEBI Circular**" means the SEBI Circular no CFD/DIL3/CIR/2017/21 dated March 10, 2017 as modified by SEBI Circular No. CFD/DIL3/CIR/2017/26 dated 23rd March, 2017, read with SEBI Circular CFD/DIL3/CIR/2018/2 dated January 03, 2018 issued by SEBI and all other applicable circulars and regulations issued by SEBI as amended or replaced from time to time;

(q) "**Stock Exchanges**" means the stock exchanges where the Equity Shares are listed and admitted to trading, *viz*, BSE Limited and the National Stock Exchange of India Limited as applicable to the respective Transferor Company and the Transferee Company;

(r) "**Taxation**" or "**Tax**" or "**Taxes**" means all forms of taxes (whether direct or indirect) and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to PSML and ICIL and all penalties, charges, costs and interest relating thereto;

(s) "**Transferor Company**" shall have the meaning assigned to it in Point 1 of Clause I of the Preamble of this Scheme and shall include but not be limited to:

(i) all assets, whether moveable or immoveable, plant and machinery, equipment, stocks and inventory including all rights, title, interest, claims, covenants in such assets of the Transferor Company;

(ii) all investments, receivables, loans and advances extended (including CENVAT credit or other tax assets), including accrued interest thereon of the Transferor Company;

(iii) all debts, borrowings and liabilities, whether present or future, secured or unsecured, availed by the Transferor Company;

(iv) all permits, rights, entitlements, licenses, approvals, grants, allotments, recommendations, clearances, tenancies, offices, tax deferrals and benefits, subsidies, concessions, refund of any tax, duty, cess or any excess payment (including all amounts claimed as refund, whether or not so recorded in the books of accounts), tax credits (including, but not limited to, credits in respect of income tax, tax deducted at source, CENVAT, sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax, goods and service tax etc.) of every kind and description whatsoever of the Transferor Company;

(v) rights to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, under Applicable Law, and in respect of

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set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the IT Act, the rules and regulations thereunder, or any other Applicable Law, or any other or like benefits under the said acts or under and in accordance with any Applicable Law or act, whether in India or anywhere outside India;

(vi) all Intangible Assets of every kind and description whatsoever of the Transferor Company;

(vii) all privileges and benefits of, or under, all contracts, agreements or arrangements of any kind, and all other rights including lease rights, licenses and facilities of every kind and description whatsoever of the Transferor Company;

(viii) all employees of the Transferor Company existing as on the Effective Date;

(ix) all advance payments, earnest monies and/or security deposits or other entitlements of the Transferor Company;

(x) all legal, tax, regulatory, quasi-judicial, administrative or other proceedings, suits, appeals, applications or proceedings of whatsoever nature initiated by or against the Transferor Company; and

(xi) all books, records, files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, catalogues, quotations, websites, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form, in connection with or relating to the Transferor Company;

(t) "**Transferee Company**" shall have the meaning assigned to it in Point 2 of Clause I of the Preamble of this Scheme;

(u) "**Tribunal**" or "**NCLT**" means the National Company Law Tribunal, Mumbai Bench;

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or made as per the Scheme, shall be effective from the Appointed Date but shall come into legal effect from the Effective Date.

3. INTERPRETATION

(a) The expressions, terms and words which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning assigned to them under the Companies Act, the IT Act, and other Applicable Laws.

(b) In this Scheme, unless the context otherwise requires:

(i) the words "including", "include" or "includes" shall be interpreted in a manner as though the

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words "without limitation" immediately followed the same;

(ii) any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;

(iii) the words "other", "or otherwise" and "whatsoever" shall not be construed *ejusdem generis* or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;

(iv) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of the relevant provisions of this Scheme;

(v) the term "Clause" refers to the specified clause in of this Scheme, as the case may be;

(vi) reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to legislation or statute includes any subordinate legislation made from time to time under such a legislation or statute and regulations, rules, notifications or circulars issued under such a legislation or statute; and

(vii) words in the singular shall include the plural and *vice versa*.

4. SHARE CAPITAL

4.1 The share capital structure of the Transferor Company as on September 30, 2020 is as follows:

Particulars	Amount in INR
Authorised	
1,92,70,000 equity shares of INR 10 each	INR 19,27,00,000
Issued and Subscribed and Fully paid-up Capital	
1,92,41,280 equity shares of INR 10 each	INR 19,24,12,800

The equity shares of the Transferor Company are listed on BSE Limited.

4.2 The share capital structure of the Transferee Company as on September 30, 2020 is as follows:

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Particulars	Amount in INR
Authorised	
Equity Shares	
27,50,00,000 shares of INR 2 each	INR 55,00,00,000
Preference Shares	
50,00,000 shares of INR 10 each	INR 5,00,00,000
Total	**INR 60,00,00,000**
Issued and Subscribed and Fully paid-up Capital	
Equity Shares	
19,73,99,670 shares of INR 2 each	**INR 39,47,99,340**

The equity shares of the Transferee Company are listed on Stock Exchanges i.e BSE Limited and National Stock Exchange of India Limited.

PART B

5. **AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH THE TRANSFEREE COMPANY**

5.1. **Transfer and vesting of assets, liabilities and entire business of the Transferor Company into and with the Transferee Company**

5.1.1. With effect from the Appointed Date and upon the Scheme being effective, the Transferor Company, together with all its present and future properties, assets, investments, rights, obligations, liabilities, benefits and interests therein, whether known or unknown, shall amalgamate into and with the Transferee Company and shall become the property of, and an integral part of, the Transferee Company subject to the charges and encumbrances (to the extent they are outstanding on the Effective Date), if any, created by the Transferor Company on its properties and assets in favour of lenders, as a going concern, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company. Without prejudice to the generality of the above, in particular, the Transferor Company shall stand amalgamated into and with the Transferee Company, in the manner described in sub-paragraphs (a) – (m) below:

(a) With effect from the Appointed Date and upon the Scheme being effective, all immovable properties (including land, buildings, structures and any other immovable properties) of the Transferor Company, whether freehold or leasehold, and any documents of title, rights

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and easements in relation thereto, shall stand vested in or be deemed to be vested in the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company. Upon this Scheme coming into effect on the Effective Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes, rent and charges, and fulfil all obligations, in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease / license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee, if any, to the Transferee Company. The mutation/ substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Transferee Company, by the relevant Governmental Authorities pursuant to the sanction of this Scheme by the NCLT and upon this Scheme coming into effect;

(b) With effect from the Appointed Date and upon the Scheme being effective, all the assets of the Transferor Company which are movable in nature or are otherwise capable of being transferred by physical or constructive delivery and, or, by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery, or by vesting and recordal, as appropriate to the property being vested and the title to such property shall be deemed to have been transferred accordingly to the Transferee Company;

(c) With effect from the Appointed Date and upon the Scheme being effective, any and all other movable property (except those specified elsewhere in this Scheme) including investments in shares and any other securities, all sundry debts and receivables, outstanding loans and advances relating to the Transferor Company which are recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons, cheques on hand shall, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company become the property of the Transferee Company. Without prejudice to the foregoing, the Transferee Company shall be entitled to deposit at any time after Effective Date, cheques received in the name of the Transferor Company, to enable the Transferee Company to receive the amounts

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thereunder. From the Effective Date and till such time that the names of the bank accounts of the Transferor Companies including but not limited to balances with scheduled banks in current accounts and in deposit accounts are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Companies, in its name, in so far as may be necessary. Further, all other negotiable instruments, payment orders, electronic fund transfers like NEFT, RTGS etc. received or presented for encashment which are in the name of Transferor Company after the Effective Date by virtue of the NCLT order sanctioning this scheme shall be accepted by the banker(s)of the Transferee Company and credited to the account of Transferee Company, if presented by Transferee Company or received through electronic transfer. Similarly, the banker(s) of Transferee Company shall honour all cheques, electronic find transfers, instructions issued by the Transferor Company for payment after the Effective Date.

(d) With effect from the Appointed Date and upon the Scheme being effective, all debts, borrowings, liabilities, contingent liabilities, duties and obligations, secured or unsecured, relating to the Transferor Company, whether provided for or not in the books of accounts of the Transferor Company or disclosed in the balance sheet of such Transferor Company, shall stand transferred to and vested in the Transferee Company, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date and become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. However, if any lender of the Transferor Company requires satisfaction of the charge over the Transferor Company's properties and recording of a new charge with the Transferee Company, the Transferee Company shall for good order and for statistical purposes, file appropriate forms with the RoC as accompanied by the sanction order or a certified copy thereof and any deed of modification or novation executed *inter alia* by the Transferee Company;

(e) With effect from the Appointed Date and upon the Scheme being effective, all incorporeal or intangible property of the Transferor Company shall stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company,

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by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company;

(f) With effect from the Appointed Date and upon the Scheme being effective, all letters of intent, contracts, deeds, bonds, agreements, insurance policies, capital investment, subsidies, guarantees and indemnities, schemes, arrangements, and other instruments of whatsoever nature in relation to the Transferor Company or to which the Transferor Company is a party or to the benefit of which it may be entitled or eligible, shall be in full force and effect against or in favour of the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company is a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, bank guarantees, performance guarantees, letters of credit, agreements with any Governmental Authority, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or have effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the NCLT, be deemed to be bank guarantees, performance guarantees, letters of credit, agreements, deeds, documents, and arrangements, etc. as the case may be, of Transferee Company;

(g) With effect from the Appointed Date and upon the Scheme being effective, all permits, grants, no-objection certificates, licenses (including the licenses granted to the Transferor Company by any Governmental Authority for the purpose of carrying on its business or in connection therewith), permissions (including statutory and regulatory permissions), approvals, clearances, registrations (including relating to sales tax, service tax, excise, value added tax, goods and service tax), (including, but not limited to, credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax, goods and service tax, tax credits, tax refunds, tax holidays, security transaction tax, minimum alternate tax credit and duty entitlement credit certificates), tenancies, quotas, recommendations, privileges, powers, offices, facilities of every kind and description of whatsoever nature, easements, goodwill, allotments, concessions, exemptions, advantages, or rights required to carry on the operations of the Transferor Company or granted to the

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Transferor Company, shall stand vested in or transferred to the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company, and shall be appropriately transferred or assigned by the concerned Governmental Authority in favour of Transferee Company;

(h) With effect from the Appointed Date and upon the Scheme being effective, all Intangible Assets of the Transferor Company or granted to the Transferor Company, shall stand vested in or transferred to the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company; provided that the Transferee Company may take such actions as may be necessary and permissible to get the Intangible Assets, intellectual property rights and licenses transferred to and / or registered in the name of the Transferee Company;

(i) With effect from the Appointed Date and upon the Scheme being effective, the Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against the Transferor Company. Upon this Scheme coming into effect on the Effective Date, if any notice, dispute, suit, appeal, complaint, claim or other proceeding of whatsoever nature by or against the Transferor Company including those before any Governmental Authority, be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the amalgamation of Transferor Company or of anything contained in this Scheme but the proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company;

(j) Upon the Scheme becoming effective, all employees of the Transferor Company in service on the Effective Date shall become employees of the Transferee Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company, on the terms and conditions no less favourable than those that were applicable to such employees as on the Effective Date, with the benefit of continuity of service and without any break or interruption in service. With regard to provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or

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existing for the benefit of such employees of the Transferor Company in service on the Effective Date, upon this Scheme coming into effect, the Transferee Company shall stand substituted for the Transferor Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme , without any further act, instrument or deed of the Transferor Company or the Transferee Company, for all purposes whatsoever relating to the obligations to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents, and the Transferee Company shall continue to abide by agreement(s)/settlement(s) entered into by the Transferor Company with any of its employees as on the Effective Date. It is the aim and intent of this Scheme that upon this Scheme coming to effect on the Appointed Date and upon the Effective Date, all the rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company. For the avoidance of doubt, it is clarified that with regard to provident fund, gratuity, leave encashment, deferred cash benefits and long term incentive plans and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, Transferee Company shall stand substituted for Transferor Company, by operation of law pursuant to the vesting order of the NCLT sanctioning this Scheme upon the Effective Date, for all purposes whatsoever, including with regard to the obligation to make contributions if any to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Transferor Company, in accordance with the provisions of Applicable Laws or otherwise. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes, funds, benefit plans or policies. The Transferor Company and the Transferee Company shall undertake all the necessary steps and formalities as may be required to be carried out for transfer of such fund, assets, value, etc. to the Transferee Company in this regard;

(k) the Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of Transferor Company existing on the Effective Date, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable; and

(l) With effect from the Appointed Date and upon the Scheme being effective, all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Transferor Company shall be deemed to have been accrued to and, or, acquired for and on behalf of the Transferee Company, without any further act, instrument or deed be and stand

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transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.

(m) It is clarified that for the period between the Appointed Date and up to and including the Effective Date, the Transferor Company shall carry on and be deemed to have carried on their business and activities and shall stand possessed of whole of their businesses, in trust for the Transferee Company and shall account for the same to the Transferee Company. Any income or profit accruing or arising to the Transferor Company and all costs, charges, expenses and losses (including brought forward losses, book losses, etc.) or taxes (including but not limited to advance tax, tax deducted at source, minimum alternative tax, credit, taxes withheld, etc.), incurred by the Transferor Company between the Appointed Date and up to and including the Effective Date shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed of in any manner as it thinks fit.

5.1.2. With effect from the Appointed Date and upon the Scheme being effective, and the consequent amalgamation of Transferor Company into and with the Transferee Company, the secured creditors of Transferee Company, if any, shall only continue to be entitled to security over such identified properties and assets forming part of Transferee Company, as existing immediately prior to the amalgamation of Transferor Company into and with Transferee Company and the secured creditors of Transferor Company, if any, shall continue to be entitled to security only over such properties, assets, rights, benefits and interest of and in Transferor Company, as existing immediately prior to the amalgamation of Transferor Company into and with Transferee Company. For the avoidance of doubt, it is clarified that all the assets of Transferor Company and Transferee Company which are not currently encumbered shall, subject to Applicable Laws, remain free and available for creation of any security thereon in future in relation to any new indebtedness that may be incurred by Transferee Company. For this purpose, no further consent from the existing creditors shall be required and sanction of this Scheme shall be considered as a specific consent of such creditors.

5.1.3. The Transferee Company shall, at any time after this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Transferor Company, if so required under any Applicable Laws or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the

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Transferor Company has been a party, including any filings with the Governmental Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of Transferee Company, *inter alia*, in its capacity as the successor entity of the Transferor Company.

5.1.4. The Transferee Company shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Laws, do all such acts or things as may be necessary to transfer / obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by Transferor Company. For the avoidance of doubt, it is clarified that if the consent of either a third party or Governmental Authority is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution / endorsement in the name of Transferee Company pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective. The Transferee Company shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and the Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

6. **CONSIDERATION**

6.1. The share exchange ratio stated in Clause 6.2 of Section I of this Scheme has been determined by the Board of Directors of the Transferor Company and the Transferee Company based on their independent judgment after taking into consideration the valuation report of the registered valuer dated 21.10.2020 provided and the fairness opinion dated 21.10.2020 provided by merchant banker.

6.2. Upon this Scheme becoming effective, in consideration of the amalgamation of the Transferor Company, Transferee Company shall without any further application or deed, issue and allot its equity shares at par credited as fully paid up, as per the swap-ratio provided by the valuation report of the registered valuer and valuation report of chartered accountants and the fairness opinion dated 21.10.2020 provided by merchant banker, to the members of Transferor Company, holding equity shares in Transferor Company and whose names appear in the Register of Members/Depository Participant on the Record Date or to such of their respective heirs,

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executors, administrators or other legal representative or other successors in title as may be recognized by the respective Board of Directors in the following manner:

2 (Two) fully paid Equity Shares of face value of INR 2/- each of Transferee Company shall be issued and allotted for every 15 (Fifteen) Equity shares of face value of INR 10/- each held in Transferor Company.

6.3. The shares issued pursuant to the provisions of the Scheme as per Clause 6.1 ("New Shares"), shall be issued to the shareholders of the Transferor Company in demat form, that is, dematerialized shares unless otherwise notified in writing by a shareholder of the Transferor Company to the Transferee Company on or before such date as may be determined by the Board of Transferee Company. In the event that such notice has not been received by the Transferee Company in respect of any of the shareholders of the Transferor Company, the equity shares, shall be issued to such shareholders in dematerialized form provided that the shareholders of the Transferor Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that the Transferee Company has received notice from any shareholder that the equity shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of the Transferee Company, then the Transferee Company shall issue the equity shares in physical form to such shareholder or shareholders.

6.4. If, applying the Share Exchange Ratio, a person eligible to receive new shares of the Transferee Company pursuant to the Scheme under this Clause 6, becomes entitled to receive any fractional equity shares of Transferee Company (a "**fractional entitlement**"), such person shall be entitled to receive instead of such fractional entitlement, equity shares of the Transferee Company as follows:

(a) if the fractional entitlement is less than 0.5 (zero point five) it shall be rounded down so that such person will receive, zero (0) equity shares of the Transferee Company instead of such fractional entitlement; and

(b) if the fractional entitlement is 0.5 (zero point five) or more it shall be rounded up so that such person will receive, one (1) equity share of the Transferee Company instead of such fractional entitlement.

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Pursuant to the rounding up or rounding down as per (a) and (b) above, the total number of shares that will be issued to equity shareholders of the Transferor Company, may vary from the total number of shares of the Transferee Company to be issued as set forth in the first sentence of Clause 6.3. However, each shareholder of the Transferor Company shall get at least one share of the Transferee Company.

6.5. On the approval of this Scheme by the members of the Transferee Company pursuant to Sections 230-232 of the Act and/or the relevant provisions of the Companies Act, if applicable, it shall be deemed that the said members have also accorded their consent under Sections 13, 42, 61, and 62(1)(c) of the Act and/or any other applicable provisions of the Companies Act and rules and regulations framed thereunder as may be applicable for the aforesaid issuance of new shares to the equity shareholders of the Transferor Company, and no further resolution or actions shall be required to be undertaken by the Transferee Company under Sections 13, 42 or 62(1)(c) of the Act or any other applicable provisions of the Companies Act and rules and regulations framed thereunder,.

6.6. The new shares issued by Transferee Company to the members of Transferor Company shall rank pari-passu with the existing equity shares of Transferee Company subject to other provision of this Scheme. The Transferee Company shall, if necessary and to the extent required, increase its Authorized Share Capital to facilitate issue of shares under this Scheme, by following the requisite procedure under applicable provisions of law and the resolution approving the Scheme shall be deemed to be the approval of increase in the authorized share capital of the Transferee Company.

6.7. Upon the Scheme being effective and on allotment of new shares by the Transferee Company, the shares held in Transferor Company by the Transferee Company shall stand automatically cancelled without any further act or deed. Further, it is clarified that no shares will be issued for the shares that are held by the Transferee Company in Transferor Company.

6.8. The new shares to be issued and allotted by the Transferee Company in terms of Clause 6 of this Scheme shall be listed and shall be admitted for trading on the Stock Exchanges. The Transferee Company shall make all requisite applications and shall otherwise comply with the provisions of Applicable Laws, including, as applicable, the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Circulars. The Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the Stock Exchanges.

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7. ACCOUNTING TREATMENT

7.1. The Amalgamation of the Transferor Company with the Transferee Company shall be accounted for in the books of account of the Transferee Company in accordance with 'Pooling of Interest Method' of accounting as per Indian Accounting Standard (Ind AS) 103 (Business Combination) prescribed under Section 133 of the Companies Act, 2013, which is applicable to the Company since this is a common control business combination as follows:

7.2. All the assets, liabilities and reserves in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the scheme and shall be recorded by the Transferee Company at their carrying amounts as appearing in the books of Transferor Company, on the Appointed Date.

7.3. The Transferee Company shall credit to its share capital account, the aggregate face value of the new shares issued by it pursuant to Clause 6 of this Scheme.

7.4. The carrying amount of investments in the equity shares of the Transferor Company to the extent held by Transferee Company, shall stand cancelled and there shall be no further obligation in that behalf.

7.5. Upon the scheme coming into effect, the surplus /deficit, if any of the net value of assets, liabilities and reserves of the Transferor Company acquired and recorded by the Transferee Company in terms of clause 7.2 over the sum of (a) the face value of the new shares on Amalgamation issued and allotted pursuant to clause 6; and (b) the value of investments cancelled pursuant to Clause 7.4, shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company.

7.6. Any inter-company balance(s) and inter-company investments, debts, borrowings (secured or unsecured), if any between the Transferor Company and the Transferee Company shall stand cancelled and corresponding effect shall be given in the books of account and the records of Transferee Company for the reduction of any assets or liabilities, as the case may be. There would be no accrual of interest or other charges and there shall be no obligation/outstanding in that behalf in respect of any such intercompany loans, debt, securities or balances with effect from the Appointed Date.

7.7. In case of any difference in any of the accounting policies between the Transferor Company and the Transferee Company, the impact of the same in the merger by absorption will be quantified

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and adjusted in the Capital Reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the true financial position on the basis of consistent accounting policies.

7.8. Upon the Scheme coming into effect, the accounts of the Transferee Company, as on the Appointed Date shall be reconstructed with the terms of this Scheme.

7.9. The balance of the retained earnings appearing in the financial statements of the Transferor Company shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.

7.10. The identity of the reserves shall be preserved and shall appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company.

8. CONSOLIDATION OF AUTHORIZED SHARE CAPITAL OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

8.1. As an integral part of this Scheme and upon the effectiveness of this Scheme, the authorised equity share capital of the Transferor Company amounting to INR 19,27,00,000 (Rupees Nineteen Crore Twenty-Seven Lakh) shall stand consolidated and vested in and merged with the authorised share capital of the Transferee Company and the Transferee Company shall accordingly increase its authorized share capital and reclassify it as equity shares and/or preference shares as may be required by it as on the Effective Date, without any further act or deed and without any further payment of the stamp duty or the registration fees and accordingly Clause V of the memorandum of association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended.

8.2. Pursuant to the Scheme, the Transferee Company shall file the requisite forms with the ROC for alteration and reclassification of its authorised share capital.

8.3. For the avoidance of doubt, it is clarified that, in case, the authorised share capital of the Transferee Company and, or, the Transferor Company, as the case may be, undergoes any change, prior to this Scheme becoming effective, then this Clause 8 of this Scheme shall automatically stand modified / adjusted accordingly to take into account the effect of such change.

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8.4. It is hereby clarified that for the purposes of this Clause 8 of this Scheme, the consent of the shareholders of the Transferor Company and the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment to the Memorandum of Association of the Transferee Company and no further resolution under Section 13 of the Act and/or any other applicable provisions of the Companies Act and rules and regulations framed thereunder would be required to be separately passed, nor shall the Transferee Company be required to pay any additional registration fees, stamp duty, etc.

9. **EXEMPTION UNDER SAST REGULATIONS**

For the avoidance of doubt, it is clarified that pursuant to amalgamation of the Transferor Company into and with the Transferee Company, the issuance of new shares of the Transferee Company to the shareholders of the Transferor Company as consideration for the amalgamation of the Transferor Company into and with the Transferee Company in terms of this Scheme and the consequent grant of certain rights to the shareholders who hold shares beyond a certain threshold as may be prescribed from time to time in the charter documents of the Transferee Company, is exempt under the provisions of Regulation 10(1)(d)(ii) of the SAST Regulations, and therefore, the requirement to make an 'open offer' shall not be triggered in terms of the provisions of the SAST Regulations.

PART C

GENERAL TERMS AND CONDITIONS

10. **COMPLIANCE WITH TAX LAWS**

10.1. This Scheme is in compliance with the conditions relating to 'amalgamation' as specified under section 2(1B) and other relevant sections of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any retrospective amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income-tax Act, 1961 shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961.

10.2. On or after the Effective Date, financial statements and returns along with prescribed forms, filings and annexures under the Income-tax Act, 1961 (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and services tax,

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VAT law and other tax laws, and to claim refunds and/ or credits for taxes paid (including minimum alternate tax, tax deducted at source, goods and service tax etc.), and to claim tax benefits etc. and for matters incidental thereto, shall be entitled to be revised for the Transferor Company and the Transferee Company if required to give effect to the provisions of the Scheme.

10.3. All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, all tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

10.4. Further, all tax proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the Merger/Amalgamation or anything contained in the Scheme.

10.5. Any tax liabilities under the Income-tax Act, 1961, Wealth-tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and service tax, VAT law or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.

10.6. Any refund under the Income-tax Act, 1961, Wealth-tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and service tax, VAT law or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company due to any of the Transferor Company consequent to the assessment made on such Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

10.7. All taxes including income-tax, minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax etc. paid or payable by the Transferor Company in respect of the operations and/ or the profits of the business before the Appointed

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Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income-tax, minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by Transferor Company/ Transferee Company on payables to Transferee Company/ Transferor Company which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

10.8. Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the Income-tax Act, 1961, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and service tax, VAT law or other applicable laws / regulations dealing with taxes/ duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.

10.9. Without prejudice to the generality of the above, all benefits, incentives, losses (including but not limited to, tax losses, tax unabsorbed depreciation), accumulated losses, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, customs duty drawback, goods and service tax etc.) to which the Transferor Company are entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.

10.10. Upon the Scheme coming into effect, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

11. DIVIDENDS

11.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective members in respect of the accounting period to the Effective date as approved by their Respective Boards.

11.2. The members of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

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11.3. For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent Transferee Company from declaring and paying dividends, whether interim or final, to its members as on the record date for the purpose of dividend and those who are members only of the Transferor Company shall not be entitled to dividends, if any, declared by Transferee Company prior to the Effective date.

11.4. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company respectively, and subject to the approval, if required, of the members of the Transferor Company and the Transferee Company respectively.

12. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon this Scheme coming into effect, the Transferor Company shall, without any further act, instrument or deed of the Transferor Company or the Transferee Company, stand dissolved without winding up.

13. BOOKS AND RECORDS OF THE TRANSFEREE COMPANY

All books, records, files, papers, databases, catalogues, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Transferor Company, to the extent possible and permitted under applicable laws, be handed over by the Transferor Company to the Transferee Company.

14. APPLICATION TO THE NCLT

The Transferee Company and the Transferor Company shall make applications/petitions under Sections 230 to 232 of the Act, as applicable and other applicable provisions of the Companies Act to the NCLT, Mumbai for the sanction of this Scheme and all matters ancillary or incidental thereto.

15. CONDITIONALITY OF THIS SCHEME

This Scheme is conditional upon and subject to:

a) The requisite consent, approval or permission from the Stock Exchanges under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which by law or otherwise may be necessary for implementation of the Scheme in

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compliance with. the provisions of SEBI Circular;

b) Securities and Exchange Board of India and the Stock Exchanges approving this Scheme and the other transactions contemplated in this Scheme.

c) Approval of the requisite majority of the shareholders of the Transferor Company and Transferee Company to the Scheme and the requisite orders of the NCLT sanctioning the Scheme in exercise of the powers vested in it under the Act;

d) Approval of public shareholders of the Transferor and Transferee Company through e-voting in terms of Para 9 of Annexure I of the SEBI Circular dated 10th March 2017, provided that the same shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by them against the Scheme; and

e) such other sanctions and approvals including sanctions of any government or regulatory authority as may be required by law in respect of the Scheme and the certified copies of the NCLT order sanctioning the Scheme being filed with ROC

16. SEQUENCING OF EVENTS

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred / shall occur and become effective and operative, only in the sequence and in the order mentioned hereunder:

a) amalgamation of the Transferor Company into and with the Transferee Company in accordance with this Scheme;

b) consolidation of the authorised share capital of the Transferor Company with the authorised share capital of Transferee Company in accordance with Clause 8 of this Scheme, and consequential increase/reclassification in the authorised share capital of the Transferee Company;

c) dissolution of the Transferor Company without winding-up in accordance with Clause 12 of this Scheme; and

d) issue and allotment of new shares of the Transferee Company to the shareholders of the Transferor Company as on the Record Date in accordance with Clause 6 of this Scheme.

17. MODIFICATIONS/AMENDMENTS TO THIS SCHEME

The Transferor Company and the Transferee Company may, through mutual consent and acting through their respective Board of Directors, assent to any modifications/amendments to this Scheme and/ or to any conditions or limitations that the NCLT and / or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them.

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18. REMOVAL OF DIFFICULTIES

The Transferor Company and the Transferee Company may, through mutual consent and acting through their respective Board of Directors, agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the Tribunal or any directive or orders of any Governmental Authority or otherwise arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith.

19. WITHDRAWAL OF THIS SCHEME

The Scheme may be withdrawn from the NCLT anytime by mutual consent of the Transferor Company and the Transferee Company, acting through their respective Board of Directors and with further approval of the NCLT for withdrawal.

20. REPEAL AND SAVINGS

The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company or the Transferee Company on or before the Effective Date, to the end and intent that the Transferee Company shall be automatically deemed to accept and adopt all such acts, deeds and things done and executed by the Transferor Company.

21. COSTS, CHARGES AND EXPENSES

The Transferee Company shall bear all their respective costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in making this Scheme effective and matters incidental thereto.

22. EFFECT OF NON – RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in Clause 15 not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.

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23. NO CAUSE OF ACTION

No third party claiming to have acted or changed his position in anticipation of the Scheme taking effect, shall get any cause of action against the Transferor Company or Transferee Company or their directors or officers, if this Scheme does not take effect or is withdrawn, cancelled, revoked, amended or modified for any reason whatsoever.

