B. K. SHROFF & CO.
Chartered Accountants

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Review Report to the Board of Directors of Indo Count Industries Ltd.

We have reviewed the accompanying statement of unaudited financial results of Indo Count Industries Ltd. for the period ended 30st June,2011. This statement is the responsibility of the Company's management and has been approved by the Committee of Board of Directors. Our responsibility is to issue a report on these financial statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, engagements to Review Financial Statements 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.

Our observations in relation to such review are as under :

The company has outstanding foreign currency related derivative contracts in the form of options for hedging its business related exposure which are not speculative in nature. The contracts have long dated tenor with multiple contingent / uncertain events. As such ascertainment of fair value of these contracts is not feasible. However, banks estimate the total mark to market (MTM) of all outstanding contracts at approx Rs.654 lacs as at 30-06-2011 (Previous year Rs.607 lacs). The management is of the opinion that the determination and crystallization of liability is dependent upon the outcome of uncertain future events or actions, not wholly within the control of the company. As adoption of AS-30 is presently not mandatory, the estimated MTM loss of Rs.654 lacs for the period ended 30-06-2011 (previous year Rs.607 Lacs) has not been provided.

Based on our review conducted as above, nothing has come to our attention that caused 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 Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

O. P. Shroff
Partner
Membership No.6329

Mumbai
Date : 12.08.2011

INDOCOUNT INDUSTRIES LIMITED
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30-06-2011

Figures are Rupees in Crores

Sr No	Particulars	Quarter ended on		Year ended
		UNAUDITED 30-Jun-11	UNAUDITED 30-Jun-10	AUDITED 31-Mar-11
1	**Net Sales (including export incentives)**	**153.96**	**147.58**	**665.69**
2	Other Income	**8.52**	**4.22**	**24.04**
3	**Total Income**	**162.48**	**151.80**	**689.74**
4	**Expenditure**	**154.42**	**133.60**	**622.24**
	a) (Increase) / decrease in stock in trade and work in progress	(12.84)	0.74	(14.94)
	b) Purchase of Traded Goods	1.46	-	0.30
	c) Consumption of raw materials	130.24	93.99	465.63
	d) Employee cost	7.93	7.33	31.66
	e) Other expenditure	17.07	22.87	99.81
	f) Power and Fuel	10.57	8.67	39.77
5	**Earnings before Interest, Depreciation, Taxation & Amortisation (EBIDTA)**	**8.06**	**18.21**	**67.50**
6	Interest	7.72	7.61	30.54
7	**Profit / (loss) before depreciation and taxation**	**0.34**	**10.60**	**36.96**
8	Depreciation	4.38	4.39	17.64
9	**Profit / (loss) from ordinary activities before tax**	**(4.04)**	**6.21**	**19.31**
10	**Tax expenses :**			
	Current Income Tax	-	-	0.00
	Tax of earlier years	-	-	(0.01)
	Deferred Tax	(1.32)	1.76	5.69
11	**Net Profit / (loss) from ordinary activities after tax**	**(2.72)**	**4.45**	**13.63**
12	Exceptional Items			
	- Foreign Exchange gain/ (loss)	(0.14)	(0.98)	(4.60)
13	**Extra Ordinary Items (Net of Tax Expenses)**	-	-	-
14	**Net profit / (Loss) for the period**	**(2.86)**	**3.47**	**9.03**
15	Paid up equity share capital (Face Value of Rs 10/- each)	35.48	33.31	35.48
16	Reserves excluding revaluation reserve at the last balance sheet date			23.92
17	Earnings per Share:- a) Basic and diluted EPS before extra ordinary items for the period, for the year to date and for the previous year (not annualised)	(0.82)	1.00	2.59
	b) Basic and diluted EPS after extra ordinary items for the period, for the year to date and for the previous year (not annualised)	(0.82)	0.48	2.59
18	**Public shareholding**			
	- No of shares	16,283,559	16,268,734	16,283,559
	- Percentage	45.89%	48.83%	45.89%
19	**Promoters and Promoters group Shareholding**			
	a) Pledged/encumbered			
	- Number of shares	4,128,828	4,128,828	4,128,828
	- % of shares (as % of the total number of shareholding of Promoter and Promoter group)	21.51%	24.22%	21.51%
	- % of shares (as % of the total share capital of the Company)	11.64%	12.39%	11.64%
	b) Non encumbered	15,069,247	12,917,105	15,069,247
	- % of shares (as % of the total number of shareholding of Promoter and Promoter group)	78.49%	75.78%	78.49%
	- % of shares (as % of the total share capital of the Company)	42.47%	38.77%	42.47%

Sr No	Particulars	Quarter ended on		Year ended
		UNAUDITED 30-Jun-11	UNAUDITED 30-Jun-10	AUDITED 31-Mar-11
1	**Segment Reporting :-**			
	Segment Revenue			
	a) Textiles	110.32	126.10	548.99
	b) Consumer Durable Goods/Electronics	43.64	21.48	116.70
	Total	**153.96**	**147.58**	**665.69**
2	**Segment Results (Profit before interest and tax)**			
	a) Textiles	1.20	10.10	43.34
	b) Consumer Durable Goods/Electronics	2.48	1.11	6.52
	Total	**3.68**	**13.82**	**49.86**
3	**Capital employed**			
	a) Textiles	252.88	305.86	259.37
	b) Consumer Durable Goods/Electronics	19.80	11.97	17.32
	Total	**272.68**	**317.83**	**276.69**

NOTES

1) The above financial results for the quarter ended 30th June 2011, which have been reviewed by the Statutory Auditors of the Company as per Listing Agreement with the Stock Exchanges and have been approved by the Board of Directors on 12th August 2011.

2) Margins have been affected due to increased cost of raw materials.

3) The Company has outstanding Foreign Currency Derivative Contracts in the form of Options for hedging its business related exposure which are not speculative in nature. The Contracts have long dated tenor with multiple contingent / uncertain events. As such ascertainment of fair value of these Contracts is not feasible. Banks estimate MTM loss on these Contracts at Rs. 654.39 lac as at 30th June, 2011. As AS 30 is not mandatory, the Company has not provided for the Loss in its Books of Accounts.

4) The Company has declared lock out of its Spinning Unit since 12-07-2011, which will not impact significatly the performance of the Company as a whole.

5) The Company has only two reportable segments i.e. Textiles and Consumer Durable Goods / Electronics.

6) In terms of clause 41 (I) (e) of the Listing Agreement, the Company has exercised an option to publish standalone quarterly financial results.

7) The Company has received Rs. 250 lac as Share application money towards issue of 4 % Non Cumulative Redeemable Preference Shares. This will be alloted on receipt of approval from CDR .

8) Previous period's figures have been regrouped wherever necessary.

9) Details of Investor Complaints for the Quarter ended 30-06-2011: Beginning – Nil, Received – 2, Resolved – 2.

FOR INDOCOUNT INDUSTRIERS LIMITED

DIRECTOR

Place: Mumbai

Date : 12th August, 2011