24. Comments via observation letters dated 25 March 2021 & 26 March 2021 issued by Stock Exchanges:

Pursuant to the observation letters dated 25 March, 2021 issued by BSE Limited to Transferor Company and 25 March, 2021 & 26 March, 2021 issued by BSE Limited and National Stock Exchange of India Limited, respectively to the Transferee Company, following information and facts on methods of valuation are provided below:

i. *In case of ICIL only one method of valuation i.e. Market Approach has been used because its shares are frequently traded on Stock Exchanges, and market price reflects significant multiple of book value. Therefore, it was inappropriate to consider cost and income approach in case of ICIL. Further, ICIL is a listed Company and information related to the future profit and loss account, balance sheet and cash flows is price sensitive and hence was not provided to the valuer.*

ii. *Two Methods of Valuation i.e. Cost and Market Approach have been used for PSML and Income approach method has not been used as PSML is a listed Company and information related to the future profit and loss account, balance sheet and cash flows is price sensitive and hence was not provided to the valuer. Further, PSML's production was stopped at the time of appointed date."*

Certified True Copy
For Pranavaditya Spinning Mills Limited

Authorised Signatory

Certified True Copy
For Indo Count Industries Limited

Authorised Signatory

IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH-IV

C.A.(C.A.A.)/143/MB/2021

In the matter of the Companies Act, 2013

And

In the matter of Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder;

And

In the matter of

Composite Scheme of Amalgamation (by way of merger by Absorption)

Of

Pranavaditya Spinning Mills Limited

(Transferor Company)

With

Indo Count Industries Limited

(Transferee Company)

(Collectively referred to as 'Applicant Companies')

Pranavaditya Spinning Mills Limited, [CIN: L17119PN1990PLC058139] ...First Applicant Company Transferor Company

Indo Count Industries Limited, [CIN: L72200PN1988PLC068972] ...Second Applicant Company Transferee Company

Order delivered on 18.08.2021

***Coram*:**

Hon'ble Smt. Suchitra Kanuparthi, Member (Judicial)

Hon'ble Shri. Satya Ranjan Prasad, Member (Technical)

Appearances (via videoconferencing):

For the Applicants: Mr. Hemant Sethi, Ms Vidisha Poonja i/b Hemant Sethi & Co., Advocates

ORDER

Per: Suchitra Kanuparthi, Member (Judicial)

1. The court is convened via video conferencing.

2. The Counsel for the Applicants states that the present Scheme is a Scheme of Amalgamation (by way of Merger by Absorption) of Pranavaditya Spinning Mills Limited ('Transferor Company' or First Applicant Company) with Indo Count Industries Limited ('Transferee Company' or 'Second Applicant Company'). The Scheme envisages the following:

(a) Amalgamation of First Applicant Company with Second Applicant Company, by absorption, in accordance with Sections 230 to 232 and other applicable provisions of the Act and Rules framed thereunder. Further, upon the said amalgamation becoming effective, the Second Applicant Company shall issue and allot equity shares to the shareholders of First Applicant Company as on the Record Date (*as defined in the Scheme*), 2 fully paid equity share of Re. 2 each of the Second Applicant

Company for every 15 equity share of Rs. 10 each of the First Applicant Company.

3. The Counsel for the Applicants submits that First Applicant Company is authorised to carry on, inter alia, the business of manufacturing of cotton yarn.

4. The Counsel for the Applicants further submits that Second Applicant Company, is engaged in the business of manufacturing of home textiles and its products broadly falls under the categories of Bed Sheet, Pillow Cover and Comforter.

5. The background, circumstances, rationale and benefits of the Scheme are that:

Rationale for amalgamation of First Applicant Company with Second Applicant Company, by absorption

(a) The Transferor Company, listed on BSE Limited and the Transferee Company, listed on BSE Limited and National Stock Exchange of India Limited, both are a part of the same group. Further, the Transferor Company is a subsidiary of the Transferee Company wherein the Transferee Company holds majority shareholding in the Transferor Company. The main business of PSML has been manufacturing of cotton yarn and it has a huge freehold land of ~ 34 acres at Plot No.266 Village Alte, Tal. Hathkanangale, Dist. Kolhapur (near textile hub Ichalkaranji) and ~ 20000 spindle capacity for spinning. The land, machinery, infrastructure and all other resources available with the Transferor Company can be utilized in cost effective and efficient manner to carry out Transferee Company's business expansion. The Transferor and Transferee's industrial units are situated within a distance of ~ 40 kilometers. Hence, it is proposed to amalgamate Transferor Company into the Transferee Company in this Scheme.

(b) Further, the Amalgamation of the Transferor Company into the Transferee Company would inter alia have the following benefits:

i. Consolidation of the Transferor Company and the Transferee Company will achieve simplified corporate structure, rationalise the number of listed entities and result in a single listed entity with combined businesses.

ii. Provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, it will also enable optimal utilization of existing resources which are in excess of the current business requirements of the Transferor Company and provide an opportunity to fully leverage assets, capacities, experience and infrastructure of the Transferor Company and Transferee Company.

iii. Reducing managerial overlaps involved in operating multiple entities, enable cost savings and effective utilization of valuable resources which will enhance the management focus thereby leading to increase in operational and management efficiency; integrate business functions; eliminate duplication and rationalization of administrative expenses.

iv. Synchronization of efforts to achieve uniform corporate policy, greater integration and greater financial strength and flexibility for the Transferee Company.

v. Better value creation for the shareholders of both the companies enabling the public shareholders to hold shares of the combined listed entity.

vi. Upon completion of the amalgamation, the Transferor Company will be dissolved. Consequently, there would be lesser regulatory and legal compliance obligations including accounting, reporting requirements, statutory and internal audit compliance requirements, tax filings, company law compliances, Stock Exchange compliances etc. and therefore reduction in administrative costs.

The intended Scheme is not prejudicial to the interest of the creditors or the employees of the Transferor Company and the Transferee Company.

4. The Counsel for the Applicant Companies submits that the Board of Directors of the First Applicant Company and Second Applicant Company at their respective board meetings both held on October 21, 2020 have approved the Scheme.

5. The Counsel for the Applicant Companies further submits that the equity shares of First Applicant Company is listed on BSE Limited ("**BSE**"). Pursuant to the Securities Exchange Board of India ("**SEBI**") Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time

("**SEBI Circular**") read with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**"), First Applicant Company had applied to BSE for their "Observation Letter" / "No Objection Letter" to file the Scheme for sanction of the Tribunal. BSE by its letter dated March 25, 2021, given their "No Objection Letter" to First Applicant Company, to file the Scheme with the Tribunal.

6. This Tribunal hereby directs that a meeting of the Equity Shareholders of the First Applicant Company be convened and held on November 15, 2021 at 12:30 pm for the purpose of considering, and if thought fit, approving the proposed Scheme, through video conferencing and/ or other audio visual means, without holding a general meeting requiring the physical presence of shareholders at a common venue, as the same in the current Covid-19 environment mandating social distancing norms shall not be feasible.

7. In view of provisions of Section 230(4) read with Section 108 of the Companies Act, 2013 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014 and in accordance with Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the First Applicant Company proposes to provide the facility of remote e-voting to its Equity Shareholders in respect of the resolution to be passed at the aforesaid meeting. The Equity Shareholders of the First Applicant Company are also allowed to avail the facility of e-voting during the aforesaid meeting to be held through video conferencing and/or other audio-visual means on November 15, 2021 at

12:30 pm respectively. The e-voting facility for the Equity Shareholders of the First Applicant Company shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, as applicable.

8. That at least 30 (thirty) clear days before the aforesaid meeting of the Equity Shareholders of the First Applicant Company to be held as aforesaid, a notice convening the said meeting at the day, date and time aforesaid, together with a copy of the Scheme, a copy of the Explanatory Statement required to be sent under Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, shall be sent by e-mail to the Equity Shareholders of the First Applicant Company whose email addresses are duly registered with the First Applicant Company, addressed to each of the shareholders, at their last known e-mail addresses as per the records of the First Applicant Company or by courier or registered post or speed post incase the e-mail ids of any of the shareholders are not available.

9. Notice of convening the Meeting of the Equity Shareholders of First Applicant Company indicating the day, date and time aforesaid, shall be advertised once each in the "Times of India" (Kolhapur edition) and Marathi translation thereof in "Pudhari" (Kolhapur edition) both having circulation in Kolhapur,

not less 30 days before the date fixed for the meeting. Considering the lockdown prevailing due to COVID-19 pandemic, the First Applicant Company will have the option to publish notices online in the respective e-newspaper editions.

10. That Mr. Sushilkumar Agrawal, Independent Director of the First Applicant Company, and failing him, Ms. Kala Agarwal, Independent Director of the First Applicant Company, shall be the Chairperson of the aforesaid meeting of the Equity Shareholders of the First Applicant Company.

11. That the scrutinizer for the aforesaid meeting of Equity Shareholders of First Applicant Company shall be Mr. Vikas R. Chomal, Practicing Company Secretaries, with remuneration fixed at Rs. 30,000/-.

12. The quorum for the aforesaid meeting of the Equity Shareholders of First Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013 and would include Equity Shareholders present through video conferencing and/or other audio-visual means. In case the required quorum as stated above is not present at the commencement of the meeting, the meeting shall be adjourned by 30 (thirty) minutes and thereafter the persons present shall be deemed to constitute the quorum.

13. The voting by proxy shall not be permitted as the meeting would be held through video conferencing and/ or other audio-visual means. However, voting in case of body corporate be permitted, provided the prescribed form / authorisation is filed with the First Applicant Company

at <pooja.mandave@indocount.com> with a copy to < amruta.avasare@indocount.com> no later than 48 hours before the start of the aforesaid meeting as required under Rule 10 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

14. The Chairperson appointed for the aforesaid meeting of the Equity Shareholders of the First Applicant Company shall have all powers as per the Articles of Association of the First Applicant Company respectively and also under the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, to the extent necessary and applicable, in relation to the conduct of the meeting(s), including for deciding procedural questions that may arise at the meeting or at any adjournment thereof.

15. The value and number of the shares of each Equity Shareholder shall be in accordance with the books/ register of the First Applicant Company or depository records and where the entries in the books/ register/ depository records are disputed, the Chairperson of the meeting shall determine the value for the purposes of the meeting of Equity Shareholders and his/her decision in that behalf would be final.

16. The Chairperson appointed for the aforesaid meeting of the Equity Shareholders of the First Applicant Company shall report to this Tribunal, the result of the aforesaid meetings within 30 (thirty) days of the conclusion of the aforesaid meeting, and the said report shall be verified by

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his Affidavit as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

17. The Counsel for the Applicant Companies further submits that the equity shares of Second Applicant Company are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited (**"NSE"**). Pursuant to the Securities Exchange Board of India ("**SEBI**") circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time ("**SEBI Circular**") read with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**"), Second Applicant Company had applied to BSE and NSE for their "Observation Letter" / "No Objection Letter" to file the Scheme for sanction of the Tribunal. BSE and NSE by its letter dated March 25, 2021 and March 26 2021 respectively have, given their "No Objection Letter" letters to Second Applicant Company, to file the Scheme with the Tribunal.

18. This Tribunal hereby directs that a meeting of the Equity Shareholders of the Second Applicant Company be convened and held on November 15, 2021 at 2:30 pm for the purpose of considering, and if thought fit, approving the proposed Scheme, through video conferencing and/ or other audio visual means, without holding a general meeting requiring the physical presence of shareholders at a common venue, as the same in the current Covid-19 environment mandating social distancing norms shall not be feasible.

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19. In view of provisions of Section 230(4) read with Section 108 of the Companies Act, 2013 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014, the Second Applicant Company proposes to provide the facility of remote e-voting to its Equity Shareholders in respect of the resolution to be passed at the aforesaid meeting. The Equity Shareholders of the Second Applicant Company are also allowed to avail the facility of e-voting during the aforesaid meeting to be held through video conferencing and/or other audio-visual means on November 15, 2021 at 2:30 pm. The e-voting facility for the Equity Shareholders of the Second Applicant Company shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, as applicable.

20. That at least 30 (thirty) clear days before the aforesaid meeting of the Equity Shareholders of the Second Applicant Company to be held as aforesaid, a notice convening the said meeting at the day, date and time aforesaid, together with a copy of the Scheme, a copy of the Explanatory Statement required to be sent under Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, shall be sent by e-mail to the Equity Shareholders of the Second Applicant Company whose email addresses are duly registered with the Second Applicant Company, addressed to each of the shareholders, at their last known e-mail addresses as per the records of the Second Applicant

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Company or by courier or registered post or speed post or incase the e-mail ids of any of the shareholders are not available.

21. Notice of convening the Meeting of the Equity Shareholders of Second Applicant Company, indicating the day, date and time aforesaid, shall be advertised once each in the "Times of India" (Kolhapur edition) and Marathi translation thereof in "Pudhari" (Kolhapur edition) both having circulation in Kolhapur, not less 30 days before the date fixed for the meeting. Considering the lockdown prevailing due to COVID-19 pandemic, the Second Applicant Company will have the option to publish notices online in the respective e-newspaper editions.

22. That Mr. Kailash Lalpuria, Executive Director & CEO (Non-promoter) of the Second Applicant Company, and failing him, Mr.Kamal Mitra, Director of the Second Applicant Company shall be the Chairperson of the aforesaid meeting of the Equity Shareholders of the Second Applicant Company.

23. That the scrutinizer for the aforesaid meeting of Equity Shareholders of Second Applicant Company shall be Mr. Vikash R. Chomal, Practicing Company Secretaries, with its remuneration fixed at Rs. 30,000/-.

24. The quorum for the aforesaid meeting of the Equity Shareholders of Second Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013 and would include Equity Shareholders present through video conference and/or other audio visual means. In case the required quorum as stated above is not present at the commencement of

the meeting, the meeting shall be adjourned by 30 (thirty) minutes and thereafter the persons present shall be deemed to constitute the quorum.

25. The voting by proxy shall not be permitted as the meeting would be held through video conferencing and/ or other audio visual means. However, voting in case of body corporate be permitted, provided the prescribed form / authorisation is filed with the Second Applicant Company at pooja.mandave@indcount.com with a copy to amruta.avasare@indocount.com no later than 48 hours before the start of the aforesaid meeting as required under Rule 10 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

26. The Chairperson appointed for the aforesaid meeting of the Equity Shareholders of the Second Applicant Company shall have all powers as per the Articles of Association of the Second Applicant Company and also under the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, to the extent necessary and applicable, in relation to the conduct of the meeting(s), including for deciding procedural questions that may arise at the meeting or at any adjournment thereof.

27. The value and number of the shares of each Equity Shareholder shall be in accordance with the books/ register of the Second Applicant Company or depository records and where the entries in the books/ register/ depository records are disputed, the Chairperson of the meeting shall determine the

National Company Law Tribunal Mumbai Bench value for the purposes of the meeting of Equity Shareholders and his/her decision in that behalf would be final.

28. The Chairperson shall report to this Tribunal, the result of the aforesaid meetings within 30 (thirty) days of the conclusion of the aforesaid meeting, and the said report shall be verified by his Affidavit as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

29. The Counsel for the Applicant Companies submits that as on December 31, 2020, the First Applicant Company has NIL secured creditors. Accordingly, there is no requirement to hold the meeting of the secured creditors of First Applicant Company.

30. The Counsel for the Applicant Companies submits that as on December 31, 2020, the Second Applicant Company has 6 secured creditors, the aggregate value of such secured creditors being Rs. 374,86,30,407/-. The consent of the secured creditors of the Second Applicant Company has been submitted as **Annexure A** to the Supplementary Affidavit dated July 8, 2021. In view of the aforesaid, there is no requirement to hold the meeting of the secured creditors of Second Applicant Company to seek their approval to the Scheme.

31. The Counsel for the Applicant Companies has submitted that as on December 31, 2020, the First Applicant Company has 2 unsecured creditors, the aggregate value of such unsecured creditors being Rs. 6,02,68,49[illegible] the Second Applicant Company has 986 unsecured creditors, the value of such

unsecured creditors being Rs. 223,52,92,851/-. The Counsel for the Applicant Companies further submitted that the Scheme is a composite arrangement between shareholders of the Applicant Companies as contemplated under Section 230(1)(b) and not in accordance with the provisions of Section 230(1)(a) of the Act as there is no compromise and/or arrangement with unsecured creditors, and that the unsecured creditors of the Applicant Companies are being paid in the normal course of business and as per the agreed terms and are not called upon to make any sacrifices, hence their interests are not getting affected in any way and are also secured. The present Scheme is in no manner prejudicial to the interests of the unsecured creditors of the Applicant Companies. In view the fact that there is no arrangement with the unsecured creditors, the meeting of the unsecured creditors to seek their approval to the Scheme is dispensed with. The First Applicant Company is directed to issue individual notices to all their unsecured creditors by courier or registered post or speed post or hand delivery or through e-mail (to those unsecured creditors whose email addresses are duly registered with the First Applicant Company) and The Second Applicant Company is directed to issue individual notices to their unsecured creditors who are having outstanding value of Rs.5,00,000 and above by courier or registered post or speed post or hand delivery or through e-mail (to those unsecured creditors whose email addresses are duly registered with the Second Applicant Company), at their last known address as per the records of the Second Applicant Company as required under Section 230(3) of the Companies Act, 2013, with a direction that they may submit their representations, if any, to the Tribunal within thirty days from the date of receipt of the said notice and copy of such representations shall simultaneously be served upon the Applicant Companies.

32. The First Applicant Company, pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, is directed to serve the notice of the meeting of its Equity Shareholders upon: (a) the Central Government of India (through the Regional Director, Western Region, Ministry of Corporate Affairs); (b) concerned Income Tax Authority within whose jurisdiction the assessments of the First Applicant Company is made (mentioning the PAN of First Applicant Company – PAN: AAACP4716B at the following address Central Circle 7(4), MUMBAI, AAYKAR BHAVAN,MUMBAI); (c) Registrar of Companies, Pune, Maharashtra; (d) BSE Limited; (e) Securities and Exchange Board of India, failing which, it will be presumed that the aforesaid authorities have no representations to make on the Scheme.

33. The Second Applicant Company, pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, is directed to serve the notice of the meeting of its Equity Shareholders upon: (a) the Central Government of India (through the Regional Director, Western Region, Ministry of Corporate Affairs); (b) concerned Income Tax Authority within whose jurisdiction the assessments of the Second Applicant Company is made

(mentioning the PAN of Second Applicant Company– PAN: AAACI0866P at the following address Central Circle 7(4), MUMBAI, AAYKAR BHAVAN, MUMBAI); (c) Registrar of Companies, Pune, Maharashtra (d) BSE Limited; (e) National Stock Exchange of India Limited; (f) Securities and Exchange Board of India, with a direction that they may submit their representation, if any, within a period of 30 (thirty) days from the date of receipt of such notice, to the Tribunal and copy of such representations shall simultaneously be served upon the Second Applicant Company, failing which, it will be presumed that the aforesaid authorities have no representations to make on the Scheme.

34. The First Applicant Company is also directed to serve notice upon Official Liquidator, High Court, Bombay, pursuant to section 230(5) of the Companies Act, 2013 and as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The Tribunal is appointing M/s CAS & Associates, (Formerly Known as S. B. Amberkar & Co.) Chartered Accountants, having their office at 13, Vighnaharta CHSL, Gr. Floor, Dr. Ambedkar Road, Behind One Avighna park, Curry Road, Mumbai-400 012 [Email:info@casassociates.co.in], Tel No. 22 24716101/6102 to assist the Official Liquidator to scrutinize the books of accounts of the said First Applicant Company for the last 5 years and submit its representation / report to the Tribunal. The aforesaid Company to pay fees of Rs. 2,00, 000/- to the chartered accountants for this purpose. If no representation / report is received by the Tribunal from Official Liquidator, Bombay within a period of

30 (thirty) days from the date of receipt of such notice, it will be presumed that Official Liquidator has no representation / objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

35. The Applicant Companies shall host the notices directed herein, on their respective websites, if any.

36. The Applicant Companies shall file proof of compliance electronically to report to this Tribunal that the directions regarding issue of notices and publication of advertisement as stated in above paragraphs have been duly complied with.

37. Ordered accordingly. Pronounced in open court today.

Sd/-
SATYA RANJAN PRASAD
MEMBER (Technical)

Sd/-
SUCHITRA KANUPARTHI
MEMBER (Judicial)

राष्ट्रीय कम्पनी विधि अधिकरण
NATIONAL COMPANY LAW TRIBUNAL
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MUMBAI BENCH

Certified True Copy
Copy Issued "free of cost"
On 28/09/2021
Sachinkumar 28/09/2021
Deputy Registrar
National Company Law Tribunal Mumbai Bench
Government of India

AMIT KUMAR SINGH
REGISTERED VALUER – SECURITIES AND FINANCIAL ASSETS
(REG. NO. IBBI/RV/06/2019/12357)
INSOLVENCY AND BANCRUPTCY BOARD OF INDIA
E-MAIL: amit@amitksingh.in

ANNEXURE III

Dated: 21 October 2020

To

The Board of Directors,

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

AND

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

Sub: Recommendation of Fair Exchange Ratio for the proposed amalgamation of Pranavaditya Spinning Mills Limited into Indo Count Industries Limited

Ladies and Gentlemen,

I, Amit Kumar Singh, Registered Valuer registered with the Insolvency & Bankruptcy Board of India vide registration no. IBBI/RV/06/2019/12357 (hereinafter referred to as the "Valuer" or "I" or "me") refer to the engagement letter dated 09 September 2020 wherein I have been retained as Valuer jointly by Indo Count Industries Limited (hereinafter referred to as "ICIL" or "Transferee Company") and Pranavaditya Spinning Mills Limited (hereinafter referred to as "PSML" or "Transferor Company ") for the recommendation of fair exchange ratio for the proposed amalgamation of PSML into ICIL (collectively referred to as the "Clients" or the "Companies") as per the draft Scheme of Amalgamation (referred to as "the Scheme").

Accordingly, I have prepared the Report for recommendation of the fair exchange ratio of equity shares as at 20 October 2020 ("Valuation Date") for the proposed amalgamation of PSML into ICIL ("Proposed Amalgamation").

The fair exchange ratio for the Report refers to number of equity shares of face value of INR 2/- each of ICIL, which would be issued to the equity shareholders of PSML in lieu of number of equity shares of face value INR 10/- each held by them in PSML, pursuant to the Proposed Amalgamation.

My deliverable for this engagement would be a fair exchange ratio report (the "Report").

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BACKGROUND, PURPOSE, SCOPE AND DESCRIPTION OF THE REPORT

Indo Count Industries Limited (hereinafter referred to as “ICIL” or the "Transferee Company") is a public company, limited by shares, incorporated under the Indian Companies Act, 1956, under corporate identification number (CIN) L72200PN1988PLC068972 and having its registered office at Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur - 416109 Maharashtra, India. The Transferee Company was incorporated in the year 1988 as Vishnu Aluminium Limited and subsequently, name was changed to Indo Count Industries Limited. The equity shares of the Transferee Company are listed on the BSE Limited and National Stock Exchange of India Limited (together the “Stock Exchanges”). The Transferee Company holds 1,43,41,280 equity shares of Rs 10/- each of the Transferor Company constituting 74.53% of the total paid up equity share capital of the Transferor Company. The Transferee Company is engaged in the business of manufacturing of home textiles and its products broadly falls under the categories of Bed Sheets, Pillow Cover and Comforter. As per the audited financials for the year ended 31 March 2020, ICIL reported revenue from operations of INR 20,801.3 mn and Profit After Tax (“PAT”) of INR 731.0 mn.

Pranavaditya Spinning Mills Limited (hereinafter referred to as “PSML” or the "Transferor Company") is a public company, limited by shares, incorporated under the Companies Act, 1956, under corporate identification number (CIN) L17119PN1990PLC058139 and having its registered office at Office No. 2, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur – 416109, Maharashtra, India. The equity shares of the Transferor Company are listed on BSE Limited. The Transferor Company is a subsidiary of the Transferee Company. The Transferor Company is authorised to carry on the inter alia the business of manufacturing of cotton yarn. As per the audited financials for the year ended 31 March 2020, PSML reported revenue from operations of INR 694.1 mn and PAT of INR (-) 26.8 mn.

I understand that the Companies are contemplating the merger in nature of amalgamation of PSML into ICIL. Accordingly, the valuation of equity shares of both the companies is required for compliance with Section 232 of the Companies Act, 2013 (“Purpose”).

I further understand that as per the draft Scheme, PSML is proposed to be amalgamated into ICIL. As a consideration for the Proposed Amalgamation, equity shareholders of PSML would be issued equity shares of ICIL, in lieu of their shareholdings in PSML.

For the aforementioned Purpose, the Board of Directors of the Companies have jointly appointed me to recommend a fair exchange ratio, for the issue of ICIL’s equity shares to the equity shareholders of PSML, to be placed before the Board of Directors of the Companies.

The scope of my services is to conduct a relative valuation of equity shares of the Companies and report a fair exchange ratio for the Proposed Amalgamation in accordance with internationally accepted valuation standards/methods and valuation standards issued by ICAI Registered Valuer Organisation (RVO).

Valuation Bases

The valuation bases used for the Report is ‘Relative Value’. As per IVS 103 issued by ICAI RVO, in transactions of the nature of merger or amalgamation of companies or merger or demerger of businesses, the consideration is often discharged primarily by issue of securities in the nature equity of the acquirer or transferee entity with reference to an exchange ratio or entitlement ratio, considering the relative values. Such relative values are generally arrived at by applying an appropriate valuation approach or a combination of valuation approaches.

Special Assumption/Aspects Considered in the Report
I have considered the following special assumptions/aspects for the valuation:

(a) Any capital infusion in either of the Companies from the date of my Report till the Proposed Amalgamation becomes effective would not have a material impact on the recommendation of the fair exchange ratio only if (a) it is immaterial or (b) it occurs at or around the fair values as computed in the Report.

(b) Till the Proposed Amalgamation becomes effective, neither Companies would declare any dividends which are materially different from those already factored in the calculations. Similarly, there should not be any other change in capital structure due to buybacks etc., different from those already factored in the calculations, which can impact the recommendation of the fair exchange ratio.

(c) I have been informed that there are no unusual/abnormal events in the Companies since the latest accounts provided to me which would materially impact their operating/financial performance.

(d) In case of PSML, I have been given to understand that the as on Valuation Date the production has been stopped and the workers have availed voluntary retirement scheme (VRS)/separation scheme.

I have relied on the above while arriving at the fair exchange ratio for the Proposed Amalgamation.

The Report is my deliverable for the above engagement.

The Report is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality and not in parts.

SOURCES OF INFORMATION

In connection with this exercise, I have relied upon the following information provided by the Management of the Companies (the “Management”)/from public domain. I have been given to understand that the information provided are accurate and that the Management was duly authorised to provide the same.

1. Historical financial and Market Price information:

   - **PSML:**
     - Audited financials for years ended 31 March 2020
     - Unaudited limited review P&L and Balance sheet (without notes) for the 3-month period ended 30 June 2020
     - Unaudited limited review P&L and Balance sheet (without notes and schedules) for the 6-month period ended 30 Sep 2020
     - Historical and current trading price and volume of equity shares on stock exchanges
     - Details of the industrial land situated at Hatkanangale, Village - Alate, Maharashtra,
     - Fixed Assets Register as on the Valuation Date,
     - Shareholding pattern as at 30 September 2020,

   - **ICIL:**
     - Unaudited limited view P&L and Balance sheet (without notes and schedules) for the 3-month period ended 30 June 2020
     - Historical and current trading price and volume of equity shares on stock exchanges

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2. Draft Scheme of Amalgamation under Section 230 to 232 of the Companies Act, 2013
3. Other information and explanations as required by me which have been provided by Management.

Besides the above listing, there may be other information provided by the Companies which may not have been perused by me in any detail, if not considered relevant for my defined scope.

The Companies have been provided with the opportunity to review the draft Report (excluding the recommended fair exchange ratio) as part of my standard practice to make sure that factual inaccuracy/omissions are avoided in my Report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of my regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services.

The Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of my engagement; (ii) the Report Date, (iii) trading price and volume near the Report Date, and (iii) the unaudited balance sheet of PSML as at 30 September 2020.

I have been informed that the business activities of the ICIL have been carried out in the normal and ordinary course between the Valuation Date and the date of issue of the Report and that no material changes have occurred in their respective operations and financial position during this period. Similarly, I have also been informed that there are no material changes in the position of assets and liabilities of PSML between the 30 September 2020 and the Report Date/ Valuation Date.

The recommendation contained herein is not intended to represent the fair exchange ratio at any time other than the Valuation Date. A valuation of this nature is necessarily based on financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to me as of, the date hereof. Events occurring after the date hereof may affect the Report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm the Report.

The recommendation rendered in the Report only represent my recommendation based upon information furnished by the Companies and gathered from public domain (and analysis thereon). My recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors.

The determination of exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the valuer and judgment taking into accounts all the relevant factors. There is, therefore, no indisputable single exchange ratio. While I have provided my recommendation of the fair exchange ratio based on the information available to me and within the scope and constraints of my engagement, others may have a different opinion as to the fair exchange ratio of the equity shares of the Companies. The final responsibility for the determination of the fair exchange ratio at which the Proposed Amalgamation shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the Proposed Amalgamation and input of other advisors.

I have assumed that the Proposed Amalgamation will be consummated on the terms set forth in the Scheme document and that the final version of the Scheme Document will not change in any material respect from the draft version I have reviewed for the purpose of the valuation.

I have not independently audited or otherwise verified the financial information provided to me. Accordingly, I do not express any opinion or offer any form of assurance regarding the truth and fairness

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of the financial position as indicated in the financial statements. My conclusion is based on the information given by/on behalf of the Companies. The Management has indicated to me that they have understood that any omissions, inaccuracies or misstatements may materially affect my valuation analysis/results.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all their areas of operations, and that the Companies will be managed in a competent and responsible manner. Further, the Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited/unaudited balance sheet of the Companies. My conclusion of value assumes that the assets and liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the Report Date.

The Report does not address the relative merits of the Proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

The fee for the engagement is not contingent upon the results reported.

I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other party to the Companies. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

It is understood that this analysis does not represent a fairness opinion. The Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for its purpose.

The Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Amalgamation, without my prior written consent. I express no opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Amalgamation.

SHAREHOLDING PATTERN

ICIL

The shareholding pattern of ICIL India as at 30 September 2020 was as follows:

Shareholding pattern	Number of shares	Stake (%)
Promoter and Promoter Group	116,346,750	58.94
Public -Institutional	17,148,816	8.69
Public- Non Institutional	63,904,104	32.37
Total	**197,399,670**	100.00

Source: Capitaline

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PSML

The shareholding pattern of PSML as at 30 September 2020 was as follows:

Shareholding pattern	Number of shares	Stake (%)
Promotor & Promoter Group	14,341,280	74.53
Public- Institutional	-	-
Public- Non Institutional	4,900,000	25.47
Total	**19,241,280**	100.00

Source: Capitaline

APPROACH - FAIR EXCHANGE RATIO FOR THE PROPOSED AMALGAMATION

The Companies contemplate the Proposed Amalgamation of PSML into ICIL. Arriving at the fair exchange ratio for the Proposed Amalgamation would require determining the relative value of the equity shares of the Companies. These values are to be determined independently, but on a relative basis for the Companies, without considering the effect of the Proposed Amalgamation.

There are several commonly used and accepted methods under the market, income and asset approaches of valuation for determining value of equity shares for determination of the fair exchange ratio for the Proposed Amalgamation which have been considered in the present case, to the extent relevant and applicable, and subject to availability of information, including:

1. Market Approach
    a) Market Price method
    b) Comparable Companies' Multiples method
2. Income Approach: Discounted Cash Flow (DCF) method
3. Cost Approach: Net Asset Value method

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond my control. In performing my analysis, I made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of the Companies.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. My choice of methodology of valuation has been arrived at by using usual and conventional methodologies adopted for mergers of a similar nature and my reasonable judgment, in an independent and bona fide manner based on previous experiences of assignments of a similar nature.

Market Price method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

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The Pricing formula provided in Regulations 164 (1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ('ICDR') in pricing of preferential issue, incase of frequently traded shares, has been considered for arriving at the value per equity share of the Companies under the market price Method. Though, I have adopted this method in case of PSML, considering that the shares of PSML are not frequently traded on stock exchange, I have given very low weight to this method.

The market price is considered as higher of following:

(a) average of the weekly high and low of the volume weighted average price during the 26 weeks preceding 20 October 2020; or

(b) average of weekly high and low of the volume weighted average price during the 2 weeks preceding 20 October 2020

In addition to the above existing provision of pricing, the additional option under regulation 164B of ICDR in pricing of preferential issue, incase of frequently traded shares, has been also considered. As per regulation 164B, in case of frequently traded shares, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

a) the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twelve weeks preceding the relevant date; or

b) the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date

Therefore, I have also considered higher of following for determination of the Market Price:

(a) higher of average of the weekly high and low of the volume weighted average price during the 12 weeks preceding 20 October 2020 and average of weekly high and low of the volume weighted average price during the 2 weeks preceding 20 October 2020

(b) higher of average of the weekly high and low of the volume weighted average price during the 26 weeks preceding 20 October 2020 and average of weekly high and low of the volume weighted average price during the 2 weeks preceding 20 October 2020

In the present case, the equity shares of ICIL are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) and the equity shares of PSML are listed on BSE. The shares of ICIL are shares being regularly and freely traded on both the stock exchanges, whereas the shares of PSML are very thinly and infrequently traded on BSE. In case of ICIL, the share price on the NSE has been considered, as the trading volumes are higher at NSE as compared to BSE.

Comparable Companies' Multiples ("CCM") method

Under this method, value of equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

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Discounted Cash Flows ("DCF") method

Under the DCF method the projected free cash flows to the equity shareholders are discounted at the cost of equity. The sum of the discounted value of such free cash flows is the value of the firm for equity shareholders.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to the providers of the company's equity capital, factoring in the minimum solvency required as per law.

Appropriate discount rate to be applied to cash flows i.e. the cost of equity:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to the equity capital providers (namely equity shareholders). The opportunity cost to the equity capital provider equals the rate of return the equity capital provider expects to earn on other investments of equivalent risk.

Net Asset Value ("NAV") method

In case of Net Assets Method, the value is determined by dividing the Net Assets of the Company by the number of shares. The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis.

MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING VALUATION

- Latest shareholding pattern of the Companies
- Trading volume and market price of the shares of the Companies
- Fair value of the assets of PSML

BASIS FOR FAIR EXCHANGE RATIO FOR THE PROPOSED AMALGAMTION

The basis for the fair exchange ratio of the Proposed Amalgamation would have to be determined after taking into consideration all the factors and methods mentioned hereinabove. Though different values have been arrived at under each of the above methods considered, for the purposes of recommending the fair exchange ratio of equity shares, it is necessary to arrive at a final value for both Companies' shares. It is however important to note that in doing so, I am attempting to arrive at the relative values of the Companies to facilitate the determination of the fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approach /method.

The fair exchange ratio has been arrived at on the basis of a relative equity valuation of the Companies after considering suitability of various approaches / methods explained herein earlier and based on the Market Price method for ICIL and Market Price method and Adjusted NAV method for PSML, along with various qualitative factors relevant to each company and the business dynamics having regard to information base, key underlying assumptions and limitations.

I have independently applied methods discussed above, as considered appropriate and arrived at value per share of the Companies.

The computation of fair exchange ratio for the Proposed Amalgamation is tabulated below:

	ICIL		PSML	
Valuation approach	**Weight**	**Value per equity share (INR)**	**Weight (%)**	**Value per equity share (INR)**
Cost Approach: NAV Method*	NA	0%	90%	17.2
Income Approach: DCF Method**	NA	0%	NA	0%
Market Approach: Market Price Method***	100%	124.1	10%	11.2
Relative Value per Share		124.1		16.6
Fair exchange ratio (Rounded off)	**2:15**			

NA= Not Applicable

* I have not used NAV method of Cost Approach in case of ICIL as its shares are frequently traded on stock exchanges. However, in case of PSML, I have used NAV method and given higher weight to it as the shares of PSML are traded infrequently on the stock exchange.

** I have not considered the DCF method as the Companies are listed on the Stock Exchanges and information related to the future profit and loss account, balance sheet and cash flows is price sensitive and not made available to me.

***I have used only Market Price method in case of ICIL as its shares are frequently traded on stock exchanges. In case of PSML though I have used Market Price method, I have given very low weight to it as the shares of PSML are traded infrequently on the stock exchange.

Detailed workings are given in Annexure A.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, I recommend the following fair exchange ratio for the Proposed Amalgamation:

- 2 equity shares of ICIL of INR 2/- each fully paid-up for every 15 equity shares of PSML of INR 10/- each fully paid-up.

Respectfully submitted,

AMIT KUMAR SINGH
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IBBI REG. VALUER

CA Amit K Singh,
Registered Valuer – Securities And Financial Assets
(REG. NO. IBBI/RV/06/2019/12357)

Annexure A

A. Computation of equity share value of ICIL

Market Price method

Period	Weekly Maximum (Volume weighted)	Weekly Minimum (Volume weighted)	Average of Maximum and Minimum price	Source
26 Weeks	63.4	56.3	59.8	Table A.1
12 Weeks	93.5	83.4	88.4	
2 Weeks	131.0	117.1	124.1	

As per the pricing formula provided in Regulations 164(1) and 164B of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ('ICDR') to arrive at the value per equity share of the Companies under the market price Method, higher of the above three has been considered. Hence, I have considered INR 124.1 per share.

Table A.1

Date	Average Price	Day	Weekly Maximum	Weekly Minimum	Week
April 22, 2020	28.0	Wednesday	28.86	27.08	26
April 23, 2020	28.9	Thursday			
April 24, 2020	27.7	Friday			
April 27, 2020	27.1	Monday			
April 28, 2020	28.3	Tuesday			
April 29, 2020	29.5	Wednesday	29.61	27.19	25
April 30, 2020	29.6	Thursday			
May 4, 2020	28.3	Monday			
May 5, 2020	27.2	Tuesday			
May 6, 2020	25.9	Wednesday	25.93	24.32	24
May 7, 2020	25.4	Thursday			
May 8, 2020	24.8	Friday			
May 11, 2020	24.3	Monday			
May 12, 2020	24.4	Tuesday			
May 13, 2020	25.6	Wednesday	28.2	25.63	23
May 14, 2020	26.9	Thursday			
May 15, 2020	28.2	Friday			
May 18, 2020	27.5	Monday			
May 19, 2020	26.5	Tuesday			
May 20, 2020	25.3	Wednesday	25.59	25.18	22
May 21, 2020	25.2	Thursday			
May 22, 2020	25.2	Friday			
May 26, 2020	25.6	Tuesday			
May 27, 2020	25.3	Wednesday	28.13	25.29	21
May 28, 2020	25.5	Thursday			
May 29, 2020	26.0	Friday			
June 1, 2020	26.8	Monday			
June 2, 2020	28.1	Tuesday			

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Date	Average Price	Day	Weekly Maximum	Weekly Minimum	Week
June 3, 2020	29.8	Wednesday	40.17	29.75	20
June 4, 2020	31.2	Thursday			
June 5, 2020	34.7	Friday			
June 8, 2020	40.2	Monday			
June 9, 2020	40.0	Tuesday			
June 10, 2020	38.6	Wednesday	44.28	38.62	19
June 11, 2020	40.5	Thursday			
June 12, 2020	44.3	Friday			
June 15, 2020	41.4	Monday			
June 16, 2020	38.7	Tuesday			
June 17, 2020	40.1	Wednesday	40.97	40.12	18
June 18, 2020	40.3	Thursday			
June 19, 2020	40.8	Friday			
June 22, 2020	41.0	Monday			
June 23, 2020	40.2	Tuesday			
June 24, 2020	39.9	Wednesday	39.93	37.58	17
June 25, 2020	38.9	Thursday			
June 26, 2020	38.7	Friday			
June 29, 2020	37.6	Monday			
June 30, 2020	37.8	Tuesday			
July 1, 2020	37.1	Wednesday	40.39	37.11	16
July 2, 2020	38.5	Thursday			
July 3, 2020	40.1	Friday			
July 6, 2020	39.7	Monday			
July 7, 2020	40.4	Tuesday			
July 8, 2020	40.7	Wednesday	43.47	39.27	15
July 9, 2020	43.5	Thursday			
July 10, 2020	42.0	Friday			
July 13, 2020	40.2	Monday			
July 14, 2020	39.3	Tuesday			
July 15, 2020	40.7	Wednesday	41.19	40.29	14
July 16, 2020	40.3	Thursday			
July 17, 2020	40.8	Friday			
July 20, 2020	40.7	Monday			
July 21, 2020	41.2	Tuesday			
July 22, 2020	45.5	Wednesday	68.94	45.45	13
July 23, 2020	54.9	Thursday			
July 24, 2020	61.2	Friday			
July 27, 2020	68.9	Monday			
July 28, 2020	68.3	Tuesday			
July 29, 2020	65.0	Wednesday	68.87	65.02	12
July 30, 2020	66.7	Thursday			
July 31, 2020	66.1	Friday			
August 3, 2020	65.5	Monday			
August 4, 2020	68.9	Tuesday			
August 5, 2020	73.5	Wednesday	74.64	66.82	11
August 6, 2020	74.6	Thursday			
August 7, 2020	71.9	Friday			
August 10, 2020	69.4	Monday			
August 11, 2020	66.8	Tuesday			

Date	Average Price	Day	Weekly Maximum	Weekly Minimum	Week
August 12, 2020	65.6	Wednesday	68.96	64.12	10
August 13, 2020	64.7	Thursday			
August 14, 2020	64.1	Friday			
August 17, 2020	66.6	Monday			
August 18, 2020	69.0	Tuesday			
August 19, 2020	70.0	Wednesday	78.13	70.04	9
August 20, 2020	71.2	Thursday			
August 21, 2020	74.7	Friday			
August 24, 2020	78.1	Monday			
August 25, 2020	77.3	Tuesday			
August 26, 2020	76.6	Wednesday	76.95	70.61	8
August 27, 2020	77.0	Thursday			
August 28, 2020	74.3	Friday			
August 31, 2020	70.6	Monday			
September 1, 2020	71.2	Tuesday			
September 2, 2020	71.4	Wednesday	80.31	69.78	7
September 3, 2020	69.8	Thursday			
September 4, 2020	72.3	Friday			
September 7, 2020	75.4	Monday			
September 8, 2020	80.3	Tuesday			
September 9, 2020	78.6	Wednesday	93.02	78.57	6
September 10, 2020	82.5	Thursday			
September 11, 2020	84.4	Friday			
September 14, 2020	87.8	Monday			
September 15, 2020	93.0	Tuesday			
September 16, 2020	97.1	Wednesday	100.79	89.77	5
September 17, 2020	94.2	Thursday			
September 18, 2020	99.8	Friday			
September 21, 2020	100.8	Monday			
September 22, 2020	89.8	Tuesday			
September 23, 2020	95.3	Wednesday	100.73	90.37	4
September 24, 2020	90.4	Thursday			
September 25, 2020	93.4	Friday			
September 28, 2020	100.5	Monday			
September 29, 2020	100.7	Tuesday			
September 30, 2020	101.0	Wednesday	117.43	101.04	3
October 1, 2020	108.8	Thursday			
October 5, 2020	117.4	Monday			
October 6, 2020	116.5	Tuesday			
October 7, 2020	111.8	Wednesday	120.78	109.67	2
October 8, 2020	110.3	Thursday			
October 9, 2020	109.7	Friday			
October 12, 2020	113.5	Monday			
October 13, 2020	120.8	Tuesday			
October 14, 2020	124.6	Wednesday	141.14	124.61	1
October 15, 2020	130.6	Thursday			
October 16, 2020	128.9	Friday			
October 19, 2020	133.2	Monday			
October 20, 2020	141.1	Tuesday			

Computation of equity share value of PSML

Valuation Method	Adjusted NAV	Market Price
Value Equity per Share (INR)	17.2	11.2
Weight	90%	10%
Weighted Equity Value per Share (INR)	**16.6**	

Market Price method

Period	Weekly Maximum (Volume weighted)	Weekly Minimum (Volume weighted)	Average of Maximum and Minimum price	Source
26 Weeks	11.4	10.9	11.2	Table B.1
12 Weeks	10.7	10.0	10.4	
2 Weeks	10.5	10.1	10.3	

As per the pricing formula provided in Regulations 164(1) and 164B of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ('ICDR') to arrive at the value per equity share of the Companies under the market price Method, higher of the above three has been considered. Hence, I have considered INR 11.2 per share. Though, I have adopted this method in case of PSML, considering that the shares of PSML are not frequently traded on stock exchange, I have given very low weight (10%) to this method.

Table B.1

Date	Average Price	Day	Weekly Maximum	Weekly Minimum	Week
May 7, 2020	14.7	Thursday	14.7	14.7	26
May 11, 2020		Monday			
May 12, 2020		Tuesday			
May 13, 2020		Wednesday	14.0	14.0	25
May 14, 2020		Thursday			
May 15, 2020		Friday			
May 18, 2020		Monday			
May 19, 2020	14.0	Tuesday			
May 20, 2020		Wednesday			24
May 21, 2020		Thursday			
May 22, 2020		Friday			
May 25, 2020		Monday			23
May 26, 2020		Tuesday			
May 27, 2020		Wednesday	13.7	13.7	22
May 28, 2020		Thursday			
May 29, 2020		Friday			
June 2, 2020	13.7	Tuesday			
June 8, 2020	13.4	Monday	13.4	12.5	21
June 9, 2020	12.5	Tuesday			
June 10, 2020	12.1	Wednesday	12.1	11.0	20
June 11, 2020	11.8	Thursday			
June 12, 2020	11.0	Friday			
June 15, 2020	10.9	Monday	10.9	10.0	19
June 16, 2020	10.0	Tuesday			
June 22, 2020	10.9	Monday	10.9	10.7	18
June 23, 2020	10.7	Tuesday			

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Date	Average Price	Day	Weekly Maximum	Weekly Minimum	Week
June 24, 2020	11.4	Wednesday	11.4	10.9	17
June 26, 2020	10.9	Friday			
June 29, 2020	11.1	Monday			
July 1, 2020	10.7	Wednesday	10.7	9.9	16
July 2, 2020	10.3	Thursday			
July 3, 2020	9.9	Friday			
July 6, 2020	10.1	Monday			
July 7, 2020	10.4	Tuesday			
July 8, 2020	11.0	Wednesday	11.0	10.4	15
July 9, 2020	10.8	Thursday			
July 10, 2020	10.4	Friday			
July 13, 2020	11.0	Monday			
July 16, 2020	11.4	Thursday	11.4	11.4	14
July 24, 2020	11.4	Friday	11.4	11.4	13
July 27, 2020	11.4	Monday			
July 30, 2020	10.8	Thursday	10.8	10.3	12
July 31, 2020	10.3	Friday			
August 3, 2020		Monday			
August 4, 2020		Tuesday			
August 5, 2020		Wednesday	10.3	10.3	11
August 6, 2020		Thursday			
August 7, 2020		Friday			
August 11, 2020	10.3	Tuesday			
August 12, 2020	9.8	Wednesday	11.3	9.8	10
August 13, 2020	11.0	Thursday			
August 14, 2020	11.3	Friday			
August 18, 2020	11.0	Tuesday			
August 19, 2020	10.7	Wednesday	10.7	9.7	9
August 20, 2020	10.2	Thursday			
August 21, 2020	9.7	Friday			
August 24, 2020	9.7	Monday			
August 25, 2020	9.7	Tuesday			
August 26, 2020	10.4	Wednesday	10.4	9.6	8
August 27, 2020	10.1	Thursday			
August 28, 2020	9.6	Friday			
August 31, 2020	9.9	Monday			
September 1, 2020	10.0	Tuesday			
September 7, 2020	10.2	Monday	10.2	10.2	7
September 9, 2020	10.7	Wednesday	10.7	9.7	6
September 10, 2020	10.5	Thursday			
September 11, 2020	9.7	Friday			
September 14, 2020	10.0	Monday			
September 15, 2020	9.7	Tuesday			
September 16, 2020	9.5	Wednesday	10.0	9.5	5
September 21, 2020	10.0	Monday			

Date	Average Price	Day	Weekly Maximum	Weekly Minimum	Week
September 23, 2020	11.0	Wednesday	11.9	11.0	4
September 24, 2020	11.5	Thursday			
September 25, 2020	11.9	Friday			
September 28, 2020	11.9	Monday			
September 29, 2020	11.3	Tuesday			
September 30, 2020	11.0	Wednesday	11.3	10.2	3
October 1, 2020	11.3	Thursday			
October 5, 2020	10.7	Monday			
October 6, 2020	10.2	Tuesday			
October 7, 2020		Wednesday	10.6	10.2	2
October 8, 2020	10.6	Thursday			
October 9, 2020	10.2	Friday			
October 13, 2020	10.5	Monday			
		Saturday			
October 14, 2020	10.0	Wednesday	10.3	10.0	1
October 15, 2020	10.3	Thursday			
October 16, 2020		Friday			
October 19, 2020	10.3	Monday			
October 20, 2020	10.3	Tuesday			

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Adjusted Net Asset Value method

I have used the adjusted NAV method for valuation, wherein the value of the land, which is the major asset of PSML, has been estimated at current market value using guideline/circle rates. The building being very old, the carrying value of the building has been assumed to be fair value. All other assets and liabilities have been taken at book value to estimate the adjusted NAV. The Following table shows the NAV and Adjusted NAV as of valuation date,

INR MN

Particulars	Book Value	Fair Value
A. ASSETS		
Non Current Assets		
Property, Plant and Equipment [Note 1]	247.4	333.6
Deferred Tax Assets (Net)	22.3	22.3
Other Non-Current Assets	0.1	0.1
Total Non-Current Assets	269.8	356.1
Current Assets		
Inventories	0.9	0.9
Financial Assets		
(i) Trade Receivables		
(ii) Cash and Cash Equivalents	2.2	2.2
(iii) Bank Balances other than (i) above	8.8	8.8
Loans	0.0	-
Current Tax assets	17.0	17.0
Other Current Assets	12.6	12.6
Total Current Assets	41.5	41.5
Total ASSETS	311.3	397.6
B. EQUITY AND LIABILITIES		
LIABILITIES		
Non-Current Liabilities		
Provisions	-	-
Total Non-Current Liabilities	-	-
Current Liabilities		
Financial Liabilities		
(i) Trade Payables due to		
-Micro &Small Enterprises	-	-
-Other than Micro &Small Enterprises	57.2	57.2
(ii) Other Financial Liabilities	0.0	0.0
Other Current Liabilities	8.9	8.9
Total -Current Liabilities	66.2	66.2
Adjusted Net Asset Value	**245.1**	**331.4**
Total equity Shares (in MN)	19.2	19.2
NAV per share (in INR)	**12.7**	**17.2**

Note 1:

Computation of Adjusted Book Value of Property, Plant and Equipment

Particulars	Net Book Value (INR MN)	Fair Value (INR MN)
Land [Note 2]	84.6	170.8
Building	63.9	63.9
Computer	0.1	0.1
Furniture & fixtures	0.3	0.3
Plant & machinery	95.6	95.6
Vehicles	0.8	0.8
Electrical & installations	1.1	1.1
Office equipment	0.3	0.3
Lab equipment	0.7	0.7
Total	**247.5**	**333.6**

Note 2: for valuation of land I have considered the guideline/circle rates as fair value. The guideline rate is INR 5.02 mn per acre.

AMIT KUMAR SINGH
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IBBI REG VALUER

A Z R & ASSOCIATES

Chartered Accountants

Dated: 21 October 2020

To

The Board of Directors,

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

AND

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

Sub: Recommendation of Fair Exchange Ratio for the proposed amalgamation of Pranavaditya Spinning Mills Limited into Indo Count Industries Limited

Ladies and Gentlemen,

We, A Z R & Associates, Chartered Accountants, (hereinafter referred to as the "Valuer" or "AZR" or "We") refer to the engagement letter dated 09 September 2020 wherein we have been retained as Valuer jointly by Indo Count Industries Limited (hereinafter referred to as "ICIL" or "Transferee Company") and Pranavaditya Spinning Mills Limited (hereinafter referred to as "PSML" or "Transferor Company ") for the recommendation of fair exchange ratio for the proposed amalgamation of PSML into ICIL (collectively referred to as the "Clients" or the "Companies") as per the draft Scheme of Amalgamation (referred to as "the Scheme").

Accordingly, we have prepared the Report for recommendation of the fair exchange ratio of equity shares as at 20 October 2020 ("Valuation Date") for the proposed amalgamation of PSML into ICIL ("Proposed Amalgamation").

The fair exchange ratio for the Report refers to number of equity shares of face value of INR 2/- each of ICIL, which would be issued to the equity shareholders of PSML in lieu of number of equity shares of face value INR 10/- each held by them in PSML, pursuant to the Proposed Amalgamation.

Our deliverable for this engagement would be a fair exchange ratio report (the "Report").

A Z R & ASSOCIATES
NEW DELHI
FRN-027550N
Chartered Accountants

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BACKGROUND, PURPOSE, SCOPE AND DESCRIPTION OF THE REPORT

Indo Count Industries Limited (hereinafter referred to as “ICIL” or the "Transferee Company") is a public company, limited by shares, incorporated under the Indian Companies Act, 1956, under corporate identification number (CIN) L72200PN1988PLC068972 and having its registered office at Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur - 416109 Maharashtra, India. The Transferee Company was incorporated in the year 1988 as Vishnu Aluminium Limited and subsequently, name was changed to Indo Count Industries Limited. The equity shares of the Transferee Company are listed on the BSE Limited and National Stock Exchange of India Limited (together the “Stock Exchanges”). The Transferee Company holds 1,43,41,280 equity shares of Rs 10/- each of the Transferor Company constituting 74.53% of the total paid up equity share capital of the Transferor Company. The Transferee Company is engaged in the business of manufacturing of home textiles and its products broadly falls under the categories of Bed Sheets, Pillow Cover and Comforter. As per the audited financials for the year ended 31 March 2020, ICIL reported revenue from operations of INR 20,801.3 mn and Profit After Tax (“PAT”) of INR 731.0 mn.

Pranavaditya Spinning Mills Limited (hereinafter referred to as “PSML” or the "Transferor Company") is a public company, limited by shares, incorporated under the Companies Act, 1956, under corporate identification number (CIN) L17119PN1990PLC058139 and having its registered office at Office No. 2, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur – 416109, Maharashtra, India. The equity shares of the Transferor Company are listed on BSE Limited. The Transferor Company is a subsidiary of the Transferee Company. The Transferor Company is authorised to carry on the inter alia the business of manufacturing of cotton yarn. As per the audited financials for the year ended 31 March 2020, PSML reported revenue from operations of INR 694.1 mn and PAT of INR (-) 26.8 mn.

We understand that the Companies are contemplating the merger in nature of amalgamation of PSML into ICIL. Accordingly, the valuation of equity shares of both the companies is required for compliance with Section 232 of the Companies Act, 2013 (“Purpose”).

We further understand that as per the draft Scheme, PSML is proposed to be amalgamated into ICIL. As a consideration for the Proposed Amalgamation, equity shareholders of PSML would be issued equity shares of ICIL, in lieu of their shareholdings in PSML.

For the aforementioned Purpose, the Board of Directors of the Companies have jointly appointed us to recommend a fair exchange ratio, for the issue of ICIL’s equity shares to the equity shareholders of PSML, to be placed before the Board of Directors of the Companies.

The scope of our services is to conduct a relative valuation of equity shares of the Companies and report a fair exchange ratio for the Proposed Amalgamation in accordance with internationally accepted valuation standards/methods and valuation standards issued by ICAI Registered Valuer Organisation (RVO).

Valuation Bases

The valuation bases used for the Report is ‘Relative Value’. As per IVS 103 issued by ICAI RVO, in transactions of the nature of merger or amalgamation of companies or merger or demerger of businesses, the consideration is often discharged primarily by issue of securities in the nature equity of the acquirer or transferee entity with reference to an exchange ratio or entitlement ratio, considering the relative values. Such relative values are generally arrived at by applying an appropriate valuation approach or a combination of valuation approaches.

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Special Assumption/Aspects Considered in the Report
We have considered the following special assumptions/aspects for the valuation:

(a) Any capital infusion in either of the Companies from the date of our Report till the Proposed Amalgamation becomes effective would not have a material impact on the recommendation of the fair exchange ratio only if (a) it is immaterial or (b) it occurs at or around the fair values as computed in the Report.

(b) Till the Proposed Amalgamation becomes effective, neither Companies would declare any dividends which are materially different from those already factored in the calculations. Similarly, there should not be any other change in capital structure due to buybacks etc., different from those already factored in the calculations, which can impact the recommendation of the fair exchange ratio.

(c) We have been informed that there are no unusual/abnormal events in the Companies since the latest accounts provided to us which would materially impact their operating/financial performance.

(d) In case of PSML, we have been given to understand that the as on Valuation Date the production has been stopped and the workers have availed voluntary retirement scheme (VRS)/separation scheme.

We have relied on the above while arriving at the fair exchange ratio for the Proposed Amalgamation.

The Report is our deliverable for the above engagement.

The Report is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality and not in parts.

SOURCES OF INFORMATION

In connection with this exercise, we have relied upon the following information provided by the Management of the Companies (the "Management")/from public domain. We have been given to understand that the information provided are accurate and that the Management was duly authorised to provide the same.

1. Historical financial and Market Price information:

   - **PSML:**
     - Audited financials for years ended 31 March 2020
     - Unaudited limited review P&L and Balance sheet (without notes) for the 3-month period ended 30 June 2020
     - Unaudited limited review P&L and Balance sheet (without notes and schedules) for the 6-month period ended 30 Sep 2020
     - Historical and current trading price and volume of equity shares on stock exchanges
     - Details of the industrial land situated at Hatkanangale, Village - Alate, Maharashtra,
     - Fixed Assets Register as on the Valuation Date,
     - Shareholding pattern as at 30 September 2020,

   - **ICIL:**
     - Unaudited limited view P&L and Balance sheet (without notes and schedules) for the 3-month period ended 30 June 2020

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- Historical and current trading price and volume of equity shares on stock exchanges

2. Draft Scheme of Amalgamation under Section 230 to 232 of the Companies Act, 2013
3. Other information and explanations as required by us which have been provided by Management.

Besides the above listing, there may be other information provided by the Companies which may not have been perused by us in any detail, if not considered relevant for our defined scope.

The Companies have been provided with the opportunity to review the draft Report (excluding the recommended fair exchange ratio) as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services.

The Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the Report Date, (iii) trading price and volume near the Report Date, and (iii) the unaudited balance sheet of PSML as at 30 September 2020.

We have been informed that the business activities of the ICIL have been carried out in the normal and ordinary course between the Valuation Date and the date of issue of the Report and that no material changes have occurred in their respective operations and financial position during this period. Similarly, we have also been informed that there are no material changes in the position of assets and liabilities of PSML between the 30 September 2020 and the Report Date/ Valuation Date.

The recommendation contained herein is not intended to represent the fair exchange ratio at any time other than the Valuation Date. A valuation of this nature is necessarily based on financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect the Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm the Report.

The recommendation rendered in the Report only represent our recommendation based upon information furnished by the Companies and gathered from public domain (and analysis thereon). Our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors.

The determination of exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the valuer and judgment taking into accounts all the relevant factors. There is, therefore, no indisputable single exchange ratio. While we have provided our recommendation of the fair exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the fair exchange ratio of the equity shares of the Companies. The final responsibility for the determination of the fair exchange ratio at which the Proposed Amalgamation shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the Proposed Amalgamation and input of other advisors.

We have assumed that the Proposed Amalgamation will be consummated on the terms set forth in the Scheme document and that the final version of the Scheme Document will not change in any material respect from the draft version we have reviewed for the purpose of the valuation.

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We have not independently audited or otherwise verified the financial information provided to us. Accordingly, we do not express any opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Our conclusion is based on the information given by/on behalf of the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all their areas of operations, and that the Companies will be managed in a competent and responsible manner. Further, the Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited/unaudited balance sheet of the Companies. Our conclusion of value assumes that the assets and liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the Report Date.

The Report does not address the relative merits of the Proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other party to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

It is understood that this analysis does not represent a fairness opinion. The Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for its purpose.

The Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Amalgamation, without our prior written consent. We express no opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Amalgamation.

SHAREHOLDING PATTERN

ICIL

The shareholding pattern of ICIL India as at 30 September 2020 was as follows:

Shareholding pattern	Number of shares	Stake (%)
Promoter and Promoter Group	116,346,750	58.94
Public -Institutional	17,148,816	8.69
Public- Non Institutional	63,904,104	32.37
Total	**197,399,670**	100.00

Source: Capitaline

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PSML

The shareholding pattern of PSML as at 30 September 2020 was as follows:

Shareholding pattern	Number of shares	Stake (%)
Promotor & Promoter Group	14,341,280	74.53
Public- Institutional	-	-
Public- Non Institutional	4,900,000	25.47
Total	**19,241,280**	100.00

Source: Capitaline

APPROACH - FAIR EXCHANGE RATIO FOR THE PROPOSED AMALGAMATION

The Companies contemplate the Proposed Amalgamation of PSML into ICIL. Arriving at the fair exchange ratio for the Proposed Amalgamation would require determining the relative value of the equity shares of the Companies. These values are to be determined independently, but on a relative basis for the Companies, without considering the effect of the Proposed Amalgamation.

There are several commonly used and accepted methods under the market, income and asset approaches of valuation for determining value of equity shares for determination of the fair exchange ratio for the Proposed Amalgamation which have been considered in the present case, to the extent relevant and applicable, and subject to availability of information, including:

1. Market Approach
   a) Market Price method
   b) Comparable Companies' Multiples method
2. Income Approach: Discounted Cash Flow (DCF) method
3. Cost Approach: Net Asset Value method

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of the Companies.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at by using usual and conventional methodologies adopted for mergers of a similar nature and our reasonable judgment, in an independent and bona fide manner based on previous experiences of assignments of a similar nature.

Market Price method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

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The Pricing formula provided in Regulations 164 (1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ('ICDR') in pricing of preferential issue, incase of frequently traded shares, has been considered for arriving at the value per equity share of the Companies under the market price Method. Though, we have adopted this method in case of PSML, considering that the shares of PSML are not frequently traded on stock exchange, we have given very low weight to this method.

The market price is considered as higher of following:

(a) average of the weekly high and low of the volume weighted average price during the 26 weeks preceding 20 October 2020; or

(b) average of weekly high and low of the volume weighted average price during the 2 weeks preceding 20 October 2020

In addition to the above existing provision of pricing, the additional option under regulation 164B of ICDR in pricing of preferential issue, incase of frequently traded shares, has been also considered. As per regulation 164B, in case of frequently traded shares, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

a) the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twelve weeks preceding the relevant date; or

b) the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date

Therefore, we have also considered higher of following for determination of the Market Price:

(a) higher of average of the weekly high and low of the volume weighted average price during the 12 weeks preceding 20 October 2020 and average of weekly high and low of the volume weighted average price during the 2 weeks preceding 20 October 2020

(b) higher of average of the weekly high and low of the volume weighted average price during the 26 weeks preceding 20 October 2020 and average of weekly high and low of the volume weighted average price during the 2 weeks preceding 20 October 2020

In the present case, the equity shares of ICIL are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) and the equity shares of PSML are listed on BSE. The shares of ICIL are shares being regularly and freely traded on both the stock exchanges, whereas the shares of PSML are very thinly and infrequently traded on BSE. In case of ICIL, the share price on the NSE has been considered, as the trading volumes are higher at NSE as compared to BSE.

Comparable Companies' Multiples ("CCM") method

Under this method, value of equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

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Discounted Cash Flows ("DCF") method

Under the DCF method the projected free cash flows to the equity shareholders are discounted at the cost of equity. The sum of the discounted value of such free cash flows is the value of the firm for equity shareholders.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to the providers of the company's equity capital, factoring in the minimum solvency required as per law.

Appropriate discount rate to be applied to cash flows i.e. the cost of equity:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to the equity capital providers (namely equity shareholders). The opportunity cost to the equity capital provider equals the rate of return the equity capital provider expects to earn on other investments of equivalent risk.

Net Asset Value ("NAV") method

In case of Net Assets Method, the value is determined by dividing the Net Assets of the Company by the number of shares. The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis.

MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING VALUATION

- Latest shareholding pattern of the Companies
- Trading volume and market price of the shares of the Companies
- Fair value of the assets of PSML

BASIS FOR FAIR EXCHANGE RATIO FOR THE PROPOSED AMALGAMTION

The basis for the fair exchange ratio of the Proposed Amalgamation would have to be determined after taking into consideration all the factors and methods mentioned hereinabove. Though different values have been arrived at under each of the above methods considered, for the purposes of recommending the fair exchange ratio of equity shares, it is necessary to arrive at a final value for both Companies' shares. It is however important to note that in doing so, we are attempting to arrive at the relative values of the Companies to facilitate the determination of the fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approach /method.

The fair exchange ratio has been arrived at on the basis of a relative equity valuation of the Companies after considering suitability of various approaches / methods explained herein earlier and based on the Market Price method for ICIL and Market Price method and Adjusted NAV method for PSML, along with various qualitative factors relevant to each company and the business dynamics having regard to information base, key underlying assumptions and limitations.

We have independently applied methods discussed above, as considered appropriate and arrived at value per share of the Companies.

The computation of fair exchange ratio for the Proposed Amalgamation is tabulated below:

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Valuation approach	ICIL		PSML	
	Weight	Value per equity share (INR)	Weight (%)	Value per equity share (INR)
Cost Approach: NAV Method*	NA	0%	90%	17.2
Income Approach: DCF Method**	NA	0%	NA	0%
Market Approach: Market Price Method***	100%	124.1	10%	11.2
Relative Value per Share		124.1		16.6
Fair exchange ratio (Rounded off)	**2:15**			

NA= Not Applicable

* We have not used NAV method of Cost Approach in case of ICIL as its shares are frequently traded on stock exchanges. However, in case of PSML, we have used NAV method and given higher weight to it as the shares of PSML are traded infrequently on the stock exchange.
** We have not considered the DCF method as the Companies are listed on the Stock Exchanges and information related to the future profit and loss account, balance sheet and cash flows is price sensitive and not made available to us.
***We have used only Market Price method in case of ICIL as its shares are frequently traded on stock exchanges. In case of PSML though we have used Market Price method, we have given very low weight to it as the shares of PSML are traded infrequently on the stock exchange.

Detailed workings are given in Annexure A.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following fair exchange ratio for the Proposed Amalgamation:

- 2 equity shares of ICIL of INR 2/- each fully paid-up for every 15 equity shares of PSML of INR10/- each fully paid-up.

Respectfully submitted,

A Z R & ASSOCIATES NEW DELHI FRN 027550N Chartered Accountant

CA Amit K Singh, Managing Partner
A Z R & Associates
(Chartered Accountants)
FRN: 027550N

Annexure A

A. Computation of equity share value of ICIL

Market Price method

Period	Weekly Maximum (Volume weighted)	Weekly Minimum (Volume weighted)	Average of Maximum and Minimum price	Source
26 Weeks	63.4	56.3	59.8	Table A.1
12 Weeks	93.5	83.4	88.4	
2 Weeks	131.0	117.1	124.1	

As per the pricing formula provided in Regulations 164(1) and 164B of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ('ICDR') to arrive at the value per equity share of the Companies under the market price Method, higher of the above three has been considered. Hence, we have considered INR 124.1 per share.

Table A.1

Date	Average Price	Day	Weekly Maximum	Weekly Minimum	Week
April 22, 2020	28.0	Wednesday	28.86	27.08	26
April 23, 2020	28.9	Thursday			
April 24, 2020	27.7	Friday			
April 27, 2020	27.1	Monday			
April 28, 2020	28.3	Tuesday			
April 29, 2020	29.5	Wednesday	29.61	27.19	25
April 30, 2020	29.6	Thursday			
May 4, 2020	28.3	Monday			
May 5, 2020	27.2	Tuesday			
May 6, 2020	25.9	Wednesday	25.93	24.32	24
May 7, 2020	25.4	Thursday			
May 8, 2020	24.8	Friday			
May 11, 2020	24.3	Monday			
May 12, 2020	24.4	Tuesday			
May 13, 2020	25.6	Wednesday	28.2	25.63	23
May 14, 2020	26.9	Thursday			
May 15, 2020	28.2	Friday			
May 18, 2020	27.5	Monday			
May 19, 2020	26.5	Tuesday			
May 20, 2020	25.3	Wednesday	25.59	25.18	22
May 21, 2020	25.2	Thursday			
May 22, 2020	25.2	Friday			
May 26, 2020	25.6	Tuesday			
May 27, 2020	25.3	Wednesday	28.13	25.29	21
May 28, 2020	25.5	Thursday			
May 29, 2020	26.0	Friday			
June 1, 2020	26.8	Monday			
June 2, 2020	28.1	Tuesday			

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Date	Average Price	Day	Weekly Maximum	Weekly Minimum	Week
June 3, 2020	29.8	Wednesday	40.17	29.75	20
June 4, 2020	31.2	Thursday			
June 5, 2020	34.7	Friday			
June 8, 2020	40.2	Monday			
June 9, 2020	40.0	Tuesday			
June 10, 2020	38.6	Wednesday	44.28	38.62	19
June 11, 2020	40.5	Thursday			
June 12, 2020	44.3	Friday			
June 15, 2020	41.4	Monday			
June 16, 2020	38.7	Tuesday			
June 17, 2020	40.1	Wednesday	40.97	40.12	18
June 18, 2020	40.3	Thursday			
June 19, 2020	40.8	Friday			
June 22, 2020	41.0	Monday			
June 23, 2020	40.2	Tuesday			
June 24, 2020	39.9	Wednesday	39.93	37.58	17
June 25, 2020	38.9	Thursday			
June 26, 2020	38.7	Friday			
June 29, 2020	37.6	Monday			
June 30, 2020	37.8	Tuesday			
July 1, 2020	37.1	Wednesday	40.39	37.11	16
July 2, 2020	38.5	Thursday			
July 3, 2020	40.1	Friday			
July 6, 2020	39.7	Monday			
July 7, 2020	40.4	Tuesday			
July 8, 2020	40.7	Wednesday	43.47	39.27	15
July 9, 2020	43.5	Thursday			
July 10, 2020	42.0	Friday			
July 13, 2020	40.2	Monday			
July 14, 2020	39.3	Tuesday			
July 15, 2020	40.7	Wednesday	41.19	40.29	14
July 16, 2020	40.3	Thursday			
July 17, 2020	40.8	Friday			
July 20, 2020	40.7	Monday			
July 21, 2020	41.2	Tuesday			
July 22, 2020	45.5	Wednesday	68.94	45.45	13
July 23, 2020	54.9	Thursday			
July 24, 2020	61.2	Friday			
July 27, 2020	68.9	Monday			
July 28, 2020	68.3	Tuesday			
July 29, 2020	65.0	Wednesday	68.87	65.02	12
July 30, 2020	66.7	Thursday			
July 31, 2020	66.1	Friday			
August 3, 2020	65.5	Monday			
August 4, 2020	68.9	Tuesday			
August 5, 2020	73.5	Wednesday	74.64	66.82	11
August 6, 2020	74.6	Thursday			
August 7, 2020	71.9	Friday			
August 10, 2020	69.4	Monday			
August 11, 2020	66.8	Tuesday			

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Date	Average Price	Day	Weekly Maximum	Weekly Minimum	Week
August 12, 2020	65.6	Wednesday	68.96	64.12	10
August 13, 2020	64.7	Thursday			
August 14, 2020	64.1	Friday			
August 17, 2020	66.6	Monday			
August 18, 2020	69.0	Tuesday			
August 19, 2020	70.0	Wednesday	78.13	70.04	9
August 20, 2020	71.2	Thursday			
August 21, 2020	74.7	Friday			
August 24, 2020	78.1	Monday			
August 25, 2020	77.3	Tuesday			
August 26, 2020	76.6	Wednesday	76.95	70.61	8
August 27, 2020	77.0	Thursday			
August 28, 2020	74.3	Friday			
August 31, 2020	70.6	Monday			
September 1, 2020	71.2	Tuesday			
September 2, 2020	71.4	Wednesday	80.31	69.78	7
September 3, 2020	69.8	Thursday			
September 4, 2020	72.3	Friday			
September 7, 2020	75.4	Monday			
September 8, 2020	80.3	Tuesday			
September 9, 2020	78.6	Wednesday	93.02	78.57	6
September 10, 2020	82.5	Thursday			
September 11, 2020	84.4	Friday			
September 14, 2020	87.8	Monday			
September 15, 2020	93.0	Tuesday			
September 16, 2020	97.1	Wednesday	100.79	89.77	5
September 17, 2020	94.2	Thursday			
September 18, 2020	99.8	Friday			
September 21, 2020	100.8	Monday			
September 22, 2020	89.8	Tuesday			
September 23, 2020	95.3	Wednesday	100.73	90.37	4
September 24, 2020	90.4	Thursday			
September 25, 2020	93.4	Friday			
September 28, 2020	100.5	Monday			
September 29, 2020	100.7	Tuesday			
September 30, 2020	101.0	Wednesday	117.43	101.04	3
October 1, 2020	108.8	Thursday			
October 5, 2020	117.4	Monday			
October 6, 2020	116.5	Tuesday			
October 7, 2020	111.8	Wednesday	120.78	109.67	2
October 8, 2020	110.3	Thursday			
October 9, 2020	109.7	Friday			
October 12, 2020	113.5	Monday			
October 13, 2020	120.8	Tuesday			
October 14, 2020	124.6	Wednesday	141.14	124.61	1
October 15, 2020	130.6	Thursday			
October 16, 2020	128.9	Friday			
October 19, 2020	133.2	Monday			
October 20, 2020	141.1	Tuesday			

B. Computation of equity share value of PSML

Valuation Method	Adjusted NAV	Market Price
Value Equity per Share (INR)	17.2	11.2
Weight	90%	10%
Weighted Equity Value per Share (INR)	**16.6**	

Market Price method

Period	Weekly Maximum (Volume weighted)	Weekly Minimum (Volume weighted)	Average of Maximum and Minimum price	Source
26 Weeks	11.4	10.9	11.2	Table B.1
12 Weeks	10.7	10.0	10.4	
2 Weeks	10.5	10.1	10.3	

As per the pricing formula provided in Regulations 164(1) and 164B of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ('ICDR') to arrive at the value per equity share of the Companies under the market price Method, higher of the above three has been considered. Hence, we have considered INR 11.2 per share. Though, we have adopted this method in case of PSML, considering that the shares of PSML are not frequently traded on stock exchange, we have given very low weight (10%) to this method.

Table B.1

Date	Average Price	Day	Weekly Maximum	Weekly Minimum	Week
May 7, 2020	14.7	Thursday	14.7	14.7	26
May 11, 2020		Monday			
May 12, 2020		Tuesday			
May 13, 2020		Wednesday	14.0	14.0	25
May 14, 2020		Thursday			
May 15, 2020		Friday			
May 18, 2020		Monday			
May 19, 2020	14.0	Tuesday			
May 20, 2020		Wednesday			24
May 21, 2020		Thursday			
May 22, 2020		Friday			
May 25, 2020		Monday			23
May 26, 2020		Tuesday			
May 27, 2020		Wednesday	13.7	13.7	22
May 28, 2020		Thursday			
May 29, 2020		Friday			
June 2, 2020	13.7	Tuesday			
June 8, 2020	13.4	Monday	13.4	12.5	21
June 9, 2020	12.5	Tuesday			
June 10, 2020	12.1	Wednesday	12.1	11.0	20
June 11, 2020	11.8	Thursday			
June 12, 2020	11.0	Friday			
June 15, 2020	10.9	Monday	10.9	10.0	19
June 16, 2020	10.0	Tuesday			
June 22, 2020	10.9	Monday	10.9	10.7	18
June 23, 2020	10.7	Tuesday			

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Date	Average Price	Day	Weekly Maximum	Weekly Minimum	Week
June 24, 2020	11.4	Wednesday	11.4	10.9	17
June 26, 2020	10.9	Friday			
June 29, 2020	11.1	Monday			
July 1, 2020	10.7	Wednesday	10.7	9.9	16
July 2, 2020	10.3	Thursday			
July 3, 2020	9.9	Friday			
July 6, 2020	10.1	Monday			
July 7, 2020	10.4	Tuesday			
July 8, 2020	11.0	Wednesday	11.0	10.4	15
July 9, 2020	10.8	Thursday			
July 10, 2020	10.4	Friday			
July 13, 2020	11.0	Monday			
July 16, 2020	11.4	Thursday	11.4	11.4	14
July 24, 2020	11.4	Friday	11.4	11.4	13
July 27, 2020	11.4	Monday			
July 30, 2020	10.8	Thursday	10.8	10.3	12
July 31, 2020	10.3	Friday			
August 3, 2020		Monday			
August 4, 2020		Tuesday			
August 5, 2020		Wednesday	10.3	10.3	11
August 6, 2020		Thursday			
August 7, 2020		Friday			
August 11, 2020	10.3	Tuesday			
August 12, 2020	9.8	Wednesday	11.3	9.8	10
August 13, 2020	11.0	Thursday			
August 14, 2020	11.3	Friday			
August 18, 2020	11.0	Tuesday			
August 19, 2020	10.7	Wednesday	10.7	9.7	9
August 20, 2020	10.2	Thursday			
August 21, 2020	9.7	Friday			
August 24, 2020	9.7	Monday			
August 25, 2020	9.7	Tuesday			
August 26, 2020	10.4	Wednesday	10.4	9.6	8
August 27, 2020	10.1	Thursday			
August 28, 2020	9.6	Friday			
August 31, 2020	9.9	Monday			
September 1, 2020	10.0	Tuesday			
September 7, 2020	10.2	Monday	10.2	10.2	7
September 9, 2020	10.7	Wednesday	10.7	9.7	6
September 10, 2020	10.5	Thursday			
September 11, 2020	9.7	Friday			
September 14, 2020	10.0	Monday			
September 15, 2020	9.7	Tuesday			
September 16, 2020	9.5	Wednesday	10.0	9.5	5
September 21, 2020	10.0	Monday			

A Z R & ASSOCIATES
NEW DELHI
FRN-027550N
Chartered Accountant

Date	Average Price	Day	Weekly Maximum	Weekly Minimum	Week
September 23, 2020	11.0	Wednesday	11.9	11.0	4
September 24, 2020	11.5	Thursday			
September 25, 2020	11.9	Friday			
September 28, 2020	11.9	Monday			
September 29, 2020	11.3	Tuesday			
September 30, 2020	11.0	Wednesday	11.3	10.2	3
October 1, 2020	11.3	Thursday			
October 5, 2020	10.7	Monday			
October 6, 2020	10.2	Tuesday			
October 7, 2020		Wednesday	10.6	10.2	2
October 8, 2020	10.6	Thursday			
October 9, 2020	10.2	Friday			
October 13, 2020	10.5	Monday			
		Saturday			
October 14, 2020	10.0	Wednesday	10.3	10.0	1
October 15, 2020	10.3	Thursday			
October 16, 2020		Friday			
October 19, 2020	10.3	Monday			
October 20, 2020	10.3	Tuesday			

Adjusted Net Asset Value method

We have used the adjusted NAV method for valuation, wherein the value of the land, which is the major asset of PSML, has been estimated at current market value using guideline/circle rates. The building being very old, the carrying value of the building has been assumed to be fair value. All other assets and liabilities have been taken at book value to estimate the adjusted NAV. The Following table shows the NAV and Adjusted NAV as of valuation date,

INR MN

Particulars	Book Value	Fair Value
A. ASSETS		
Non Current Assets		
Property, Plant and Equipment Note 1	247.4	333.6
Deferred Tax Assets (Net)	22.3	22.3
Other Non-Current Assets	0.1	0.1
Total Non-Current Assets	269.8	356.1
Current Assets		
Inventories	0.9	0.9
Financial Assets		
(i) Trade Receivables		
(ii) Cash and Cash Equivalents	2.2	2.2
(iii) Bank Balances other than (i) above	8.8	8.8
Loans	0.0	-
Current Tax assets	17.0	17.0
Other Current Assets	12.6	12.6
Total Current Assets	41.5	41.5
Total ASSETS	311.3	397.6
B. EQUITY AND LIABILITIES		
LIABILITIES		
Non-Current Liabilities		
Provisions	-	-
Total Non-Current Liabilities	-	-
Current Liabilities		
Financial Liabilities		
(i) Trade Payables due to		
-Micro &Small Enterprises	-	-
-Other than Micro &Small Enterprises	57.2	57.2
(ii) Other Financial Liabilities	0.0	0.0
Other Current Liabilities	8.9	8.9
Total -Current Liabilities	66.2	66.2
Adjusted Net Asset Value	**245.1**	**331.4**
Total equity Shares (in MN)	19.2	19.2
NAV per share (in INR)	**12.7**	**17.2**

Note 1:

Computation of Adjusted Book Value of Property, Plant and Equipment

Particulars	Net Book Value (INR MN)	Fair Value (INR MN)
Land Note 2	84.6	170.8
Building	63.9	63.9
Computer	0.1	0.1
Furniture & fixtures	0.3	0.3
Plant & machinery	95.6	95.6
Vehicles	0.8	0.8
Electrical & installations	1.1	1.1
Office equipment	0.3	0.3
Lab equipment	0.7	0.7
Total	**247.5**	**333.6**

Note 2: for valuation of land we have considered the guideline/circle rates as fair value. The guideline rate is INR 5.02 mn per acre.

A Z R & ASSOCIATES NEW DELHI FRN-027550N Chartered Accountant

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ey.com

21 October 2020

The Board of Directors
Indo Count Industries Limited
Office No. 1, Plot No. 266
Alte, Kumbhoj Road,
Hatkanangale, Kolhapur
Maharashtra – 416 109

Sub: Fairness opinion on the fair exchange ratio recommended by A Z R & Associates, Chartered Accountants for the proposed merger of Pranavaditya Spinning Mills Limited into Indo Count Industries Limited

Dear Sir/Madam,

We refer to the engagement letter dated 1 October 2020 with Ernst & Young Merchant Banking Services LLP (hereinafter referred to as “we” or “EY” or “us”), wherein Indo Count Industries Limited (hereinafter referred to as “you” or “Client” or “ICIL”) has requested us to provide a fairness opinion on fair exchange ratio recommended by A Z R & Associates, Chartered Accountants (“Independent Valuer”) as at 20 October 2020 (“Valuation Date”) for the proposed merger of Pranavaditya Spinning Mills Limited (“PSML”) into ICIL (together PSML and ICIL are referred to as “Companies”).

SCOPE AND PURPOSE OF THIS REPORT

We understand that the Board of Directors of the Companies are evaluating the merger between the Companies (“Proposed Merger”), under a Scheme of Amalgamation, under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Scheme”). Under the Scheme, the Board of Directors of the Companies would merge PSML into ICIL.

As a consideration for this Proposed Merger, equity shareholders of PSML would be issued equity shares of ICIL in lieu of their shareholding in PSML.

In this connection, the Client has engaged EY to provide fairness opinion on share exchange ratio for the Proposed Merger as proposed by A Z R & Associates, Chartered Accountants for the Proposed Merger.

This fairness opinion report ("Report") is our deliverable in respect of the above engagement.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

This Report has been issued only for the purpose of facilitating the Proposed Merger and should not be used for any other purpose.

SOURCES OF INFORMATION

In connection with this exercise, we have received the following information from the management of ICIL ("Management") / obtained from public domain:

- Draft and Final report from A Z R & Associates, Chartered Accountants, Independent Valuer titled "Recommendation of Fair Exchange Ratio for the proposed amalgamation of Pranavaditya Spinning Mills Limited into Indo Count Industries Limited" dated 20 October 2020 and 21 October 2020 respectively
- Draft Scheme of Arrangement for the Proposed Merger
- Annual report for years ended 31 March 2018 to 31 March 2020 for ICIL and PSML
- Unaudited consolidated financial statements of ICIL for quarter ended 30 June 2020
- Unaudited financial statements of PSML for half-year ended 30 September 2020
- Shareholding pattern as at 30 September 2020;
- Details of the industrial land of PSML situated at Hatkanangale, Village - Alte, Maharashtra.
- Fixed Assets Register of PSML as on 30 September 2020;
- Details of contingent liabilities as at 30 September 2020 and confirmation that there is no material change in contingent liabilities from 30 September 2020 till Report date for PSML;
- Background information provided through emails or during discussions.

We have also obtained further explanations and information considered reasonably necessary for our exercise, from the Management.

PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information
- Obtained data available in public domain
- Discussions (over calls) with the Management to:
  - Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance of the Companies
- Undertook Industry Analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation
  - Analysis of key trends and valuation multiples of comparable companies/comparable transactions using:
    - Proprietary databases subscribed by us
- Selection of internationally accepted valuation methodology/(ies) as considered appropriate by us
- We have had discussions with A Z R & Associates, Chartered Accountants, on such matters we believed were necessary or appropriate for the purpose of issuing this opinion

STATEMENT OF LIMITING CONDITIONS

Provision of fairness opinions and consideration of the issues described herein are areas of our regular valuation practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The user to which this fairness opinion is addressed should read the basis upon which the Report has been prepared and be aware of the potential for later variations in value due to factors that are unforeseen at the Valuation Date. Due to possible changes in market forces (including prevailing quoted prices) and circumstances, this opinion can only be regarded as relevant as at the Valuation Date.

This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our Report is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the Client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for the unauthorized use of this Report.

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

The valuation has been performed on the provisional unaudited balance sheets of ICIL as of 30 June 2020 and PSML as of 30 September 2020 as provided by Management.

We have been informed that the business activities of Companies have been carried out in the normal and ordinary course between 30 September 2020 and the Report date and that no material changes have occurred in their respective operations and financial position between 30 September 2020 and the Report date.

The Client and its Management warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the Client, their Management and other third parties, if any, concerning the financial data, operational data and other information, except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents.

Providing fairness opinion is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. In the ultimate analysis, our opinion will have to be tempered by the exercise of judicious discretion and judgment taking into accounts all the relevant factors. There is, therefore, no indisputable single equity share exchange ratio.

The final responsibility for the determination of the equity share exchange ratio at which the Proposed Merger shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the Proposed Merger and input of other advisors.

We have assumed that the merger will be consummated on the terms set forth in the Scheme Document and that the final version of the Scheme Document will not change in any material respect from the draft version we have reviewed for the purpose of this opinion.

We have also relied on data from external sources to conclude the fairness opinion. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

EY is not aware of any contingency, commitment or material issue which could materially affect the Companies' economic environment and future performance and therefore, the fair value of the Companies.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us.

The Report does not address the relative merits of the Proposed Merger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

The fee for the Report is not contingent upon the results reported.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of Amalgamation, without our prior written consent. In addition, this Report does not in any manner address the prices at which equity shares of the Companies will trade following announcement of the Proposed Merger and we express no opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Merger.

The fairness opinion is governed by concept of materiality.

We owe responsibility to only to the Board of Directors of the Client that has appointed us under the terms of the engagement letters. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person.

BACKGROUND

Indo Count Industries Limited

ICIL manufactures and sells home textile products in India. ICIL also produces cotton yarns and bed linens. It exports its products to more than 50 countries in the world. It was founded in 1988 and is headquartered in Mumbai, India. The equity shares of ICIL are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). For the financial year ended 31 March 2020, ICIL reported consolidated revenues from operations of INR 20,801.3 million and consolidated profit after tax of INR 731.0 million.

The shareholding pattern is as follows:

Shareholding Pattern as on 30 September 2020	No of Shares	% Shareholding
Promoter & Group	116,346,750	58.94%
Public – Institutions	17,148,816	8.69%
Public – Non- Institutions	63,904,104	32.37%
Grand Total	**197,399,670**	**100.00%**

Source: BSE filings

Pranavaditya Spinning Mills Limited

PSML manufactures and sells cotton and synthetic yarns in India. PSML was incorporated in 1990 and is based in Mumbai, India. During the year, all the workers of PSML have availed for Voluntary Retirement Scheme/ Separation Scheme (VRS/SS) and currently the production in the factory has stopped. ICIL holds 74.53% stake in PSML and remaining is held by public shareholders. The equity shares of PSML are listed on BSE. For the financial year ended 31 March 2020, PSML reported revenues from operations of INR 694.1 million and net loss after tax of INR 26.8 million.

The shareholding pattern is as follows:

Shareholding Pattern as on 30 September 2020	No of Shares	% Shareholding
Promoter & Group	14,341,280	74.53%
Public – Non- Institutions	4,900,000	25.47%
Grand Total	**19,241,280**	**100.00%**

Source: BSE filings

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APPROACH - BASIS OF DETERMINATION OF THE SHARE EXCHANGE RATIO FOR THE PROPOSED MERGER

The Independent Valuer has recommended the following share exchange ratio for the Proposed Merger:

- 2 (Two) equity shares of INR 2/- each fully paid up of ICIL for every 15 (Fifteen) equity shares of PSML of INR 10/- each fully paid up.

OUR COMMENT ON THE INDEPENDENT VALUER'S REPORT

Based on our independent calculation and on consideration of all the relevant factors and circumstances, we believe that the share exchange ratio as recommended by the Independent Valuer, as stated above in our opinion is fair to the equity shareholders of ICIL.

It should be noted that we have examined only the fairness of the share exchange ratio for the Proposed Merger only for the Board of Directors/shareholders of ICIL and have not examined any other matter including economic rationale of the transfer per se or accounting and tax matters involved in the Proposed Merger.

Respectfully submitted,

Ernst & Young Merchant Banking Services LLP

Navin Vohra
Partner

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Email: info@saffronadvisor.com
Website: www.saffronadvisor.com
CIN No.: U67120MH2007PTC166711

Date: October 21, 2020

To,
The Board of Directors
Pranavaditya Spinning Mills Limited
Office No. 2, Plot No. 266, Village Alte,
Kumbhoj Road, Taluka Hatkanangale,
Kolhapur, Maharashtra, 416109

Dear Members of the board,

1. Engagement Background

We Understand that the Board of Directors of Pranavaditya Spinning Mills Limited ("PSML" or the "Transferor Company") and Indo Count Industries Limited ("ICIL" or the "Transferee Company") are contemplating the amalgamation by way of Merger by Absorption of the Transferor Company with the Transferee Company ("Amalgamation") under a Scheme of Amalgamation and Arrangement under the provisions of Sections 230-232 read with other applicable provisions of the companies act, 2013 and rules framed thereunder. As a consideration for this Proposed Merger, equity shareholders of Transferor Company would be issued equity shares of Transferee Company in lieu of their shareholding in Transferor Company.

The broad terms and conditions of the proposed mergers are more fully set out in the draft scheme document shared with us on October 15, 2020, the final version of which will be filed by the aforementioned companies with the appropriate authorities.

We understand that the Valuation as well as the swap ratio thereof is based on the Valuation Certificate dated October 21, 2020 issued by A Z R & Associates, Chartered Accountants, signed by CA Amit K Singh, Managing Partner, FRN: 027550N ("Valuer").

We, Saffron Capital Advisors Private Limited, a SEBI registered Category-I Merchant Banker, have been engaged by Transferor Company to give a fairness opinion ("Opinion") on Valuation Certificate dated October 21, 2020 issued by the valuer.

2. Background of the companies and Rationale

The Transferor Company is a public company, limited by shares, incorporated under the Companies Act, 1956, under corporate identification number (CIN) L17119PN1990PLC058139 and having its registered office at Office No. 2, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur – 416109, Maharashtra, India. The equity shares of the Transferor Company are listed on the BSE Limited. The Transferor Company is a subsidiary of the Transferee Company. The Transferor Company is authorised to carry on the inter alia the business of manufacturing of cotton yarn.

The Transferee Company is a public company, limited by shares, incorporated under the Indian Companies Act, 1956, under corporate identification number (CIN) L72200PN1988PLC068972 and having its registered office at Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur - 416109 Maharashtra, India. The Transferee Company was incorporated in the year 1999 as Vishnu Aluminium Limited and subsequently, name was changed to Indo Count Industries Limited. The equity shares of the Transferee Company are listed on the BSE Limited and National Stock Exchange of India Limited (together the "Stock Exchanges"). The Transferee Company holds 1,43,41,280 equity shares of Rs 10/- each of the Transferor Company constituting 74.53% of the total paid up equity share capital of the Transferor Company.

The Amalgamation of the Transferor Company with the Transferee Company is sought to be undertaken to achieve the following:

(a) Consolidation of the Transferor Company and the Transferee Company will achieve simplified corporate structure, rationalise the number of listed entities and result in a single listed entity with combined businesses.

(b) Provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, it will also enable optimal utilization of existing resources which are in excess of the current business requirements of the Transferor Company and provide an opportunity to fully leverage assets, capacities, experience and infrastructure of the Transferor Company and Transferee Company.

(c) Reducing managerial overlaps involved in operating multiple entities, enable cost savings and effective utilization of valuable resources which will enhance the management focus thereby leading to increase in operational and management efficiency; integrate business functions; eliminate duplication and rationalization of administrative expenses.

(d) Synchronization of efforts to achieve uniform corporate policy, greater integration and greater financial strength and flexibility for the Transferee Company.

(e) Better value creation for the shareholders of both the companies enabling the public shareholders to hold shares of the combined listed entity.

(f) Upon completion of the amalgamation, the Transferor Company will be dissolved. Consequently, there would be lesser regulatory and legal compliance obligations including accounting, reporting requirements, statutory and internal audit compliance requirements, tax filings, company law compliances, Stock Exchange compliances etc. and therefore reduction in administrative costs.

3. Key Features of the Scheme of Amalgamation and Arrangement

The key features of the scheme provided to us through Draft Scheme Document are as under:

a) Upon the Scheme becoming effective, in consideration of the amalgamation of the Transferor Company, Transferee Company shall without any further application or deed, issue and allot its equity shares at par credited as fully paid up, as per the swap-ratio provided by the valuation report of the registered valuer and valuation report of chartered accountants and the fairness opinion provided by merchant banker, to the members of Transferor Company, holding equity shares in Transferor Company and whose names appear in the Register of Members/Depository Participant on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the respective Board of Directors in the following manner:

   2 (Two) fully paid Equity Shares of face value of INR 2/- each of Transferee Company shall be issued and allotted for every 15 (Fifteen) Equity shares of face value of INR 10/- each held in Transferor Company.

b) If, applying the Share Exchange Ratio, a person eligible to receive new shares of the Transferee Company pursuant to the Scheme, becomes entitled to receive any fractional equity shares of Transferee Company (a “fractional entitlement”), such person shall be entitled to receive instead of such fractional entitlement, equity shares of the Transferee Company as follows:

   (a) if the fractional entitlement is less than 0.5 (zero point five) it shall be rounded down so that such person will receive, zero (0) equity shares of the Transferee Company instead of such fractional entitlement; and

   (b) if the fractional entitlement is 0.5 (zero point five) or more it shall be rounded up so that such person will receive, one (1) equity share of the Transferee Company instead of such fractional entitlement.

   Pursuant to the rounding up or rounding down as per (a) and (b) above, the total number of shares that will be issued to equity shareholders of the Transferor Company, may vary from the total number of shares of the Transferee Company to be issued as set forth above. However, each shareholder of the Transferor Company shall get at least one share of the Transferee Company.

c) The Transferee Company shall make all requisite applications and shall otherwise comply with the provisions of Applicable Laws, including, as applicable, the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Circulars. The Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the Stock Exchanges.

We have relied upon the draft scheme Document and taken the aforementioned key features (together with the other facts and assumptions set forth therein) into account while determining the meaning of "fairness", from a financial point of view, for the purposes of this Opinion.

4. Exclusions and Limitations

Our opinion and analysis is limited to the extent of review of the valuation report by the valuer and the Draft scheme document. In connection with the opinion, we have

a) Reviewed the Draft Scheme Document and the valuation report by the valuer dated October 21, 2020.

b) Reviewed audited financials for Transferee Company and Transferor Company for the year ended March 31, 2020.

c) Reviewed unaudited financial statements for Transferor Company for six months ended September 30, 2020.

d) Held discussions with the valuer, in relation to the approach taken to valuation and the details of various methodologies utilized by them in preparing the valuation report and recommendations.

e) Reviewed historical stock prices and trading volumes of Transferor Company and Transferee Company.

f) Reviewed such other information and explanations that we have sought and which have been provided by the management of Transferor Company and Transferee Company.

This opinion is intended only for the sole use and information of Transferor Company and in connection with the Scheme, including for the purpose of obtaining judicial and regulatory approvals for the Scheme as also for the purpose of complying with the SEBI regulations and requirement of stock exchanges on which the company is listed, and for no other purpose. We are not responsible in any way to any person/party/statutory authority for any decision of such person or party or authority based on this opinion. Any person/party intending to provide finance or invest in the shares/business of either Transferor Company and/or Transferee Company or their subsidiaries /joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

For the purpose of this assignment, Saffron has relied on the Valuation Certificate for the proposed "Scheme of Amalgamation and Arrangement" of Transferor Company and Transferee Company and their respective shareholders and information and explanation provided to it, the accuracy whereof has not been evaluated by Saffron. Saffron's work does not constitute certification or due diligence of any past working results and Saffron has relied upon the information provided to it as set out in working results of the aforesaid reports.

Saffron has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of Transferor Company and to the Stock Exchanges and to the Registrar of Companies. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed Scheme of Amalgamation and Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on Valuation Certificate issued for the proposed Scheme of Amalgamation and Arrangement between Transferor Company and Transferee Company and their respective shareholders, and may not be applicable or referred to or quoted in any other context.

Our opinion is dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to this date.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Moreover in this case where the shares of the company are being issued as consideration to the shareholders of Transferor Company, it is not the absolute valuation that is important for framing an opinion but the relative valuation of the company vis-a-vis shares of Transferor Company.

We have assumed that the Final Scheme will not differ in any material respect from the Draft Scheme Document shared with us.

We do not express any opinion as to any tax or other consequences that might arise from the Scheme on Transferor Company, Transferee Company and their respective shareholders, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, government investigation or other contingent liabilities to which Transferor Company, Transferee Company and/or their associates/ subsidiaries, are or may be a party.

The company has been provided with an opportunity to review the Draft Opinion (excluding the recommended fair exchange ratio) as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Final Opinion.

Our Opinion in not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter thereto.

5. Conclusion

Based on and subject to the foregoing, we are of the opinion that the share issuance ratio as arrived at in the valuation report i.e. *"2 (Two) equity shares of ICIL of INR 2/- each fully paid up for every 15 (Fifteen) equity shares of PSML of INR 10/- each fully paid up"* is fair to the shareholders of Transferor Company from the financial point of view. Further the valuation of Transferor Company and Transferee Company as detailed by the valuer is fair.

For Saffron Capital Advisors Private Limited,

Digitally signed
by SAKSHI GUPTA

Sakshi Gupta
Head-Valuation

INDO COUNT

Complete Comfort

14th December, 2020

To,
The Manager
Listing Department
BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001

Scrip Code: 521016

Ref.: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 for the Scheme of amalgamation of Pranavaditya Spinning Mills Limited (Transferor Company) with Indo Count Industries Limited (Transferee Company)

Subject: Complaints Report

Dear Sir /Madam,

This is with reference to the Application No. 120467 filed with BSE Limited (BSE) on 9th November, 2020 seeking "No Objection Letter" for the Scheme of Amalgamation of Pranavaditya Spinning Mills Limited (Transferor Company) with Indo Count Industries Limited (Transferee Company) ("The Scheme") and with reference to the documents uploaded on website of BSE on 18th November, 2020.

As per SEBI Circular No. CFD/DIL3/CIR/2017 /21 dated March 10, 2017, we are submitting herewith Complaint Report for the period of 21 days from the date of filing of Scheme with BSE Limited and hosting the Scheme on website by BSE Limited.

Thanking you

Yours faithfully
For Indo Count Industries Limited

Amruta Avasare
Company Secretary & Compliance Officer
Membership No.: ACS 18844

INDO COUNT INDUSTRIES LIMITED MUMBAI

Encl.: A/a

Indo Count Industries Ltd
Head Office: 301, Arcadia, 3rd Floor, Nariman Point, Mumbai - 400 021, Maharashtra, India; T: 022 4341 9500, F: 022 2282 3098
Marketing Office: Dosti Imperia, 2nd floor, Manpada, Ghodbunder Road, Thane (w) - 400 607, Maharashtra, India; T: 022 4151 1800, F: 022 2172 0121
Home Textile Division: T3, Kagal - Hatkanangale Five Star, MIDC Ind. Area, Kolhapur - 416216, Maharashtra, India; T: 0231 662 7900, F: 0231 662 7979
Spinning Division: D1, MIDC, Gokul Shirgaon, Kolhapur - 416234, Maharashtra, India; T: 0231 268 7400, F: 0231 267 2161
Regd. Office: Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra, India; T: 0230 2463100 / 2461929
CIN: L72200PN1988PLC068972, E: info@indocount.com, W: www.indocount.com

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Complaint Report of Indo Count Industries Limited (Transferee Company)

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges/ SEBI	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

Yours faithfully
For Indo Count Industries Limited

Amruta Avasare
Company Secretary & Compliance Officer
Membership No.: ACS 18844

INDO COUNT INDUSTRIES LIMITED MUMBAI

Date: 14th December, 2020
Place: Mumbai

INDO COUNT

Complete Comfort

15th December, 2020

To,
The Manager – Listing Compliance
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051

NSE Symbol: ICIL

Ref.: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 for the Scheme of amalgamation of Pranavaditya Spinning Mills Limited (Transferor Company) with Indo Count Industries Limited (Transferee Company)

Subject: Complaints Report

Dear Sir /Madam,

This is with reference to the Application No. 25235 filed with National Stock Exchange of India Limited (NSE) on 9th November, 2020 seeking "No Objection Letter" for the Scheme of Amalgamation of Pranavaditya Spinning Mills Limited (Transferor Company) with Indo Count Industries Limited (Transferee Company) ("The Scheme") and with reference to the documents uploaded on website of NSE on 19th November, 2020.

As per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, we are submitting herewith Complaint Reports of Indo Count Industries Limited (Transferee Company) and Pranavaditya Spinning Mills Limited (Transferor Company) for the period from 20th November, 2020 to 10th December, 2020.

Thanking you

Yours faithfully
For Indo Count Industries Limited

INDO COUNT INDUSTRIES LIMITED MUMBAI

Amruta Avasare
Company Secretary & Compliance Officer
Membership No.: ACS 18844

Encl.: A/a

Indo Count Industries Ltd
Head Office: 301, Arcadia, 3rd Floor, Nariman Point, Mumbai - 400 021, Maharashtra, India; T: 022 4341 9500, F: 022 2282 3098
Marketing Office: Dosti Imperia, 2nd floor, Manpada, Ghodbunder Road, Thane (w) - 400 607, Maharashtra, India; T: 022 4151 1800, F: 022 2172 0121
Home Textile Division: T3, Kagal - Hatkanangale Five Star, MIDC Ind. Area, Kolhapur - 416216, Maharashtra, India; T: 0231 662 7900, F: 0231 662 7979
Spinning Division: D1, MIDC, Gokul Shirgaon, Kolhapur - 416234, Maharashtra, India; T: 0231 268 7400, F: 0231 267 2161
Regd. Office: Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra, India; T: 0230 2463100 / 2461929
CIN: L72200PN1988PLC068972, E: info@indocount.com, W: www.indocount.com

INDO COUNT

Complete Comfort

Complaint Report of Indo Count Industries Limited (Transferee Company)

Period: 20th November, 2020 to 10th December, 2020

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges/ SEBI	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

Yours faithfully
For Indo Count Industries Limited

Amruta Avasare
Company Secretary & Compliance Officer
Membership No.: ACS 18844

INDO COUNT INDUSTRIES LIMITED MUMBAI

Date: 15th December, 2020
Place: Mumbai

Indo Count Industries Ltd
Head Office: 301, Arcadia, 3rd Floor, Nariman Point, Mumbai - 400 021, Maharashtra, India; T: 022 4341 9500, F: 022 2282 3098
Marketing Office: Dosti Imperia, 2nd floor, Manpada, Ghodbunder Road, Thane (w) - 400 607, Maharashtra, India; T: 022 4151 1800, F: 022 2172 0121
Home Textile Division: T3, Kagal - Hatkanangale Five Star, MIDC Ind. Area, Kolhapur - 416216, Maharashtra, India; T: 0231 662 7900, F: 0231 662 7979
Spinning Division: D1, MIDC, Gokul Shirgaon, Kolhapur - 416234, Maharashtra, India; T: 0231 268 7400, F: 0231 267 2161
Regd. Office: Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra, India; T: 0230 2463100 / 2461929
CIN: L72200PN1988PLC068972, E: info@indocount.com, W: www.indocount.com

PRANAVADITYA

PRANAVADITYA
SPINNING MILLS
LIMITED

CORPORATE OFFICE :
301, 'ARCADIA',
3RD FLOOR, NCPA MARG,
NARIMAN POINT,
MUMBAI - 400 021.
TEL. : (91-22) 4341 9500
FAX : (91-22) 2282 3098
www.pranavaditya.com

Complaint Report of Pranavaditya Spinning Mills Limited (Transferor Company)

Period: 20th November, 2020 to 10th December, 2020

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges/ SEBI	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

Yours faithfully
For Pranavaditya Spinning Mills Limited

Amruta Avasare
Company Secretary & Compliance Officer
Membership No.: ACS 18844

PRANAVADITYA SPINNING MILLS LTD. * MUMBAI

Date: 15th December, 2020
Place: Mumbai

CIN : L17119PN1990PLC058139
REGD. OFFICE & MILLS : Office No. 2, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416 109.
Tel.: (0230) 2463100/2461929 • E-mail : works@pranavaditya.com, accounts@pranavaditya.com

PRANAVADITYA

PRANAVADITYA SPINNING MILLS LIMITED

CORPORATE OFFICE :
301, 'ARCADIA',
3RD FLOOR, NCPA MARG,
NARIMAN POINT,
MUMBAI - 400 021.
TEL. : (91-22) 4341 9500
FAX : (91-22) 2282 3098
www.pranavaditya.com

14th December, 2020

To,
The Manager
Listing Department
BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001

Scrip Code: 531172

Ref.: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 for the Scheme of amalgamation of Pranavaditya Spinning Mills Limited (Transferor Company) with Indo Count Industries Limited (Transferee Company)

Subject: Complaints Report

Dear Sir /Madam,

This is with reference to the Application No. 120643 filed with BSE Limited (BSE) on 9th November, 2020 seeking "No Objection Letter" for the Scheme of Amalgamation of Pranavaditya Spinning Mills Limited (Transferor Company) with Indo Count Industries Limited (Transferee Company) ("The Scheme") and with reference to the documents uploaded on website of BSE on 18th November, 2020.

As per SEBI Circular No. CFD/DIL3/CIR/2017 /21 dated March 10, 2017, we are submitting herewith Complaint Report for the period of 21 days from the date of filing of Scheme with BSE Limited and hosting the Scheme on website by BSE Limited.

Thanking you

Yours faithfully
For Pranavaditya Spinning Mills Limited

PRANAVADITYA SPINNING MILLS LTD. MUMBAI

Amruta Avasare
Company Secretary & Compliance Officer
Membership No.: ACS 18844

Encl.: A/a

CIN : L17119PN1990PLC058139
REGD. OFFICE & MILLS : Office No. 2, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416 109.
Tel.: (0230) 2463100/2461929 • E-mail : works@pranavaditya.com, accounts@pranavaditya.com

CORPORATE OFFICE :
301, 'ARCADIA',
3RD FLOOR, NCPA MARG,
NARIMAN POINT,
MUMBAI - 400 021.
TEL. : (91-22) 4341 9500
FAX : (91-22) 2282 3098
www.pranavaditya.com

Complaint Report of Pranavaditya Spinning Mills Limited (Transferor Company)

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges/ SEBI	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

Yours faithfully
For Pranavaditya Spinning Mills Limited

Amruta Avasare
Company Secretary & Compliance Officer
Membership No.: ACS 18844

PRANAVADITYA SPINNING MILLS LTD. MUMBAI

Date: 14th December, 2020
Place: Mumbai

CIN : L17119PN1990PLC058139
REGD. OFFICE & MILLS : Office No. 2, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416 109.
Tel.: (0230) 2463100/2461929 • E-mail : works@pranavaditya.com, accounts@pranavaditya.com

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: L67120MH2005PLC155188

DCS/AMAL/JR/R37/1934/2020-21 **"E-Letter"** **March 25, 2021**

The Company Secretary,
Indo Count Industries Limited
Office No.1, Plot No. 266, Village Alte,
Kumbhoj Road, Taluka Hatkanangale,
Dist. Kolhapur, Kolhapur, Maharashtra, 416109

Sir,

Sub: Observation letter regarding Draft Scheme of Amalgamation by way of Merger by Absorption of Pranavaditya Spinning Mills Limited (PSML) with Indo Count Industries Limited (ICIL) and their respective shareholders.

We are in receipt of the Draft Scheme of Amalgamation by way of Merger by Absorption of Pranavaditya Spinning Mills Limited (PSML) with Indo Count Industries Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated March 25, 2021 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- **"Company shall ensure that they separately and prominently disclose to the Shareholders and NCLT via the draft scheme of arrangement documents following information's and facts:**

  - **i. In case of ICIL only one method of valuation i.e. Market Approach has been used because its shares are frequently traded on Stock Exchanges, and market price reflects significant multiple of book value. Therefore, it was inappropriate to consider cost and income approach in case of ICIL. Further, ICIL is a listed Company and information related to the future profit and loss account, balance sheet and cash flows is price sensitive and hence was not provided to the valuer.**

  - **ii. Two Methods of Valuation i.e. Cost and Market Approach have been used for PSML and Income approach method has not been used as PSML is a listed Company and information related to the future profit and loss account, balance sheet and cash flows is price sensitive and hence was not provided to the valuer. Further, PSML's production was stopped at the time of appointed date.**

- **"Company shall ensure that suitable disclosure about the latest financials of the companies involved in the Scheme being not more than 6 months old is done before filing the same with the Hon'ble NCLT."**

- **"Company shall ensure that the proposed scheme is acted upon only if approved by the NCLT and if the majority votes cast by the public shareholders are in favour of the proposal."**

- **"Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."**

- **"Company shall duly comply with various provisions of the Circular."**

- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**

- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sd/-

Nitinkumar Pujari
Senior Manager

National Stock Exchange Of India Limited

Ref: NSE/LIST/25235_II March 26, 2021

The Company Secretary
Indo Count Industries Limited
Office No.1, Plot No.266, Village Alte,
Kumbhoj Road, Taluk Hatkanangale,
Kolhapur, Maharashtra - 416109

Kind Attn.: Ms. Amruta Avasare

Dear Madam,

Sub: **Observation Letter for Draft Scheme of Amalgamation of Pranavaditya Spinning Mills Limited with Indo Count Industries Limited and their respective shareholders**

We are in receipt of the Draft Scheme of Amalgamation of Pranavaditya Spinning Mills Limited ("PSML") with Indo Count Industries Limited ("ICIL") and their respective shareholders vide application dated November 09, 2020.

Based on our letter reference no Ref: NSE/LIST/25235 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), kindly find following comments on the draft scheme:

a. *The companies involved in the scheme shall ensure to separately and prominently disclose to the shareholders and NCLT via the draft scheme of arrangement documents following information and facts:*

   i. *In case of ICIL only one method of valuation i.e. Market Approach has been used because its shares are frequently traded on stock exchanges and market price reflects significant multiple of book value. Therefore, it was inappropriate to consider cost and income approach in case of ICIL. Further, ICIL is a listed company and information related to future profit and loss account, balance sheet and cashflows is price sensitive and hence was not provided to the valuer.*

   ii. *Two methods of valuations i.e. cost and Market approach have been used for PSML and income approach method has not been used as PSML is a listed company and information related to future profit and loss account, balance sheet and cashflows is price sensitive and hence was not provided to the valuer. Further, PSML's production was stopped at the time of appointed date.*

b. *The company shall ensure that suitable disclosure about the latest financials of the companies involved in the scheme being not more than 6 months old is done before filing the same with the Hon'ble National Company Law Tribunal*

This Document is Digitally Signed

Signer: Jiten Bharat Patel
Date: Fri, Mar 26, 2021 14:34:39 IST
Location: NSE

c. *The Company shall ensure that the proposed scheme is acted upon only if approved by the NCLT and if the majority votes cast by the public shareholders are in favour of the proposal.*

d. *The Company shall ensure that additional information, if any submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the websites of the listed company*

e. *The Company shall duly comply with various provisions of the Circular.*

f. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*

g. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No-objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from March 26, 2021 within which the scheme shall be submitted to NCLT.

Yours faithfully,
For National Stock Exchange of India Limited

Jiten Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer: Jiten Bharat Patel
Date: Fri, Mar 26, 2021 14:34:39 IST
Location: NSE

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: L67120MH2005PLC155188

DCS/AMAL/BA/R37/1933/2020-21 **"E-Letter"** **March 25, 2021**

The Company Secretary,
PRANAVADITYA SPINNING MILLS LTD.
Office No. 2, Plot No. 266, Village Alte,
Kumbhoj Road, Taluka Hatkanangale,
Kolhapur , Maharashtra, 416109

Sir,

Sub: Observation letter regarding Draft Scheme of Amalgamation by way of Merger by Absorption of Pranavaditya Spinning Mills Limited (PSML) with Indo Count Industries Limited (ICIL) and their respective shareholders.

We are in receipt of the Draft Scheme of Amalgamation by way of Merger by Absorption of Pranavaditya Spinning Mills Limited (PSML) with Indo Count Industries Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated March 25, 2021 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- **"Company shall ensure that they separately and prominently disclose to the Shareholders and NCLT via the draft scheme of arrangement documents following informations and facts:**

  i. **In case of ICIL only one method of valuation i.e. Market Approach has been used because its shares are frequently traded on Stock Exchanges, and market price reflects significant multiple of book value. Therefore, it was inappropriate to consider cost and income approach in case of ICIL. Further, ICIL is a listed Company and information related to the future profit and loss account, balance sheet and cash flows is price sensitive and hence was not provided to the valuer.**

  ii. **Two Methods of Valuation i.e. Cost and Market Approach have been used for PSML and Income approach method has not been used for PSML is a listed Company and information related to the future profit and loss account, balance sheet and cash flows is price sensitive and hence was not provided to the valuer. Further, PSML production was stopped at the time of appointed date.**

- **"Company shall ensure that suitable disclosure about the latest financials of the companies involved in the Scheme being not more than 6 months old is done before filing the same with the Hon'ble NCLT."**

- **"Company shall ensure that the proposed scheme is acted upon only if approved by the NCLT and if the majority votes cast by the public shareholders are in favour of the proposal."**

- **"Company shall ensure that additional information/undertakings, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."**

- **"Company shall duly comply with various provisions of the Circular."**

- **"Company is advised that the observations of SEBI/Stock Exchanges and undertakings submitted by the Company after filing the scheme with Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the them to the notice of NCLT."**

- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documegrannts of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

sd/-

Nitinkumar Pujari
Senior Manager

SURESH KUMAR MITTAL & CO.
CHARTERED ACCOUNTANTS

60, 1st Floor, Pocket H-3,
Sector-18, Rohini, DELHI - 110085.
Mobile : 9871411946
E-mail : sureshkmittal@gmail.com

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 31st March 2021, and the statement of Profitand 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, 20133 ("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.

Suresh Kumar Mittal & Co. Chartered Accountants

SURESH KUMAR MITTAL & CO.
CHARTERED ACCOUNTANTS

60, 1st Floor, Pocket H-3,
Sector-18, Rohini, DELHI - 110085.
Mobile : 9871411946
E-mail : sureshkmittal@gmail.com

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 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 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.

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.

Suresh Kumar Mittal & Co. Chartered Accountants

SURESH KUMAR MITTAL & CO.
CHARTERED ACCOUNTANTS

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Sector-18, Rohini, DELHI - 110085.
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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 relatedto 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.

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• 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 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.

Suresh Kumar Mittal & Co. * Chartered Accountants *

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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 ourknowledge 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 Companyto 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.

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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.

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

Ankur Bagla
Partner
Membership No.. 521915

Place: New Delhi
Date: 17th May, 2021
UDIN: 21521915AAAACD3381

Suresh Kumar Mittal & Co. Chartered Accountants

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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 31st March 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

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payable in respect of aforesaid dues outstanding as at 31st March 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 31st March 2021 except:

Sl. No.	Name of the statute	Nature of the dues	Amount (Rs in lakh)	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
6.	Central Excise Act	Service tax on commission on Sales	23.54	2010-2013	Commissioner Appeal, Pune
7.	MVAT	VATInput 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

Suresh Kumar Mittal & Co. * Chartered Accountants *

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(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-I A of the Reserve Bank of India Act, 1934

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

Ankur Bagla
Partner
Membership Number: 521915

Place: New Delhi
Date: 17thMay, 2021
UDIN: 21521915AAAACD3381

Suresh Kumar Mittal & Co. Chartered Accountants

SURESH KUMAR MITTAL & CO.
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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 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")

We have audited the internal financial controls over financial reporting of Indo Count Industries Limited ("the Company") as of March 31st, 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.

Suresh Kumar Mittal & Co. * Chartered Accountants *

SURESH KUMAR MITTAL & CO.
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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, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 Reg. No.: 500063N

Ankur Bagla
Partner
Membership Number: 521915

Place: New Delhi
Date: 17thMay, 2021
UDIN: 21521915AAAACD3381

Suresh Kumar Mittal & Co. Chartered Accountants

INDO COUNT INDUSTRIES LIMITED
STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	Rs. in lakhs As at 31.03.2021	Rs. in lakhs As at 31.03.2020
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 and on behalf of Board of Directors

Anil Kumar Jain

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

Partner
Membership No.: 521915
New Delhi, May 17, 2021

Suresh Kumar Mittal & Co. Chartered Accountants

Anil Kumar Jain
Executive Chairman
DIN: 00086106

K. Muralidharan
Chief Financial Officer

Kailash R. Lalpuria
Executive Director & C.E.O.
DIN: 00059758

Amruta Avasare
Company Secretary
Mumbai, May 17, 2021

INDO COUNT INDUSTRIES LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Note No.	Rs. in lakhs For the year ended 31.03.2021	Rs. in lakhs For the year ended 31.03.2020
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 (Rs.)		13.18	3.74
b) Diluted (Rs.)		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 and on behalf of Board of Directors

Anil Kumar Jain

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

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & C.E.O
DIN: 00059758

Partner
Membership No : 521915
New Delhi, May 17, 2021

Suresh Kumar Mittal & Co. * Chartered Accountants *

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary
Mumbai, May 17, 2021

INDO COUNT INDUSTRIES LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

A. EQUITY SHARE CAPITAL

Particulars	Note No.	Rs. in lakhs
As at 31st March, 2019		3,947.99
Changes in Equity Share Capital	21(a)	-
As at 31st March, 2020		3,947.99
Changes in Equity Share Capital	21(a)	-
As at 31st March, 2021		3,947.99

B. OTHER EQUITY

Rs. in lakhs

Particulars	Reserves & Surplus			Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	
Balance as at 31.03.2019	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 31.03.2020	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 31.03.2021	(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

iii) Securities Premium Reserve:

Securities Premium Reserve is created when shares issued at premium.

The accompanying notes form an integral part of Financial Statements

For and on behalf of Board of Directors

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

Partner
Membership No.: 521915
New Delhi, May 17, 2021

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & C.E.O.
DIN: 00059758

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary
Mumbai, May 17, 2021

INDO COUNT INDUSTRIES LTD

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Rs. in lakhs

Particulars	For the year ended 31 March, 2021		For the year ended 31 March, 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**
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)

Suresh Kumar Mittal & Co. Chartered Accountants

Indo Count Industries Limited

31 MAR 2021

Particulars	For the year ended 31 March, 2021		For the year ended 31 March, 2020	
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 and on behalf of Board of Directors

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

Partner
Membership No.: 521915
New Delhi, May 17, 2021

Anil Kumar Jain

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & C.E.O.
DIN: 00059758

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary
Mumbai, May 17, 2021

Suresh Kumar Mittal & Co. ★ Chartered Accountants ★

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

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1. CORPORATE INFORMATION

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

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

The Financial statements of the Company for the year ended 31 March, 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 17 May, 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

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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.

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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

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are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

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

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

Research and development cost:

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

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

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

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

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.

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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

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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

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currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they are arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on transaction of non-monetary items is recognized in line with the gain or 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.

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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. 1 April, 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.

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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. 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

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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.

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3.15 Segment accounting

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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

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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.

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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.

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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.

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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.

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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.

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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.

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ii) Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, 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

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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

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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

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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 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.

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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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT

Rs. in lakhs

Particulars	Land - Leasehold	Land - Freehold	Buildings *	Plant & Machinery **	Furniture & Fixtures	Factory & Office Equipments	Vehicles	Total	Capital Work in Progress ***
Gross Carrying Amount									
As at 01.04.2020	-	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 31.03.2021	-	220.45	16,436.74	74,927.75	836.73	1,493.06	483.02	94,397.75	772.40
Accumulated Depreciation									
As at 01.04.2020	-	-	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 31.03.2021	-	-	4,964.83	36,054.80	478.92	1,119.54	318.98	42,937.07	-
Net Carrying Amount									
As at 31.03.2020	-	220.45	10,872.70	40,478.45	360.01	450.00	211.72	52,593.33	585.65
As at 31.03.2021	-	220.45	11,471.91	38,872.95	357.81	373.52	164.04	51,460.68	772.40

* a) Includes 10 shares of Rs. 50 each of Arcadia Premises Co-operative Society Limited.

b) Includes 10 shares of Rs. 50 each of Vardhman Industrial Complex Premises Co-operative Housing Society Limited.

** Includes addition on account of Foreign Exchange fluctuations of Rs. 1.25 lakhs (previous year Rs. 72.96 lakhs).

*** Does not include Capital Advances of Rs. 400.53 lakhs (previous year Rs. 76.16 lakhs).

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6. Right-of-Use (ROU)

Rs. in lakhs

Particulars	Land - Leasehold	Buildings	Total
Gross Carrying Amount			
As at 01.04.2020	833.70	1,605.05	2,438.75
Additions	586.74	-	586.74
Disposals / Transfers	-	468.06	468.06
As at 31.03.2021	1,420.44	1,136.99	2,557.43
Accumalated Depreciation			
As at 01.04.2020	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 31.03.2021	56.41	677.72	734.13
Net Carrying Amount			
As at 31.03.2020	781.04	1,044.42	1,825.46
As at 31.03.2021	1,364.03	459.27	1,823.30

Refer Note No. 43 for information about Leases.

7. OTHER INTANGIBLE ASSETS

Rs. in lakhs

Particulars	Software	Patents	Total
Gross Carrying Amount			
As at 01.04.2020	529.23	207.90	737.13
Additions	23.05	57.14	80.19
Disposals / Transfers	-	-	-
As at 31.03.2021	552.28	265.04	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 31.03.2021	470.39	81.98	552.37
Net Carrying Amount			
As at 31.03.2020	117.35	145.27	262.62
As at 31.03.2021	81.89	183.06	264.95

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8. NON-CURRENT INVESTMENTS

Particulars		No. of Shares		Rs. in lakhs	
		As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
QUOTED					
Subsidiary Company					
In fully paid up Equity Shares of Rs. 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 are dealt with by the Company in its books in financial year 2020-21.

9. NON-CURRENT FINANCIAL LOANS

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
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.

10. OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Balances with Banks		
- Held as Margin / Fixed Deposits	0.01	0.01
TOTAL	**0.01**	**0.01**

Includes receipts for Rs. 0.01 lakhs (previous year Rs. 0.01 lakhs) lodged with Sales Tax Department.

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11. OTHER NON-CURRENT ASSETS

(Unsecured-considered good)

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Capital Advances	400.53	76.16
Security Deposits	107.11	107.01
Others	319.06	459.65
TOTAL	**826.70**	**642.82**

12. INVENTORIES

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
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 Rs. 1,862.26 lakhs (previous year Rs. 98.13 lakhs).

** Includes goods in transit Rs. 135.97 lakhs (previous year Rs. 9.17 lakhs).

*** Includes goods in transit Rs. 44.19 lakhs (previous year Rs. 3.96 lakhs).

13. CURRENT INVESTMENTS

Particulars		No. of Units		Rs. in lakhs	
		As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
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

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14. CURRENT TRADE RECEIVABLES

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Receivables exceeding Six Months	995.33	1,267.18
Receivables - Others	46,547.76	20,974.02
Receivables from Related Parties (Refer Note No.	4,971.50	3,550.90
Receivables which have significant increase in Credit	-	-
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

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Cash in Hand	7.42	27.09
Foreign currency in hand	-	-
Balances with Banks :		
- In Current Acounts	2,765.14	4,218.61
- Held as Fixed Deposits	8,658.00	8,317.97
TOTAL	**11,430.56**	**12,563.67**

16. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Balances with Banks		
- Held as Margin / Fixed Deposits	223.97	254.37
TOTAL	**223.97**	**254.37**

a) Includes receipts for Rs. 212.67 lakhs (previous year Rs. 231.08 lakhs) held with bank as margin money against bank guarantees for Letter of Credit facilities.

b) Includes receipts for Rs. 0.05 lakhs (previous year Rs. 0.05 lakhs) lodged with Excise Department.

c) Includes receipts for Rs. 11.25 lakhs (previous year Rs. 11.25 lakhs) held with bank as margin money against guarantee given to MSEB.

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17. CURRENT FINANCIAL LOANS

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
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)

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Derivative Asset	4,763.42	-
Others	367.04	432.93
TOTAL	**5,130.46**	**432.93**

19. CURRENT TAX ASSETS

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Advance Income Tax (including Tax Deducted at Source)	29.92	1,718.41
Refund Due	688.08	414.83
MAT Credit Entitlement	-	-
TOTAL	**718.00**	**2,133.24**

20. OTHER CURRENT ASSETS

(Unsecured-considered good)

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
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**

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21. SHARE CAPITAL

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Authorised:		
Equity Shares		
27,50,00,000 Shares of Rs. 2 each	5,500.00	5,500.00
Preference Shares		
50,00,000 Shares of Rs. 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 Rs. 2 each	3,947.99	3,947.99
TOTAL	**3,947.99**	**3,947.99**

Notes:

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	Rs. in lakhs	No. of Shares	Rs. in lakhs
Authorised:				
Equity Shares of Rs. 2 each				
Balance at the beginning of the year	27,50,00,000	5,500.00	27,50,00,000	5,500.00
Increase due to Sub-Division *	-	-	-	-
Balance at the end of the year	**27,50,00,000**	**5,500.00**	**27,50,00,000**	**5,500.00**
Preference Shares of Rs. 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 Rs. 2 each				
Balance at the beginning of the year	19,73,99,670	3,947.99	19,73,99,670	3,947.99
Increase due to Sub-Division *	-	-	-	-
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 Company has only one class of Equity Shares having a par value of Rs. 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 31.03.2021		As at 31.03.2020	
	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:

Particulars	Rs. in lakhs	
	2020-21	2019-20
Final Dividend for F.Y. 2018-19: Re. 0.60 per share (Face Value of Rs. 2 each)	-	1,184.40
Final Dividend for F.Y. 2019-20: Re. 0.60 per share (Face value of Rs. 2 each)	1,184.40	-

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22. NON-CURRENT BORROWINGS

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Secured		
1) Term Loan		
i) Rupee loans		
- From Banks (a)	-	375.00
- From Financial Institutions (a)	1,935.26	3,020.33
Unsecured		
1) 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 Rs. 1,488.11 lakhs, (previous year Rs. 1,765.00 lakhs).

b) Includes amount appearing in current maturity of long term debts Rs. 106.18 lakhs (previous year Rs. 225.96 lakhs).

c) Maturity profile of Non-Current Borrowings:

Particulars	Rs. in lakhs	
	1-2 Years	2-3 Years
1) Term Loan		
i) Rupee loans		
- From Banks	-	-
- From Financial Institutions	1,113.11	822.15
TOTAL	**1,113.11**	**822.15**

23. OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Lease Liability Payable (Refer Note No. 43)	156.33	588.72
TOTAL	**156.33**	**588.72**

24. NON-CURRENT PROVISIONS

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Provision for Employee Benefits	276.25	578.97
TOTAL	**276.25**	**578.97**

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25. INCOME TAX

The major components of Income Tax expense for the years ended 31 March, 2021 and 31 March, 2020 are

STATEMENT OF PROFIT AND LOSS

Profit and Loss section

Particulars	Rs. in lakhs	
	31.03.2021	31.03.2020
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

Particulars	Rs. in lakhs	
	31.03.2021	31.03.2020
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

Particulars	Rs. in lakhs			
	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)**
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 Rs. 67.50 lakhs (previous year Rs 67.50 lakhs) has not been recognised in view of uncertainty of its realisation

Reflected in the Balance Sheet :

Particulars	Rs. in lakhs	
	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)

Particulars	Rs. in lakhs	
	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)

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26. OTHER NON-CURRENT LIABILITIES

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Deferred Government Grants related to Property, Plant & Equipment	758.56	797.93
TOTAL	**758.56**	**797.93**

27. CURRENT BORROWINGS (Secured)

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Loans repayable on Demand :		
i) From Banks *		
- In Rupees	50,586.22	29,184.60
- In Foreign Currency	-	-
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

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
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:

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
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	-	-

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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.

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29. TRADE PAYABLES OTHER THAN MICRO & SMALL ENTERPRISES

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Payables *	18,911.20	9,734.86
TOTAL	18,911.20	9,734.86

* a) Includes payable to an Indian Subsidiary Rs. Nil (previous year Rs.0.99 lakhs).
b) Includes payable to a Foreign Subsidiary Rs. 14.62 lakhs (previous year Rs 0.36 lakhs).

30. OTHER CURRENT FINANCIAL

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
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
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

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
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

Rs. 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	-

Rs. 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.

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33. REVENUE FROM OPERATIONS

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
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 Rs.0.62 lakhs (previous year Rs. 2,87!

b) Includes sale to Foreign Subsidiaries Rs. 13,214.01 lakhs (previous year Rs. 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

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
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

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
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**

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34. OTHER INCOME

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
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	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

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
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 Rs. 198.67 lakhs (previous year Rs. 129.14 lakhs).

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

Particulars		Rs. in lakhs	
		For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
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
Goods in Transit		-	-
SUB-TOTAL	B	**44,059.66**	**32,597.84**
(INCREASE) / DECREASE IN STOCK	A-B	**(11,461.82)**	**(929.29)**

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37. **EMPLOYEE BENEFITS EXPENSE**

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
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**

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
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**

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
Depreciation	4,031.10	4,064.52
TOTAL	**4,031.10**	**4,064.52**

Refer Note No. 43 for information about Leases.

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40. OTHER EXPENSES

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
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

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
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 Rs. Nil (previous year Rs. 9,427.12 lakhs) provided against refund of excess export benefits of earlier years by way of MEIS claimed to the extent of Rs. Nil (previous year Rs. 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 Rs. Nil (previous year Rs. 419.33 lakhs) for the period from March 07, 2019 to March 31, 2019 as Exceptional Item.

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

A. Contingent Liabilities

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
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 Rs. 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 Rs. 64,797 lakhs till the year end, of which licenses having Export Obligation of Rs. 50,442 lakhs redeemed by the DGFT and balance licenses having completed Export Obligation value of Rs. 14,355 lakhs are under redemption at DGFT. Further, there are licenses issued by the DGFT amounting to Rs. 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 Rs. 292.07 lakhs (previous year Rs. 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

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
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	-

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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.

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:

Rs. 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 Rs. 208.88 lakhs has been disclosed under Note 39 to the financial statements

e) Carrying value of Right-of-Use (ROU) assets amounted to Rs. 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:

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
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	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.

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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

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Rs. 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
	(-)	(-)	(-)	(-)	(-)
Reimbursemt of Expenes	0.20	-	-	-	0.20
	(-)	(-)	(-)	(-)	(-)
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 Rs. 235.21 lakhs (previous year Rs. 430.87 lakhs).

b) Amount incurred during the year:

Particulars	Rs. in lakhs
i) Construction / Acquisition of Asset	-
ii) On purpose other than (i) above	390.34

Out of the above, the Company has paid Rs. 336.23 lakhs (previous year Rs. 276.30 lakhs) to Indo Count

47. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 33 "EARNINGS PER SHARE"

Particulars	UoM	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
Face Value of Equity Shares	Rs.	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)	Rs. In lakhs	26,026.02	7,376.27
Weighted Average earnings per share (Basic and Diluted)	Rs.	13.18	3.74

48. OTHER INFORMATION

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
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

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49. **DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 19 "EMPLOYEE BENEFITS"**

Defined Contribution Plans:

Amount of Rs. 654.25 lakhs (previous year Rs. 625.09 lakhs) is recognised as an expense and included in Employee Benefits Expense under the following defined contribution plans (Refer Note 37, supra):

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
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**

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.

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Sr. No.	Particulars	Rs. in lakhs			
		GRATUITY		LEAVE ENCASHMENT	
		2020-21 (funded)	2019-20 (funded)	2020-21 (funded)	2019-2 (fundec
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	445.3
2	Interest Cost	127.27	123.40	27.05	27.3
3	Current Service Cost	168.23	157.62	74.05	40.3
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)	30.4
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	500.3
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	409.1
2	Interest Income	99.96	96.72	31.10	31.5
3	Contributions Paid by the Employer	434.47	191 33	30.59	37.3
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)
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)'	-	-	(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)

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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

Particulars	Gratuity		Leave Encashment	
	2020-21	2019-20	2020-21	2019-20
Insurer Managed Funds	100%	100%	100%	100%

X **Actuarial Assumptions**

Particulars	Gratuity		Leave Encashment	
	2020-21	2019-20	2020-21	2019-20
	(funded)	(funded)	(funded)	(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)
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

Rs. 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

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

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Particulars	Rs. in lakhs			
	Carrying Amount	Fair value		
	As at 31.03.2020	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
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**	-

Particulars	Rs. in lakhs			
	Carrying Amount	Fair value		
	As at 31.03.2021	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	-	-	1,418.21
TOTAL	**78,666.90**	-	-	**1,574.54**

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.

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Description of significant unobservable inputs to valuation:

The following table shows the valuation techniques and inputs used for financial instruments:

Particulars	As at 31.03.2021	As at 31.03.2020
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 â 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

Particulars	Rs. In lakhs	
	As at 31.03.2021	As at 31.03.2020
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:

Particulars	Rs. In lakhs	
	As at 31.03.2021	As at 31.03.2020
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)

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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 lakh

Particulars	USD	EUR	GBP	CHF	JPY	Tota
Foreign Currency Exposure as at 31 March, 2020						
Trade and Other Receivables	298.07	0.80	0.91	1.45	19.27	320.5
Non-Current Borrowings	-	-	-	5.64	-	5.6
Current Borrowings	2 24	-	-	-	-	2.2
Bank Balances	36 82	-	-	-	-	36.8.
Trade and Other Payables	74.01	0.28	0.72	-	-	75.0
Foreign Currency Exposure as at 31 March, 2021						
Trade and Other Receivables	694.48	0.68	3.12	1.09	-	699 3
Non-Current Borrowings	-	-	-	1.37	-	1 3
Current Borrowings	37.72	-	-	-	-	37 7
Bank Balances	10.34	-	-	-	-	10 3
Trade and Other Payables	79.69	0.01	0.97	-	-	80.6

Forward Contracts

Foreign currency hedges taken by the Company against export trade receivables are as under:

Particulars	Number of Contracts	Foreign Currency in lakhs (USD)	Rs. in lakhs	Buy / Sell
As at 31.03.2021	268	2,595.00	1,99,822.59	Sell
As at 31.03.2020	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:

Rs. 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)**

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

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Impact on Profit before Tax

Particulars	Rs. In lakhs	
	As at 31.03.2021	As at 31.03.2020
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

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
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)

Particulars	Rs. In lakhs	
	As at 31.03.2021	As at 31.03.2020
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.

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The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

Particulars	Rs. in lakhs
As at 31.03.2021	
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 31.03.2020	
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:

Rs. in lakhs

Particulars	Less than 1 year	1 to 5 years	Total
As at 31.03.2021			
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 31.03.2020			
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

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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 shareholders 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.

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
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

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
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)**

Rs. in lakhs

Particulars	Cash and Cash Equivalents	Non Current Borrowings (including Current Maturities)	Current Borrowings	Interest Accrued but not Due	Total
As at 31.03.2021					
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 31.03.2020					
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)**

Suresh Kumar Mittal & Co. * Chartered Accountants *

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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 31 March, 2021:

Name of the Company	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
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 results

The accompanying notes form an integral part of Financial Statements — **For and on behalf of Board of Directors**

As per our report of even date attached

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

Partner
Membership No.: 521915
New Delhi, May 17, 2021

Anil Kumar Jain

Anil Kumar Jain
Executive Chairman
DIN: 00086106

Kailash R. Lalpuria
Executive Director & C.E.O.
DIN: 00059758

K. Muralidharan
Chief Financial Officer

Amruta Avasare
Company Secretary
Mumbai, May 17, 2021

Suresh Kumar Mittal & Co. * Chartered Accountants *

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INDO COUNT INDUSTRIES LIMITED

CIN No.: L72200PN1988PLC068972

Regd. Off. - Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416 109.
E-mail icilinvestors@indocount.com; website www.indocount.com

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2021

Part - I		(Rs. in Crore except EPS)			
Sr. No.	Particulars	Quarter Ended			Year Ended
		30-06-2021 Unaudited	31-03-2021 Audited	30-06-2020 Unaudited	31-03-2021 Audited
1	**Income**				
	Revenue from Operations	738.37	703.68	319.03	2,514.75
	Other Operating Income	45.37	14.63	4.04	37.74
	Total Income	**783.74**	**718.31**	**323.07**	**2,552.49**
2	**Expenses**				
	Cost of Materials Consumed	361.40	430.00	195.28	1,332.80
	Purchases of Stock-in-Trade	29.18	39.79	3.92	73.15
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(27.08)	(108.83)	(38.30)	(114.62)
	Employee Benefits Expense	43.16	48.08	29.95	145.28
	Finance Costs	10.70	10.52	4.95	26.93
	Depreciation	9.36	9.77	10.05	40.31
	Other Expenses	202.20	198.22	95.61	696.06
	Total Expenses	**628.92**	**627.55**	**301.46**	**2,199.91**
3	**Profit before Exceptional Items and Tax (1-2)**	**154.82**	**90.76**	**21.61**	**352.58**
4	Exceptional Items	-	-	-	-
5	**Profit before Tax (3-4)**	**154.82**	**90.76**	**21.61**	**352.58**
6	**Tax Expenses**				
	Current Tax	40.86	24.07	6.15	88.53
	Deferred Tax	(2.05)	2.68	(0.61)	3.79
	Total Tax Expenses	**38.81**	**26.75**	**5.54**	**92.32**
7	**Net Profit for the period (5-6)**	**116.01**	**64.01**	**16.07**	**260.26**
8	**Other Comprehensive Income (after tax)**				
	a) Items that will not be reclassified to Profit or Loss	0.16	1.05	(0.15)	0.59
	b) Items that will be reclassified to Profit or Loss	(12.12)	0.07	19.48	61.20
	Total Other Comprehensive Income (after tax)	**(11.96)**	**1.12**	**19.33**	**61.79**
9	**Total Comprehensive Income (7+8)**	**104.05**	**65.13**	**35.40**	**322.05**
10	**Paid up Equity Share Capital (of Rs. 2 each)**	**39.48**	**39.48**	**39.48**	**39.48**
11	**Other Equity**				**1,234.90**
12	**Earning Per Share of Rs. 2 each (not annualised for the quarters):**				
	a) Basic	5.88	3.24	0.81	13.18
	b) Diluted	5.88	3.24	0.81	13.18

Indo Count Industries Limited

03 AUG 2021

Notes:

1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 3, 2021. The Statutory Auditors have carried out a Limited Review of the above financial results.

2 The Company has been taking steps, proactively, to protect the health of employees and the working environment from the spread of Covid-19. The Company's operations and revenue during the Quarter were marginally impacted due to the pandemic. 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 Q1 FY 22 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.

3 Pursuant to the approval granted by the Union Cabinet on July 14, 2021 for continuation of Rebate of State and Central Taxes and Levies (RoSCTL) with the same rates as notified by Ministry of Textiles vide notification dated March 8, 2019 on exports of Apparel/Garments and Made ups, the Company has recognised the export incentives of Rs. 89.59 Crores during the Quarter ended June 30, 2021, out of which Rs 49.99 Crores pertains to the eligible export sales for the period from January 1, 2021 to March 31, 2021.

4 Pursuant to the scheme of amalgamation of Pranavaditya Spinning Mills Limited, subsidiary of the Company with the Company approved by the Board and No-objection received from BSE Limited, NSE and SEBI for the scheme, the application has been filed for said amalgamation with Hon'ble NCLT during the quarter ended 30th June 2021. The appointed date for the amalgamation is 1st October 2020 and the scheme will be effective upon filing of order of National Company Law Tribunal (NCLT) approving the scheme with Registrar of Companies.

5 The figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable.

6 The Company mainly operates only in one segment namely "Textiles" and hence segment details are not required to be published.

7 In line with the requirements of Regulation 47(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the results are available on the Stock Exchanges website at (www.bseindia.com and www.nseindia.com) and on the Company's website at www.indocount.com.

For and on behalf of the Board of Directors

Anil Jain

Indo Count Industries Limited

Place: Mumbai
Date: August 3, 2021

Anil Kumar Jain
Executive Chair
DIN: 00086[illegible]06

SURESH KUMAR MITTAL & CO.
CHARTERED ACCOUNTANTS

60, 1st Floor, Pocket H-3,
Sector-18, Rohini, DELHI - 110085.
Mobile : 9871411946
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Auditor's Review Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Indo Count Industries Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Indo Count Industries Limited for the period ended 30th June 2021 attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').

2. The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, is the responsibility of the Company's Management and has been approved by the Board of Directors of the company. Our responsibility is to issue a report on these financial statements based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. The Statement includes the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year ended March 31,2021 and the published unaudited year-to-date figures up to the third quarter of that financial year, which were subjected to a limited review by us, as required under the listing Regulations.

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

Suresh Kumar Mittal & Co. Chartered Accountants

(Ankur Bagla)
PARTNER
Membership Number: 521915

Place: New Delhi
Date:3rd August,2021
UDIN: 21521915AAAADT8233

SURESH KUMAR MITTAL & CO.
CHARTERED ACCOUNTANTS

60, 1st Floor, Pocket H-3,
Sector-18, Rohini, DELHI - 110085.
Mobile : 9871411946
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INDEPENDENT AUDITOR'S REPORT

To
The Members of
Pranavaditya Spinning Mills Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Pranavaditya Spinning Mills Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profitand Loss, 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 andother explanatory information.

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 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 loss, 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.

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.

Suresh Kumar Mittal & Co. * Chartered Accountants *

SURESH KUMAR MITTAL & CO.
CHARTERED ACCOUNTANTS

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The plant operations 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, 2020which resulted in production stoppage. Thereafter, the Boardat its meeting held on 21st October 2020 approved the Scheme of Amalgamation of the Company with M/s Indo Count Industries Limited, the Holding Company from the Appointed Date i.e., 1st October,2020or such other date as directed by the Mumbai Bench of the National Company Law Tribunal (NCLT). The Company has received No-objection to the said scheme fromBSE Limited and SEBI.The Company is in the process of filing application with NCLT. Consequently, the accounts have been prepared without giving effect of amalgamation on a going concern basis.(refer notes 15, 31and 41 to the financial statements).

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 12 and 13 to the 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.

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

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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 relatedto 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.

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• 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 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.

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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 ourknowledge 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 Companyso far as it appears from our examination of those books

c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt withbythis Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the AccountingStandards 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, during the year the Company has not paid/provided any remuneration to its directors.

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

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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 notes22 and 32 to the financial statements.

ii. The Company does not have any pending litigations which would impact its financial position.

iii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

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

ANKUR BAGLA
Partner
Membership No.: 521915

Place: New Delhi
Date: 23.04.2021
UDIN: 21521915AAAABY3314

Suresh Kumar Mittal & Co. * Chartered Accountants *

SURESH KUMAR MITTAL & CO.
CHARTERED ACCOUNTANTS

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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 PRANAVADITYA SPINNING MILLS LIMITED ON THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 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, 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 no loans, investments, guarantees and security covered under section 185 and 186 of the Companies Act, 2013 has been given by the Company. Therefore, the provisions of clause (iv) of the order are not applicable to the Company.
(v)	According to the information and explanation given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of the order are not applicable to the Company.
(vi)	We have broadly reviewed the books of account maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 148(1) of the Act, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are neither required to carry out nor have carried out detailed

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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, cess and others as applicable. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31st March 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 31st March 2021except:

Sl. No.	Name of the statute	Nature of the dues	Amount (Rs in lakh)	Period to which the amount relates	Forum where dispute is pending
1.	MVAT Act	Reversal of input tax credit and interest thereon	39.48	2012-2013	Maharashtra Sales Tax Tribunal

(viii) In our opinion and according to the information and explanations given to us, the Company has no outstanding loans or borrowings from financial institutional, bank or government hence provisions of clause (viii) of the order are not applicable to the Company.

(ix) In our opinion, during the year no money has been raised by way of initial public offer or further public offer (including debt instruments) or term loans hence provisions of clause (ix) of the order are not applicable to the Company.

(x) 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 explanation given to us, during the year the Company has not paid/provided any managerial remuneration and hence provisions of clause (xi) of the order are not applicable to the Company.

(xii) The Company is not a nidhi company and hence provisions of clause (xii) of the order are not applicable to the Company

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(xiii)	According to the records examined by us, and information and explanations given to us, all transactions with the related parties are in compliance with Sections 188 and 177 of the Act and necessary details as required by the accounting standards have been disclosed in the standalone financial statements.
(xiv)	The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year ended 31st March 2021.
(xv)	The Company has not entered into any non cash transactions with directors or persons connected with him.
(xvi)	The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934

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

ANKUR BAGLA
Partner
Membership Number: 521915

Place: New Delhi
Date: 23.04.2021
UDIN: 21521915AAAABY3314

Suresh Kumar Mittal & Co. Chartered Accountants

SURESH KUMAR MITTAL & CO.
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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 PRANAVADITYA SPINNING MILLS LIMITED ON THE STANDALONE IND AS FINANCIAL STATEMENTS 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")

We have audited the internal financial controls over financial reporting of Pranavaditya Spinning Mills Limited ("the Company") as of March 31st, 2021 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Suresh Kumar Mittal & Co. ★ Chartered Accountants ★

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 Reg. No.: 500063N

ANKUR BAGLA
Partner
Membership Number: 521915

Place: New Delhi
Date: 23.04.2021
UDIN: 21521915AAAABY3314

Suresh Kumar Mittal & Co. Chartered Accountants

PRANAVADITYA SPINNING MILLS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2021

Rs. in lakhs

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
ASSETS			
(1) **Non-Current Assets**			
(a) Property, Plant and Equipment	5	2,413.98	2,534.88
(b) Deferred Tax Assets (Net)	16	243.76	19.18
(c) Other Non-Current Assets	6	0.69	0.69
(2) **Current Assets**			
(a) Inventories	7	4.26	662.19
(b) Financial Assets			
(i) Trade Receivables	8	-	430.40
(ii) Cash and Cash Equivalents	9	32.41	301.20
(iii) Bank Balances other than (ii) above	10	88.34	88.34
(iv) Loans	11	0.01	0.01
(c) Current Tax Assets (Net)	12	171.61	169.38
(d) Other Current Assets	13	114.47	146.44
TOTAL ASSETS		**3,069.53**	**4,352.71**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14	1,924.13	1,924.13
(b) Other Equity		474.16	1,034.98
LIABILITIES			
(1) **Non-Current Liabilities**			
(a) Financial Liabilities			
(i) Provisions	16	-	65.40
(2) **Current Liabilities**			
(a) Financial Liabilities			
(i) Trade Payables			
- Micro & Small Enterprises	18	-	137.65
- Other than Micro & Small Enterprises	19	572.43	923.33
(ii) Other Financial Liabilities	20	30.25	23.48
(b) Other Current Liabilities	21	68.56	243.74
TOTAL EQUITY AND LIABILITIES		**3,069.53**	**4,352.71**
CONTINGENT LIABILITIES AND COMMITMENTS	**22, 32**		
SIGNIFICANT ACCOUNTING POLICIES	**3, 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

Partner
Membership No.: 521915
Delhi, April 23, 2021

For and on behalf of Board of Directors

S. K. Agarwal
Chairman
DIN - 00400892

Anil Kumar Jain
Director
DIN - 00086106

K. Muralidharan
Chief Financial Office

A.G.Halasangi
Chief Executive Officer

Amruta Avasare
Company Secretary
Mumbai, April 23, 2021

Suresh Kumar Mittal & Co. Chartered Accountants

PRANAVADITYA SPINNING MILLS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Rs. in lakhs

Particulars	Note No.	For the year ended 31.03.2021	For the year ended 31.03.2020
CONTINUING OPERATIONS			
I INCOME			
Revenue from Operations	23	520.08	6,941.13
Other Income	24	80.15	53.81
TOTAL INCOME		**600.23**	**6,994.94**
II EXPENSES			
Cost of Materials Consumed	25	157.80	5,155.39
Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	26	398.93	9.53
Employee Benefits Expense	27	224.33	877.01
Finance Cost	28	7.72	27.44
Depreciation and Amortisation Expense	29	120.27	124.76
Other Expenses	30	153.16	1,197.20
TOTAL EXPENSES		**1,062.21**	**7,391.33**
III Profit / (Loss) before Exceptional Items and Tax (I-II)		**(461.98)**	**(396.39)**
IV Exceptional Items	31	**(365.04)**	-
V Profit / (Loss) before Tax (III-IV)		**(827.02)**	**(396.39)**
VI Tax Expense			
a) Current Tax		-	-
b) Previous Years Tax		-	-
c) Deferred Tax		(236.16)	(128.14)
VII Profit / (Loss) for the Year (V-VI)		**(590.86)**	**(268.25)**
VIII Other Comprehensive Income			
A Items that will not be reclassified to Profit and Loss			
(i) Remeasurement of the net Defined Benefit Liability / Asset		41.61	(2.76)
(ii) Income Tax relating to items that will not be reclassified to Profit and Loss		(11.58)	0.77
IX Total Comprehensive Income for the Year (VII+VIII)		**(560.83)**	**(270.24)**
X Earnings per Equity Share (in Rs.)	34		
a) Basic		(3.07)	(1.39)
b) Diluted		(3.07)	(1.39)

SIGNIFICANT ACCOUNTING POLICIES 3, 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

S. K. Agarwal
Chairman
DIN - 00400892

Anil Kumar Jain
Director
DIN - 00086106

Partner
Membership No.: 521915
Delhi, April 23, 2021

K. Muralidharan
Chief Financial Officer

A.G.Halasangi
Chief Executive Officer

Amruta Avasare
Company Secretary
Mumbai, April 23, 2021

Suresh Kumar Mittal & Co. Chartered Accountants

PRANAVADITYA SPINNING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

A. EQUITY SHARE CAPITAL

Particulars	Note	Rs. in lakhs
As at 31st March, 2019		**1,924.13**
Changes in Equity Share Capital		-
As at 31st March, 2020		**1,924.13**
Changes in Equity Share Capital		-
As at 31st March, 2021	15(a)	**1,924.13**

B. OTHER EQUITY

Rs. in lakhs

Particulars	Reserves & Surplus		Total
	Capital Reserve	Retained Earnings	
Balance as at 31.03.2019	**25.00**	**1,280.22**	**1,305.22**
Profit for the Year	-	(268.25)	(268.25)
Other Comprehensive Income for the Year	-	(1.99)	(1.99)
Total Comprehensive Income for the year	-	**(270.24)**	**(270.24)**
Balance as at 31.03.2020	**25.00**	**1,009.98**	**1,034.98**
Profit for the Year	-	(590.86)	(590.86)
Other Comprehensive Income for the Year	-	30.03	30.03
Total Comprehensive Income for the year	-	**(560.83)**	**(560.83)**
Balance as at 31.03.2021	**25.00**	**449.16**	**474.16**

Nature and purpose of reserves:
Capital Reserve: Standing in books against capital subsidy received for establishing manufacturing unit.

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

Partner
Membership No.: 521915
Delhi, April 23, 2021

For and on behalf of Board of Directors

S. K. Agrawal
Chairman
DIN - 00400892

Anil Kumar Jain
Director
DIN - 00086106

K. Muralidharan
Chief Financial Office

A.G.Halasangi
Chief Executive Officer

Amruta Avasare
Company Secretary
Mumbai, April 23, 2021

Suresh Kumar Mittal & Co. * Chartered Accountants *

PRANAVADITYA SPINNING MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Rs. in lakhs

	Particulars	for the Year ended 31.03.2021		for the Year ended 31.03.2020	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit / (Loss) before Exceptional Items and Tax		**(461.98)**		**(396.38)**
	Adjustments for:				
	Depreciation and Amortisation		120.27		124.76
	Finance Cost		7.72		27.44
	Interest Income		(13.25)		(5.22)
	Other Comprehensive Income		41.61		(2.75)
	Exceptional Items		(365.04)		-
	Operating profit / (Loss) before Working Capital changes		**(670.67)**		**(252.15)**
	Changes in Working Capital:				
	Adjustment for (increase) / decrease in Operating Assets:				
	Inventories	657.93		63.59	
	Trade Receivables	430.40		487.27	
	Current Financial Assets	-		4.39	
	Other Current Assets	31.97	1,120.30	10.95	566.20
	Adjustment for increase / (decrease) in Operating Liabilities:				
	Non Current Provisions	(65.40)		7.33	
	Trade Payables	(488.53)		198.32	
	Other Current Financial Liabilities	6.77		7.41	
	Other Current Liabilities	(175.18)	(722.34)	(233.26)	(20.20)
	Net Income Tax (paid) / refunds		(2.23)		(1.71)
	Net Cash Flow from / (used in) Operating Activities (A)		**(274.94)**		**292.14**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Tangible Assets		(0.46)		(0.75)
	Proceeds from Sale of Fixed Assets		1.08		-
	Interest Received - Others		13.25		5.22
	Net Cash Flow from / (used in) Investing Activities (B)		**13.87**		**4.47**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Finance Cost		(7.72)		(27.44)
	Net Cash Flow from / (used in) Financing Activities (C)		**(7.72)**		**(27.44)**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		**(268.79)**		**269.17**
	Cash and Cash Equivalents at the beginning of the Year		301.20		32.03
	Cash and Cash Equivalents at the end of the Year		**32.41**		**301.20**
	Reconciliation of Cash and Cash Equivalents with the Balance Sheet:				
	Cash and Cash Equivalents as per Balance sheet		**32.41**		**301.20**
	Cash and Cash Equivalents at the end of the Year Comprises of:				
	(a) Cash in Hand		0.04		1.11
	(b) In Current Accounts		32.37		300.09

As per our Report of even date

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

Partner
Membership No.: 521915
Delhi, April 23, 2021

For and on behalf of Board of Directors

S. K. Agrawal
Chairman
DIN - 00400892

Anil Kumar Jain
Director
DIN - 00086106

K. Muralidharan
Chief Financial Officer

A.G.Halasangi
Chief Executive Officer

Amruta Avasare
Company Secretary
Mumbai, April 23, 202

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2021

1. CORPORATE INFORMATION

Pranavaditya Spinning Mills Limited (the 'Company') is a limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at Office No.2, Plot No.266, Village Alte, Kumbhoj Road, Taluka Hatkanagale, Dist. Kolhapur-416109, Maharashtra, India.

The Company is a Spinning Unit engaged in the manufacture of cotton yarn.

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 April 23, 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 statement are presented in Indian Rupees ('INR') and all values are rounded to the nearest lakhs, except otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment 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

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NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2021

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 date of addition / deletion.

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.

The Company, based on technical assessment made by technical expert and management estimate, depreciates 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.

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.

In case of pre-owned assets, the useful life is estimated on a case to case basis.

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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.

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

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

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

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

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

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

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

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.

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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 transaction is 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:

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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. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

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

3.7 Cash and cash equivalents

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

3.8 Foreign currency transactions

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

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

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

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- 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

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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 judgements and changes in those judgements as well as assets recognized from costs incurred to fulfill these contracts.

The Company has adopted Ind AS 115 w.e.f. 1 April, 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:

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

3.12 Government Grants

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

When the grant relates to the purchase of property, plant and equipment, it is 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:

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

Deferred Tax:

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

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

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

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

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.

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d) Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit before tax to the Company.
e) Segment assets and liabilities include those directly identifiable with respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

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

3.16 Leases

The 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

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

ii) Post-employment benefits

a) Defined contribution plans

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

b) Defined Benefit Plans

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

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

Remeasurements, comprising of actuarial gain and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which

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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 Provision, Contingent liabilities, Contingent assets and Commitments

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of 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 the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

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

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

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

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 the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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

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

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

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- 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.

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- **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 the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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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.

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ii) Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowing are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee

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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 higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms of an existing liability 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 respects of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

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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 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 there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the

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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.

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NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2021

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 and unbilled revenues. 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31ST MARCH, 2021

5. PROPERTY, PLANT AND EQUIPMENT

Rs. in lakhs

Particulars	Land - Freehold	Buildings	Plant & Machinery	Furniture & Fixtures	Factory & Office Equipments	Vehicles	Total
Gross Carrying Amount							
As at 01.04.2020	846.21	1,016.97	4,078.77	53.81	132.40	36.32	6,164.48
Additions	-	-	-	-	0.46	-	0.46
Disposals / Transfers	-	-	-	-	-	21.62	21.62
As at 31.03.2021	846.21	1,016.97	4,078.77	53.81	132.86	14.70	6,143.32
Accumulated Depreciation							
As at 01.04.2020	-	369.12	3,063.05	51.28	118.86	27.29	3,629.60
Depreciation charged for the year	-	17.70	97.18	0.01	4.26	1.13	120.28
Disposals / Transfers	-	-	-	-	-	20.54	20.54
As at 31.03.2021	-	386.82	3,160.23	51.29	123.12	7.88	3,729.34
Net Carrying Amount							
As at 31.03.2020	846.21	647.85	1,015.72	2.53	13.54	9.03	2,534.88
As at 31.03.2021	846.21	630.15	918.54	2.52	9.74	6.82	2,413.98

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NOTES TO THE FINANCIAL STATEMENTS

6. **OTHER NON-CURRENT ASSETS**
(Unsecured-considered good)

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Security Deposits	0.69	0.69
TOTAL	**0.69**	**0.69**

7. **INVENTORIES**

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Raw Materials	-	249.62
Work in Progress	-	164.22
Finished Goods	-	211.63
Waste	-	23.08
Stores & Spares	4.26	13.64
TOTAL	**4.26**	**662.19**

8. **TRADE RECEIVABLES**

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Receivables exceeding Six Months	-	-
Receivables - Others	-	430.40
Receivables which have significant increase in Credit Risk	-	-
Receivables - Credit Impaired	-	-
TOTAL	-	**430.40**
Current Portion	-	430.40
Non-Current Portion	-	-
Break-up of Security Details:		
Secured, Considered Good	-	-
Unsecured, Considered Good	-	430.40
TOTAL	-	**430.40**

Refer Note No. 39 for information about Credit Risk and Market Risk of Trade Receivables.

9. **CASH AND CASH EQUIVALENTS**

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Cash in Hand	0.04	1.11
Balances with Banks:		
- In Current Accounts	32.37	300.09
-Fixed Deposits	-	-
TOTAL	**32.41**	**301.20**

10. **BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Balances with Banks		
- Held as Margin / Fixed Deposits (a)	88.34	88.34
TOTAL	**88.34**	**88.34**

(a) Includes receipts of Rs. 88.34 lakhs (previous year Rs. 88.34 lakhs) held with bank as margin money against guarantee given to MSEDCL.

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11. CURRENT FINANCIAL LOANS

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Security Deposits	0.01	0.01
TOTAL	**0.01**	**0.01**
Break-up:		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	0.01	0.01
Loans which have significant increase in Credit Risk	-	-
Loans - Credit Impaired	-	-
TOTAL	**0.01**	**0.01**

Refer Note No. 39 for information about Credit Risk and Market Risk of Loans.

12. CURRENT TAX ASSETS

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Advance Income Tax (including tax deducted at source)	5.75	3.52
Refund Due	8.28	8.28
MAT Credit Entitlement	157.58	157.58
TOTAL	**171.61**	**169.38**

13. OTHER CURRENT ASSETS

(Unsecured-considered good)

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Export Incentives / Claims Recoverable	-	6.03
Balances with VAT Authorities	8.60	37.39
Balances with GST Authorities	1.77	40.18
Interest accrued on Deposits	0.92	0.86
Advance to Suppliers	0.15	1.50
Others	103.03	60.48
TOTAL	**114.47**	**146.44**

14. SHARE CAPITAL

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Authorised:		
Equity Shares		
1,92,70,000 Equity Shares of Rs. 10 each	1,927.00	1,927.00
Issued, Subscribed and Paid-up:		
1,92,41,280 Equity Shares of Rs. 10 each	1,924.13	1,924.13

Notes:

(a) Reconciliation of the number of the shares outstanding at the beginning and at the end of the year:

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	Rs. in lakhs	No. of Shares	Rs. in lakhs
Authorised:				
Equity Shares of Rs. 10 each				
Balance at the beginning of the year	1,92,70,000	1,927.00	1,92,70,000	1,927.00
Balance at the end of the year	**1,92,70,000**	**1,927.00**	**1,92,70,000**	**1,927.00**
Issued, Subscribed and Paid-Up:				
Equity Shares of Rs. 10 each				
Balance at the beginning of the year	1,92,41,280	1,924.13	1,92,41,280	1,924.13
Balance at the end of the year	**1,92,41,280**	**1,924.13**	**1,92,41,280**	**1,924.13**

The Company has not issued any Equity Shares during the current and in the previous year.

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(b) Terms / Rights attached to Equity Shares:

(i) The Company has only one class of Equity Shares having a par value of Rs. 10 per share. 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 shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at 31.03.2021		As at 31.03.2020	
	%	No.of Shares	%	No.of Shares
Indo Count Industries Limited (Holding Company)	74.53%	1,43,41,280	74.53%	1,43,41,280

(d) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

15. The Board of Directors of your Company at its meeting held on 21st October, 2020 approved the Scheme of Amalgamation of the Company with Indo Count Industries Limited, Holding Company subject to requisite approvals. The appointed date for said amalgamation is 1st October, 2020 and said amalgamation shall be effective upon filing of the order of Hon'ble National Company Law Tribunal (NCLT) with Registrar of Companies. The Company has received observation letter from BSE Limited and Securities and Exchange Board of India (SEBI) conveying their No-Objection to the scheme. The Company is in the process of filing application under Section 230 of the Companies Act, 2013 with NCLT.

Upon the Scheme becoming effective, with effect from appointed date, the Business (along with all assets and liabilities thereof) of the Company shall be transferred and vested with the transferee Company i.e. Indo Count Industries Limited (ICIL) on a going concern basis. As a consideration for the amalgamation, the transferee Company will issue its equity shares to the shareholders of the Company/transferor company as on the record date in a share exchange ratio of 2:15 (i.e. 2 (Two) fully paid up equity shares of Rs. 2/- each of Indo Count Industries Limited (ICIL) would be issued to the Equity Shareholders of transferor company, for every 15 (Fifteen) equity shares of Rs. 10/- each. fully paid up.

16. NON-CURRENT PROVISIONS

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Provision for Employee Benefits	-	65.40
TOTAL	**-**	**65.40**

17. INCOME TAX

The major components of Income Tax expense for the years ended 31 March, 2021 and 31 March, 2020 are:

STATEMENT OF PROFIT AND LOSS:

Profit and Loss section

Particulars	Rs. in lakhs	
	31.03.2021	31.03.2020
Current Income Tax:		
Adjustments in respect of Current Income Tax of previous year	-	-
Deferred Tax:		
Relating to origination and reversal of temporary differences	(236.16)	(128.14)
Income Tax expense reported in the Statement of Profit and Loss	**(236.16)**	**(128.14)**

Other Comprehensive Income (OCI) section

Particulars	Rs. in lakhs	
	31.03.2021	31.03.2020
Net loss / (gain) on remeasurements of defined benefit plans	11.58	(0.77)
Income Tax charged to OCI	**11.58**	**(0.77)**

DEFERRED TAX

Particulars	Rs. in lakhs			
	Balance Sheet		Profit and Loss	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Deferred Tax relates to the following:				
Expenses allowable on payment basis	3.01	29.48	26.47	3.08
Unused Tax losses / depreciation	794.81	566.59	(228.22)	1.49
Accelerated depreciation for Tax purpose	(554.06)	(576.89)	(22.83)	(133.48)
	243.76	**19.18**	**(224.58)**	**(128.91)**
Deferred Tax expenses / (income)				
- Recognised in Profit and Loss	-	-	(236.16)	(128.14)
- Recognised in OCI	-	-	11.58	(0.77)
Deferred Tax Assets / (Liabilities)	243.76	19.18	-	-
	243.76	**19.18**	**(224.58)**	**(128.91)**

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NOTES TO THE FINANCIAL STATEMENTS

Net Deferred Tax Assets / (Liabilities)

Reflected in the Balance Sheet as follows:

Particulars	Rs. in lakhs	
	31.03.2021	31.03.2020
Deferred Tax Assets	797.82	596.07
Deferred Tax Liabilities	(554.06)	(576.89)
Deferred Tax Liabilities (net)	**243.76**	**19.18**

Reconciliation of Deferred Tax Liabilities (net)

Particulars	Rs. in lakhs	
	31.03.2021	31.03.2020
Opening Balance as of 1 April	19.18	(109.73)
Tax income / (expense) during the period recognised in Profit and Loss	236.16	128.14
Tax income / (expense) during the period recognised in OCI	(11.58)	0.77
Closing Balance as at 31 March	**243.76**	**19.18**

18. TRADE PAYABLES DUE TO MICRO & SMALL ENTERPRISES

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Payables	-	137.65
TOTAL	-	**137.65**

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:

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
a) The principal amount remaining unpaid to any supplier at the end of the year	-	137.65
b) Interest accrued and due to suppliers under the Act, on the above amount	-	1.28
c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	215.29
d) Interest paid to suppliers under the Act	-	-
e) Interest due and payable to suppliers under the Act, for payments already made	-	0.85
f) Interest accrued and remaining unpaid at the end of the year under the Act	-	1.28
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.

19. TRADE PAYABLES DUE TO OTHER THAN MICRO AND SMALL ENTERPRISES

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Payable to Holding Company	572.43	571.61
Payable to Others	-	351.72
TOTAL	**572.43**	**923.33**

20. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Security Deposits	30.25	0.35
Other Payables	-	23.13
TOTAL	**30.25**	**23.48**

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NOTES TO THE FINANCIAL STATEMENTS

21. OTHER CURRENT LIABILITIES

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Advance from Customers:		
- from Holding Company		-
- from Others	-	34.84
Other Payables (a)	68.56	208.90
TOTAL	**68.56**	**243.74**

(a) There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.

22. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 37 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Movement in Provisions / Contingent Liabilities

Particulars	Bank Guarantees		Income Tax	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Carrying amount at the beginning of the year*	88.34	88.34	0.40	0.40
Additions made during the year#	-	-	-	-
Carrying amount at the end of the year*	88.34	88.34	0.40	0.40

Particulars	VAT		Other Litigation Claims		Total	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Carrying amount at the beginning of the year*	-	-	10.94	9.61	99.68	98.35
Additions made during the year#	43.87	-	1.30	1.33	45.16	1.33
Carrying amount at the end of the year*	43.87	-	12.24	10.94	144.84	99.68

*Carrying amounts comprise of non-current and current provisions.

#Additional provision made during the year is included in the respective head of accounts.

(b) **Nature of Provisions:**

(i) Provision for Excise Duty / Customs Duty / Service Tax represents the differential liability that is expected to materialise in respect of matters in

(ii) Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

23. REVENUE FROM OPERATIONS

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
1) Sale of Products *		
- Manufactured	519.48	6,893.32
2) Other Operating Revenue		
- Export Incentives / Benefits	0.60	47.81
REVENUE FROM OPERATIONS	**520.08**	**6,941.13**

* Includes sale to Holding Company Rs. 198.67 lakhs (previous year Rs. 476.49 lakhs).

Disaggregation of Revenue

Revenue based on Geography

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
Domestic	480.20	4,084.83
Export	39.88	2,856.30
REVENUE FROM OPERATIONS	**520.08**	**6,941.13**

Reconciliation of Revenue from Operations with Contract Price

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
Contract Price	520.08	6,943.78
Less:		
Sales Returns	-	-
Others	-	2.65
REVENUE FROM OPERATIONS	**520.08**	**6,941.13**

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NOTES TO THE FINANCIAL STATEMENTS

24. OTHER INCOME

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
Interest - Banks	8.98	4.85
Interest - Others	4.27	0.37
Miscellaneous Receipts and Incomes	5.93	-
Income Staff Deployment	11.60	-
Exchange Rate Difference (net)	-	37.40
Rent Received	30.16	10.98
Sundry balances / Excess provision written back (net)	0.02	0.21
Liability no longer payable written back	19.19	0.00
TOTAL	**80.15**	**53.81**

25. COST OF MATERIALS CONSUMED

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
Raw Material & Components Consumed		
Opening Stock	249.62	296.95
Add: Purchases	23.92	5,108.06
Less : Material Returned out of Opening Stock	115.74	-
SUB-TOTAL	**157.80**	**5,405.01**
Less: Closing Stock	-	249.62
COST OF MATERIAL CONSUMED	**157.80**	**5,155.39**

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

Particulars		Rs. in lakhs	
		For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
Opening Stock			
Finished Goods		211.63	205.48
Stock in Process		164.22	191.99
Waste		23.08	10.99
SUB-TOTAL	A	**398.93**	**408.46**
Less: Closing Stock			
Finished Goods		-	211.63
Stock in Process		-	164.22
Waste		-	23.08
SUB-TOTAL	B	-	**398.93**
(INCREASE) / DECREASE IN STOCK	A-B	**398.93**	**9.53**

27. EMPLOYEE BENEFITS EXPENSE

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
Salaries & Wages	186.25	766.40
Contribution to Provident & Other Funds	14.69	67.38
Gratuity	22.76	19.41
Staff Welfare Expense	0.63	23.82
TOTAL	**224.33**	**877.01**

28. FINANCE COST

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
Interest Expense		
- Banks	1.24	9.12
- Others	3.97	5.57
Bank Charges	2.51	12.75
TOTAL	**7.72**	**27.44**

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29. DEPRECIATION & AMORTISATION EXPENSE

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
Depreciation	120.27	124.76
TOTAL	**120.27**	**124.76**

30. OTHER EXPENSES

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
Consumption of Stores, Spares and Packing Materials	3.03	138.74
Power & Fuel	79.70	842.96
Rates, Taxes & Fees	13.75	10.68
Insurance	17.20	16.08
Repairs to Machinery	0.73	8.40
Repairs to Buildings	0.05	0.26
Commission & Brokerage	1.43	58.34
Freight Outward	1.93	74.91
Miscellaneous Expenses (a)	35.34	46.83
TOTAL	**153.16**	**1,197.20**

(a) Includes payment to Statutory Auditors

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
As Statutory Audit Fees	2.00	2.00
As Quarterly Audit / Limited Review Fees	1.50	1.50
As Tax Audit Fees	0.50	0.50
In Other Capacity	0.13	0.13
TOTAL	**4.13**	**4.13**

31. Exceptional item represents the expenditure incurred on account of VRS/Separation Scheme approved by the Board on July 15, 2020.

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

A. Contingent Liabilities

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
i) Bank Guarantees	88.34	88.34
ii) Pending Labour Cases	12.24	10.94
iii) Income Tax Matter	0.40	0.40
iv) VAT	43.87	-

B. Commitments: Nil

33. RELATED PARTY DISCLOSURE

Related party disclosures as required by IND-AS 24 "Related Party Disclosures" are given below:

i) **Key Management Personnel:**
Ashok G. Halasangi - Chief Executive Officer

ii) **Holding Company:**
Indo Count Industries Ltd.

Rs. in lakhs

Nature of transaction	Holding Company		Key Management Personnel		Total	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Transactions during the year:						
- Remuneration Paid	-	-	19.85	19.87	19.85	19.87
- Purchase of Raw Material	-	2,484.34	-	-	-	2,484.34
- Purchase of Stores	-	0.16	-	-	-	0.16
- Purchase of Fixed Assets	-	0.39	-	-	-	0.39
- Reimbursement of Expenses	0.02	51.29	-	-	0.02	51.29
- Sale of Goods	198.67	476.49	-	-	198.67	476.49
- Sale of Stores & Packing Material	8.86	-	-	-	8.86	-
- Rent Received	30.15	10.98	-	-	30.15	10.98
- Salary for Deputed Staff	11.60	-	-	-	11.60	-
Balance Outstanding at the year end:						
- Creditors for Raw Material	566.44	567.74	-	-	566.44	567.74
- Creditors for Others	6.00	4.85	-	-	6.00	4.85
- Debtors for Services	-	0.99	-	-	-	0.99

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

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34. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 33 "EARNINGS PER SHARE"

Particulars	UoM	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
Face Value of Equity Share	Rs	10.00	10.00
Weighted Average number of Equity Shares outstanding	Nos.	1,92,41,280	1,92,41,280
Profit / (Loss) for the year (Continuing Operations)	Rs.in lakhs	(590.86)	(268.25)
EARNING PER SHARE (BASIC AND DILUTED)	**Rs.**	**(3.07)**	**(1.39)**

35. The Company is exclusively engaged in the activity of manufacture of the cotton yarn 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.

36. OTHER INFORMATION

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
Expenditure in Foreign Currency		
- Selling Commission / Claims	-	8.26
Earnings in Foreign Currency		
- FOB Value of Exports	213.80	3,190.51
(Including deemed exports of Rs. 182.42 lakhs (previous year Rs. 416.40		

37. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 19 "EMPLOYEE BENEFITS"

(a) Defined Contribution Plans:

Amount of Rs. 14.69 lakhs (previous year Rs. 67.38 lakhs) is recognised as an expense and included in Employee Benefits Expense paid under the following defined contribution plans (Refer Note 27, supra):

Particulars	Rs. in lakhs	
	For the year 01.04.2020 to 31.03.2021	For the year 01.04.2019 to 31.03.2020
Benefits (Contribution to):		
Provident fund	11.80	48.21
Employee State Insurance Scheme	2.90	18.88
Labour Welfare Scheme	(0.01)	0.29
TOTAL	**14.69**	**67.38**

(b) 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 15 days' salary for each completed year of service, subject to maximum of 90 days till retirement.

The Company makes annual contributions to the Life Insurance Corporation of India, which is funded defined benefit plan for qualifying employees.

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Sr. No.	Particulars	Rs. in lakhs			
		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	193.92	163.91	31.49	28.96
2	Interest cost	12.41	12.34	1.93	2.15
3	Current service cost	22.76	19.41	5.43	5.04
4	Past service cost	-	-	-	-
5	Liability transfer from other Company	-	-	-	-
6	Liability transferred out/ divestment	-	-	-	-
7	Benefits paid directly by employer	-	-	-	-
8	Benefits paid	(166.20)	(4.82)	(19.67)	(0.99)
9	Actuarial changes arising from changes in demographic assumptions	-	(0.03)	-	(0.00)
10	Actuarial changes arising from changes in financial assumptions	0.48	12.13	0.18	2.57
11	Actuarial changes arising from changes in experience adjustments	(44.55)	(9.04)	(11.92)	(6.23)
12	Present Value of defined benefit obligation at the end of the year	18.82	193.92	7.44	31.49
II	**Change in fair value of plan assets during the year**				
1	Fair value of plan assets at the beginning of the year	128.52	105.85	37.99	31.60
2	Interest Income	6.17	8.46	1.94	2.51
3	Contributions paid by the employer	88.52	19.03	-	4.88
4	Benefits paid from the fund	(166.20)	(4.82)	(19.67)	(0.99)
5	Assets transferred out/ divestments	-	-	-	-
6	Return on plan assets excluding interest income	-	-	-	-
7	Fair value of plan assets at the end of the year	57.03	128.52	20.26	37.99
III	**Net asset / (liability) recognised in the balance sheet**				
1	Present Value of defined benefit obligation at the end of the year	18.82	193.92	7.44	31.49
2	Fair value of plan assets at the end of the year	57.03	128.52	20.26	37.99
3	Amount recognised in the balance sheet	(38.20)	65.40	(12.82)	(6.50)
4	Net (liability) / asset - current	-	-	-	-
5	Net (liability) / asset - non-current	38.20	(65.40)	12.82	6.50
IV	**Expenses recognised in the statement of profit and loss for the year**				
1	Current service cost	22.76	19.41	5.43	5.04
2	Interest cost on benefit obligation (net)	3.77	4.19	(0.62)	4.33
3	Actuarial changes arising from changes in demographic assumptions	-	-	-	-
4	Actuarial changes arising from changes in financial assumptions	-	-	-	-
5	Actuarial changes arising from changes in experience adjustments	-	-	(11.92)	(6.23)
6	Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset)' above	-	-	0.80	(2.12)
7	Total expenses included in employee benefits expense	26.53	23.61	(6.32)	1.01
V	**Recognised in other comprehensive income for the year**				
1	Actuarial changes arising from changes in demographic assumptions	-	(0.03)	-	-
2	Actuarial changes arising from changes in financial assumptions	0.48	12.13	-	-
3	Actuarial changes arising from changes in experience adjustments	(44.55)	(9.05)	-	-
4	Return on plan assets excluding interest income	2.46	(0.31)	-	-
5	Recognised in other comprehensive income	(41.61)	2.76	-	-
VI	**Maturity profile of defined benefit obligation**				
1	Within the next 12 months (next annual reporting period)	7.11	18.46	2.93	5.56
2	Between 2 and 5 years	3.37	42.67	1.46	6.37
3	Between 6 and 10 years	6.75	85.68	2.45	11.30
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) Hundred basis point increase in discount rate	(17.81)	(176.46)	(7.06)	(28.87)
	(ii) Hundred basis point decrease in discount rate	19.97	214.23	7.87	34.56
	(i) Hundred basis point increase in rate of salary increase	19.86	213.98	7.86	34.52
	(ii) Hundred basis point decrease in rate of salary increase	(17.89)	(176.35)	(7.06)	(28.85)

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NOTES TO THE FINANCIAL STATEMENTS

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

Particulars	Gratuity		Leave Encashment	
	2020-21 (funded)	2019-20 (funded)	2020-21 (funded	2019-20 (funded)
Insurer Managed Funds	100%	100%	100.00%	100.00%

X Actuarial Assumptions

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2020-21 (funded)	2019-20 (funded)	2020-21 (funded	2019-20 (funded)
1	Discount Rate	6.26% p.a.	6.72% p.a.	6.26% p.a.	6.72% p.a.
2	Salary Escalation	7.00%	7.00%	7.00%	7.00%
3	Mortality rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
4	Mortality post retirement rate	NA	NA	NA	NA
5	Employee Rate Turnover	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.
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 31 March, 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.

38. 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:

1 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.

2 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 receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Leval 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Rs.in lakhs

Particulars	Carrying amount	Fair Value		
	As at 01.04.2020	Level 1	Level 2	Level 3
Financial Assets at Amortised Cost:				
Trade Receivables	430.40	-	-	-
Loans and Other Receivables (Current)	0.01	-	-	0.01
Cash and Bank Balances	301.20	-	-	-
Bank Deposits	88.34	-	-	-
TOTAL	**819.95**	-	-	**0.01**
Financial Assets at fair value through Profit and Loss:				
Derivative instruments	-	-	-	-
Investments	-	-	-	-
TOTAL	-	-	-	-
Financial Liabilities at Amortised Cost:				
Trade and Other Payables	1,060.97	-	-	-
Other Financial Liabilities (Current)	23.48	-	-	23.48
TOTAL	**1,084.45**	-	-	**23.48**

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Rs.in lakhs

Particulars	Carrying amount	Fair Value		
	As at 31.03.2021	Level 1	Level 2	Level 3
Financial Assets at Amortised Cost:				
Trade Receivables	-	-	-	-
Loans and Other Receivables (Current)	0.01	-	-	0.01
Cash and Bank Balances	32.41	-	-	-
Bank Deposits	88.34	-	-	-
TOTAL	**120.76**	-	-	**0.01**
Financial Assets at fair value through Profit and Loss:				
Investments	-	-	-	-
TOTAL	-	-	-	-
Financial Liabilities at Amortised Cost:				
Trade and Other Payables	572.43	-	-	-
Other Financial Liabilities (Current)	30.25	-	-	30.25
TOTAL	**602.68**	-	-	**30.25**

During the reporting period ending 31 March, 2021 and 31 March, 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 31.03.2021	As at 31.03.2020
Other Financial Liabilities (Non-Current)	Discounted Cash Flow method using risk adjusted discount rate	

39. 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 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, 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 includes management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expense and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

Foreign Currency Risk

The Company operates internationally and portion of the business is transacted in serveral currencies and consequently the Company is exposed to foreign exchange risk through its sales and services 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.

Particulars	Foreign Currency in lakhs	
	USD	Total
Foreign Currency exposure as at 31 March, 2020		
Trade Receivables	3.25	3.25
Other Current Financial Liabilities	0.06	0.06
Foreign Currency exposure as at 31 March, 2021		
Trade Receivables	-	-
Other Current Financial Liabilities	-	-

Foreign Currency Sensitivity

5 % increase or decrease in foreign exchange rates will have the following impact on profit before tax:

Rs. in lakhs

Particulars	2020-21		2019-20	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	-	-	250.31	(250.31)
Increase / (Decrease) in Profit or Loss	-	-	**250.31**	**(250.31)**

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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 increases 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. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. 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 Statement of Profit and Loss.

The Company measures the expected credit loss of trade receivables and loan from individual customer based on historical trend, industrial practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on historical data, loss on collection of receivable is not material, hence no additional provision considered.

Exposure to Credit Risk

Rs. in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Financial Assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and Bank Balances	32.41	301.20
Bank Deposits	88.34	88.34
Current Loans and Advances	0.01	0.01

Rs. in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Financial Assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade Receivables	-	430.40

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	Rs. in lakhs
As at 31.03.2021	
Not Due	-
Up to 3 months	-
TOTAL	-
As at 31.03.2020	
Not Due	328.51
Up to 3 months	101.89
TOTAL	**430.40**

During the year the Company has recognised loss allowance of Rs. Nil Under 12 months Expected Credit Loss model.
No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity Profile of Financial Liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilties at the reporting date based on contractual undiscounted payments.

As at 31.03.2021 Rs. in lakhs

Particulars	Less than 1 year	1 to 5 years	Total
Trade Payables	572.43	-	572.43
Other Financial Liabilities	30.25	-	30.25

As at 31.03.2020 Rs. in lakhs

Particulars	Less than 1 year	1 to 5 years	Total
Trade Payables	1,060.98	-	1,060.98
Other Financial Liabilities	23.48	-	23.48

Suresh Kumar Mittal & Co. Chartered Accountants

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:

Particulars	Rs. in lakhs	
	As at 31.03.2021	As at 31.03.2020
Total Debt	-	-
Equity	2,398.28	2,959.11
Capital and Debt	**2,398.28**	**2,959.11**
GEARING RATIO	0%	0%

40. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013.

There are no loans given, investment made and guarantee given, covered under section 186(4) of the Companies Act, 2013.

41. The World Health Organization announced a global health emergency due to a new strain of coronavirus ("COVID-19") and classified this outbreak as a pandemic in March 2020 following which Government of India announced a countrywide lockdown from March 24, 2020. The manufacturing operations was temporarily shut down from 23rd March 2020 and after a period of ~ 45 days, restarted partially from 6th May 2020 with limited workforce and on single shift basis. Due to COVID -19 pandemic, restriction on mobility and social distancing norms, labour attendance was poor, as a consequence of which manufacturing operations suffered. Further, from August, 2020 due to separation of all workers under VRS/Separation Scheme announced by the Company, the production at Company's factory was stopped. Since the separation of workers, as aforementioned, overlapped with the pandemic period, and the consequent production stoppage, it is difficult to assess the business and financial impact due to Covid-19.

As per our Report of even date

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

Partner
Membership No.: 521915
Delhi, April 23, 2021

Suresh Kumar Mittal & Co. Chartered Accountants

For and on behalf of Board of Directors

S. K. Agrawal
Chairman
DIN - 00400892

Anil Kumar Jain
Director
DIN - 00086106

K. Muralidharan
Chief Financial Officer

A.G.Halasangi
Chief Executive Officer

Amruta Avasare
Company Secretary
Mumbai, April 23, 2021

PRANAVADITYA SPINNING MILLS LIMITED
CIN No.: L17119PN1990PLC058139
Regd. Off. - Office No.2, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416 109.
e-mail - investors@pranavaditya.com; website - www.pranavaditya.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2021

PART - I (Rs. in Lakhs except EPS)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30-Jun-21 Unaudited	31-Mar-21 Audited	30-Jun-20 Unaudited	31-Mar-21 Audited
1	**Income**				
	Revenue from Operations	-	-	**197.07**	**520.08**
	Other Operating Income	32.84	31.43	6.66	80.15
	Total Income	**32.84**	**31.43**	**203.73**	**600.23**
2	**Expenditure**				
	Cost of Materials Consumed	-	-	130.18	157.80
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	-	-	50.92	398.93
	Employee Benefits Expense	29.26	46.48	103.13	224.33
	Finance Costs	0.65	2.73	4.45	7.72
	Depreciation and Amortisation	21.38	29.59	30.13	120.27
	Power and Fuel	3.29	3.07	32.96	79.70
	Other Expenses	11.35	14.54	18.21	73.46
	Total Expenses	**65.93**	**96.41**	**369.98**	**1062.21**
3	**Profit/ (loss) before Exceptional items and Tax (1-2)**	**(33.09)**	**(64.98)**	**(166.25)**	**(461.98)**
4	**Exceptional items (Refer Note No. 4)**	-	-	-	**(365.04)**
5	**Profit/ (loss) before Tax (3+4)**	**(33.09)**	**(64.98)**	**(166.25)**	**(827.02)**
6	**Tax Expense**				
	Current Tax	-	-	-	-
	Deferred Tax	(3.46)	(18.01)	(46.25)	(236.16)
	Total Tax Expense	**(3.46)**	**(18.01)**	**(46.25)**	**(236.16)**
7	**Net Profit / (Loss) for the Period (3-4)**	**(29.63)**	**(46.97)**	**(120.00)**	**(590.86)**
8	Other Comprehensive Income (after tax)				
	Items that will not be reclassified to Profit or Loss	0.70	30.53	(0.50)	30.03
9	**Total Comprehensive Income (5+6)**	**(28.93)**	**(16.44)**	**(120.50)**	**(560.83)**
10	Paid up Equity Share Capital (Face Value of Rs 10/- each)	1924.13	1924.13	1924.13	1924.13
11	Other Equity				474.16
12	**Earnings Per Share of Rs. 10/- each (not annualised for the quarters):-**				
	a) Basic	(0.15)	(0.24)	(0.62)	(3.07)
	b) Diluted	(0.15)	(0.24)	(0.62)	(3.07)

Notes:

1 The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on July 23, 2021. The Statutory Auditors have carried out a limited review of the above financial results.

2 Figures for Quarter ended June 30, 2021 are not comparable with Quarter ended June 30, 2020 due to (a) temporary shutdown of plant operations in April and May 2020 with lockdown declared by the Government pursuant to outbreak of Covid 19 pandemic; and (b) production stoppage, due to separation of workers by exercising option for VRS/SS announced by the Company in July 2020.

3 Pursuant to the scheme of amalgamation of the Company with Indo Count Industries Limited, Holding Company approved by the Board and No-objection received from BSE Limited and SEBI for the scheme, the Company has filed the application for amalgamation with Hon'ble NCLT during the quarter ended 30th June 2021. The appointed date for the amalgamation is 1st October, 2020 and the scheme will be effective upon filing of order of National Company Law Tribunal (NCLT) approving the scheme with Registrar of Companies.

4 Exceptional item represents the expenditure incurred on account of VRS/Separation Scheme approved by the Board on July 15, 2020.

5 The figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable.

6 The Company mainly operates only in one segment namely "Textiles" and hence segment details are not required to be published.

7 In line with the requirements of Regulation 47(2) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the results are available on the website of BSE Limited at www.bseindia.com and on the Company's website at www.pranavaditya.com.

For and on behalf of the Board of Directors

PRANAVADITYA SPINNING MILLS LTD. MUMBAI

S. K. Agrawal
Chairman
DIN: 00400892

Place: Mumbai
Date: July 23, 2021

SURESH KUMAR MITTAL & CO.
CHARTERED ACCOUNTANTS

60, 1st Floor, Pocket H-3,
Sector-18, Rohini, DELHI - 110085
Phone : 9871411946
E-mail : sureshkmittalco@gmail.com

Auditor's Review Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Pranavaditya Spinning Mills Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Pranavaditya Spinning Mills Limited for the quarter ended 30th June 2021attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').

2. The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, is the responsibility of the Company's Management and has been approved by the Board of Directors of the company. Our responsibility is to issue a report on these financial statements based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. The Statement includes the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year ended March 31,2021 and the published unaudited year-to-date figures up to the third quarter of that financial year, which were subjected to a limited review by us, as required under the listing Regulations.

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

Suresh Kumar Mittal & Co. Chartered Accountants

(Ankur Bagla)
PARTNER
Membership Number: 521915

Place: New Delhi
Date:23th July,2021
UDIN: 21521915AAAADS4658

INDO COUNT

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REPORT ADOPTED BY THE BOARD OF DIRECTORS OF INDO COUNT INDUSTRIES LIMITED ("COMPANY" OR "ICIL") AT THE MEETING HELD ON OCTOBER 21, 2020 AT 12:30 P.M. (IST) THROUGH VIDEO CONFERENCING (VC) PURSUANT TO THE PROVISIONS OF SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 IN THE SCHEME OF AMALGAMATION OF PRANAVADITYA SPINNING MILLS LIMITED WITH THE COMPANY

A. Background

1. A meeting of the Board of Directors ("Board") of Indo Count Industries Limited ("ICIL" or "Transferee Company" or "the Company") was held on October 21, 2020, wherein all the Directors were present and the Board considered and approved, the proposed Scheme of Amalgamation (by way of merger by absorption) of Pranavaditya Spinning Mills Limited ("Transferor Company" or "PSML") with the Company and their respective shareholders under Sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 and rules framed thereunder ("the Scheme").

2. As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, is required to be circulated to the shareholders along with the notice convening the meeting. Accordingly, this report of the Board is made under Section 232(2)(c) of the Companies Act, 2013.

3. The scheme contemplates the amalgamation of Pranavaditya Spinning Mills Limited, subsidiary with the Company. The Company holds 74.53% of paid up capital of PSML. The Appointed Date for the said amalgamation is 1st October 2020 or such other date as may be approved by Hon'ble NCLT.

4. While discussing on the Scheme, the Board had *inter alia* considered and took on record following documents:

    - Draft Scheme of amalgamation of PSML with the Company, as recommended by the Audit Committee of the Company;

    - Valuation report dated October 21, 2020 issued by Amit Kumar Singh, Registered Valuer (IBBI Reg. No. IBBI/RV/06/2019/12357) and AZR & Associates, Independent Chartered Accountants (FRN: 027550N), recommending the share exchange ratio of 2:15 i.e. 2 (Two) fully paid up equity shares of face value Re. 2/- each of the Company for every 15 (Fifteen) fully paid up equity shares of Rs. 10/- each held in the Transferor Company;

    - Fairness Opinion, on the share exchange ratio, dated October 21, 2020 issued by Ernst & Young Merchant Banking Services LLP – SEBI registered Category I Merchant Banker;

    - Report of the Audit Committee dated October 21, 2020 recommending the Scheme to the Board for approval;

Indo Count Industries Limited

Indo Count Industries Ltd
Head Office: 301, Arcadia, 3rd Floor, Nariman Point, Mumbai - 400 021, Maharashtra, India; T: 022 4341 9500, F: 022 2282 3098
Marketing Office: Dosti Imperia, 2nd floor, Manpada, Ghodbunder Road, Thane (w) - 400 607, Maharashtra, India; T: 022 4151 1800, F: 022 2172 0121
Home Textile Division: T3, Kagal - Hatkanangale Five Star, MIDC Ind. Area, Kolhapur - 416216, Maharashtra, India; T: 0231 662 7900, F: 0231 662 7979
Spinning Division: D1, MIDC, Gokul Shirgaon, Kolhapur - 416234, Maharashtra, India; T: 0231 268 7400, F: 0231 267 2161
Regd. Office: Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra, India; T: 0230 2463100 / 2461929
CIN: L72200PN1988PLC068972, E: info@indocount.com, W: www.indocount.com

- Auditor's certificate dated October 21, 2020 issued by M/s. Suresh Kumar Mittal & Co., Statutory Auditors to the Company confirming that the accounting treatment proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013;

B. EFFECT OF THE SCHEME OF AMALGAMATION ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. Effect on Shareholders:

   a) Non-Promoter Shareholders: Upon the scheme becoming effective, the Company will issue equity shares to the shareholders of PSML as on Record Date in the following share exchange ratio:

      "2 (Two) fully paid up equity shares of face value Re. 2/- each to the equity shareholders of PSML as on Record Date, for every 15 (Fifteen) fully paid up equity shares of Rs. 10/- each held by them in PSML."

      The equity shares of the Company which will be issued & allotted to the Shareholders of PSML shall be listed on BSE Limited and the National Stock Exchange of India Limited and shall rank pari passu in all respects with the existing equity shares of the Company.

      Due to aforesaid allotment, the Total Public Shareholding of the Company will increase by ~ 0.19%. This will in turn increase the trading stock of the equity shares of the Company.

   b) Promoter Shareholders:

      Due to allotment of equity shares by the Company in the aforesaid share exchange ratio, the overall shareholding percentage of promoter/ Promoter Group of the Company will get diluted by ~ 0.19%.

2. Effect on Directors or KMPs

   There is no effect of the scheme on the KMPs (Directors, Chief Financial Officer and Company Secretary) of the Company. All KMPs shall continue to hold their respective positions in the Company. Further, as PSML will get dissolved, any KMP holding directorship/ KMP positions in PSML shall cease to hold those respective positions. Any KMPs holding equity shares in PSML, as on record date, will receive the shares of ICIL as per the aforementioned share exchange ratio.

3. Valuation Report

   No issues or difficulties regarding the valuation mentioned in the Valuation Report were reported.

Indo Count Industries Limited

INDO COUNT

Complete Comfort

C. View on the Scheme

While deliberating the Scheme, the Board has considered its impact on each of the shareholders, promoters, non-promoter shareholders, Key Managerial personnel, creditors and employees. The Scheme is in the best interest of the shareholders, promoters, non-promoter shareholders, Key Managerial personnel, creditors and employees of the Company and there shall be no prejudice caused to them in any manner by the Scheme.

By order of the Board
For Indo Count Industries Limited

Amruta Avasare
Company Secretary
ACS 18844

Indo Count Industries Limited

Place: Mumbai
Date: 21st October, 2020

Indo Count Industries Ltd
Head Office: 301, Arcadia, 3rd Floor, Nariman Point, Mumbai - 400 021, Maharashtra, India; T: 022 4341 9500, F: 022 2282 3098
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Spinning Division: D1, MIDC, Gokul Shirgaon, Kolhapur - 416234, Maharashtra, India; T: 0231 268 7400, F: 0231 267 2161
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PRANAVADITYA

PRANAVADITYA SPINNING MILLS LIMITED

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REPORT ADOPTED BY THE BOARD OF DIRECTORS OF PRANAVADITYA SPINNING MILLS LIMITED ("COMPANY" OR "PSML") AT THE MEETING HELD ON OCTOBER 21, 2020 THROUGH VIDEO CONFERENCING (VC) PURSUANT TO THE PROVISIONS OF SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 IN THE SCHEME OF AMALGAMATION OF THE COMPANY WITH INDO COUNT INDUSTRIES LIMITED

A. Background

1. A meeting of the Board of Directors ("Board") of Pranavaditya Spinning Mills Limited ("Transferor Company" or "PSML" or "Company") was held on October 21, 2020, wherein all the Directors were present and the Board considered and approved, the proposed Scheme of Amalgamation (by way of merger by absorption) of Company with Indo Count Industries Limited ("ICIL" or "Transferee Company") and their respective shareholders under Sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 and rules framed thereunder ("the Scheme").

2. As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, is required to be circulated to the shareholders along with the notice convening the meeting. Accordingly, this report of the Board is made under Section 232(2)(c) of the Companies Act, 2013.

3. The scheme contemplates the amalgamation of the Company with Indo Count Industries Limited, Holding Company. PSML is a subsidiary of ICIL wherein ICIL holds 74.53% of paid up capital of PSML. The Appointed Date for the said amalgamation is 1st October 2020 or such other date as may be approved by Hon'ble NCLT.

4. While discussing on the Scheme, the Board had *inter alia* considered and took on record following documents:

   - Draft Scheme of amalgamation of the Company with ICIL, as recommended by the Audit Committee of the Company;

   - Valuation report dated October 21, 2020 issued by Amit Kumar Singh, Registered Valuer (IBBI Reg. No. IBBI/RV/06/2019/12357) and AZR & Associates, Independent Chartered Accountants (FRN: 027550N), recommending the share exchange ratio of 2:15 i.e. 2 (Two) fully paid up equity shares of face value Re. 2/- each of the Company for every 15 (Fifteen) fully paid up equity shares of Rs. 10/- each held in the Transferor Company;

   - Fairness Opinion, on the share exchange ratio, dated October 21, 2020 issued by Saffron Capital Advisors Private Limited – SEBI registered Category I Merchant Banker;

   - Report of the Audit Committee dated October 21, 2020 recommending the Scheme to the Board for approval;

Pranavaditya Spinning Mills Limited

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B. EFFECT OF THE SCHEME OF AMALGAMATION ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. Effect on Shareholders:

   a) **Non-Promoter Shareholders:** Upon the scheme becoming effective, the shareholders of PSML as on Record Date will be issued equity shares of ICIL in the following share exchange ratio:

      "2 (Two) fully paid up equity shares of face value Re. 2/- each to the equity shareholders of PSML as on Record Date, for every 15 (Fifteen) fully paid up equity shares of Rs. 10/- each held by them in PSML."

      The equity shares of ICIL which will be issued & allotted to the Shareholders of PSML shall be listed on BSE Limited and the National Stock Exchange of India Limited.

   b) Promoter Shareholders:

      ICIL (Promoter) holds 1,43,41,280 equity shares of face value Rs. 10/- each of PSML representing 74.53% of paid up share capital of PSML. The said shares held by ICIL in PSML will stand cancelled pursuant to this scheme on account of amalgamation without any further application, act and deed.

2. Effect on Directors or KMPs

   All KMPs (Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary) shall cease to hold their respective positions in the Company. Any KMPs holding equity shares in PSML, as on record date, will receive the shares of ICIL as per the aforementioned share exchange ratio.

3. Effect on Employees

   Upon the amalgamation becoming effective, in terms of the Scheme, all employees of the Company, as on the Effective Date (as defined in the Scheme), shall be deemed to have become employees of the Transferee Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Company, on the Effective Date.

4. Valuation Report

   No issues or difficulties regarding the valuation mentioned in the Valuation Report were reported.

Pranavaditya Spinning Mills Limited

CIN : L17119PN1990PLC058139
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PRANAVADITYA

PRANAVADITYA
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C. View on the Scheme

While deliberating the Scheme, the Board has considered its impact on each of the shareholders, promoters, non-promoter shareholders, Key Managerial personnel, creditors and employees. The Scheme is in the best interest of the shareholders, promoters, non-promoter shareholders, Key Managerial personnel, creditors and employees of the Company and there shall be no prejudice caused to them in any manner by the Scheme.

By order of the Board
For Pranavaditya Spinning Mills Limited

Amruta Avasare
Company Secretary
ACS 18844

Pranavaditya Spinning Mills Limited

Place: Mumbai
Date: 21st October, 2020

CIN : L17119PN1990PLC058139
REGD. OFFICE & MILLS : Office No. 2, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416 109.
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SURESH KUMAR MITTAL & CO.
CHARTERED ACCOUNTANTS

60, 1st Floor, Pocket H-3,
Sector-18, Rohini, DELHI - 110085
Phone : 9871411946
E-mail : sureshkmittalco@gmail.com

Auditor's Certificate certifying accounting treatment contained in Draft Scheme (as defined hereinafter) as prescribed in Annexure I, in respect of Scheme of Amalgamation of Pranavaditya Spinning Mills Limited (the Transferor Company) Indo Count Industries Limited (the Transferee Company) and their respective shareholders

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

1. We, the statutory auditors of Indo Count Industries Limited ("the Company") have been engaged to examine the proposed accounting treatment specified in Clause 7 of the Draft Scheme of Amalgamation between Pranavaditya Spinning Mills Limited (the Transferor Company) with Indo Count Industries Limited (the Transferee Company) and their respective shareholders in terms of the provisions of Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule 2014 and Other Generally Accepted Accounting Principles.

Management's Responsibility

2. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Company. Our responsibility is only to examine and report whether the proposed accounting treatment specified in Clause 7 of the Draft Scheme of Amalgamation complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

Auditor's Responsibility

3. Our responsibility, for this certificate, is limited to certifying whether the proposed accounting treatment in the books of Company as contained in the draft Scheme of Amalgamation is in compliance with all the Accounting Standards and did not include the evaluation of adherence by the Company with all the applicable guidelines.

4. We conducted our examination of the Statement in accordance with the Guidance Note on reports or Certificates for Special Purposes 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 Accountants of India.

5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related and Related Services Engagements.

Suresh Kumar Mittal & Co. Chartered Accountants

SURESH KUMAR MITTAL & CO.
CHARTERED ACCOUNTANTS

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Opinion

6. Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the Clause 7 of the aforesaid Draft Scheme of Amalgamation is in compliance with the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule 2014 and Other Generally Accepted Accounting Principles.

7. For ease of references, Clause 7 of the Draft Scheme of Amalgamation is reproduced below:

7. **ACCOUNTING TREATMENT**

7.1 The Amalgamation of the Transferor Company with the Transferee Company shall be accounted for in the books of account of the Transferee Company in accordance with 'Pooling of Interest Method' of accounting as per Indian Accounting Standard (Ind AS) 103 (Business Combination) prescribed under Section 133 of the Companies Act, 2013, which is applicable to the Company since this is a common control business combination as follows:

7.2 All the assets, liabilities and reserves in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the scheme and shall be recorded by the Transferee Company at their carrying amounts as appearing in the books of Transferor Company, on the Appointed Date.

7.3 The Transferee Company shall credit to its share capital account, the aggregate face value of the new shares issued by it pursuant to Clause 6 of this Scheme.

7.4 The carrying amount of investments in the equity shares of the Transferor Company to the extent held by Transferee Company, shall stand cancelled and there shall be no further obligation in that behalf.

7.5 Upon the scheme coming into effect, the surplus /deficit, if any of the net value of assets, liabilities and reserves of the Transferor Company acquired and recorded by the Transferee Company in terms of clause 7.2 over the sum of (a) the face value of the new shares on Amalgamation issued and allotted pursuant to clause 6; and (b) the value of investments cancelled pursuant to Clause 7.4, shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company.

7.6 Any inter-company balance(s) and inter-company investments, debts, borrowings (secured or unsecured), if any between the Transferor Company and the Transferee Company shall stand cancelled and corresponding effect shall be given in the books of account and the records of Transferee Company for the reduction of any assets or liabilities, as the case may be. There would be no accrual of interest or other charges and there shall be no obligation/outstanding in that behalf in respect of any such intercompany loans, debt, securities or balances with effect from the Appointed Date.

7.7 In case of any difference in any of the accounting policies between the Transferor Company and

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the Transferee Company, the impact of the same in the merger by absorption will be quantified and adjusted in the Capital Reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the true financial position on the basis of consistent accounting policies.

7.8 Upon the Scheme coming into effect, the accounts of the Transferee Company, as on the Appointed Date shall be reconstructed with the terms of this Scheme.

7.9 The balance of the retained earnings appearing in the financial statements of the Transferor Company shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.

7.10 The identity of the reserves shall be preserved and shall appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company.

Restriction on Use

8. This Certificate is issued at the request of the Management of the Company pursuant to the requirements of Companies Act, 2013 for onward submission to the National Company Law Tribunal, Mumbai. This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

(Ankur Bagla)
Partner
Membership Number:521915

Place: Delhi
Date: 21st October,2020
Certificate No.: SKM/DL/2020-21/032
UDIN: 20521915AAAAEX5408

Suresh Kumar Mittal & Co. Chartered Accountants