

Letter to Shareholders

Dear Shareholders,

It is a privilege to welcome you to the 13th Annual General Meeting of the company and also thank all of you for being shareholders in our Company and for supporting the Company's vision over the years.

Many of you may be aware that the past two years have been challenging for the industry. Some of the key one that your Company had to face included – unprecedented rise in cotton prices, fluctuating currencies, high domestic inflation resulting in spiraling wage costs as well as operating expenses and increase in interest rates.

Your Company has weathered the impact of the global economic slowdown caused by the Euro crisis, which has put the overall business under acute pressure.

The company has risen to face the challenges & with unity of purpose, is bringing the business back on track and demonstrated its resilience. Strict fiscal discipline and cost control efforts have brought noteworthy and sustainable results. This has seen us through the economic crisis and helped maintain our price, quality and service to our customers.

I thank the Board for their guidance on governance and strategic direction without which we would not have been able to navigate through such turbulent times. I also wish to thank all employees, customers, vendors and other business associates who provide the eco system in which we operate.

And last, but not the least, I wish to thank all the shareholders for their continued and unstinted confidence and trust on the firm.

Annual General Meeting 2012

I am pleased to enclose the Notice of Meeting for the Thirteenth Annual General Meeting (the "AGM") of Indus Fila Limited together with the 2012 Annual Report and Summary.

The AGM will be held at 9 am on Thursday, 20th September 2012 at the Registered office of the Company at No.284, 285, T.Begur Village, Kasaba Hobli, Nelamangala, Bangalore Rural District - 562123

If you will not be attending, you may appoint a proxy by completing and returning the enclosed form of proxy. In each case, notice of appointment of a proxy should reach the company's registered office not later than 48 hours prior to the commencement of the meeting.

As per the provisions of the Companies Act, 1956 and our Articles of Association, some of our current Directors retire by rotation. I therefore request you to support the re-appointment of Mr. Shashikant G Mandhana and Mr. V Balaji Bhat who retire by rotation, and being eligible, offer themselves for re-appointment.

Recommendation:

Your Board believes that the resolutions contained in the Notice of Meeting are in the best interests of the company and shareholders as a whole and recommends you to vote in favour of them.

Yours truly,

Nitin Mandhana,

Vice Chairman & Managing Director

Board of Directors

Mr. Gerhard Bornemann	Chairman
Mr. Nitin N Mandhana	Vice Chairman & Managing Director
Mr. Shashikant G. Mandhana	Executive Director
Mr. Prakash G. Mandhana	Executive Director
Mr. V. Balaji Bhat	Independent Director

Company Secretary & Compliance Officer

Mr. Hansraj Rathor

Auditors

Suri & Co, Bangalore

Registered Office

Survey No. 285, 37th KM Stone, Kasaba Hobli, Nelamangala, Bangalore Rural District – 562 123.

Corporate Office

No. 107, Industrial Suburb, II Stage, Yeshwanthpur, Bangalore – 560 022.

Registrar & Share Transfer Agent

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (W),
Mumbai – 400078

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13th Annual General Meeting on Thursday, the 20th September, 2012 at 9 a.m
at the Registered office of the Company at
No. 285, 37th KM Stone, T. Begur Village, Kasaba Hobli, Nelamangala, Bangalore
Rural District – 562 123
 Annual Report can be accessed at www.indusfila.com

INDUS FILA LIMITED

Notice of 13th Annual General Meeting

NOTICE is hereby given that the Thirteenth Annual General Meeting of the members of Indus Fila Limited will be held at No. 284, 285 T.Begur Village, Kasaba Hobli Nelamangala, Bangalore Rural District - 562123, Karnataka on Thursday, the 20th September, 2012 at 9 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2012, Profit & Loss Account for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Shashikant G. Mandhana, who retires by rotation and, being eligible, offers himself for re-appointment
3. To appoint a Director in place of Mr. V. Balaji Bhat, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s), the following as a Special Resolution :

“RESOLVED THAT the members take note of fairness opinion obtained from independent Merchant Banker on valuation of assets done by the valuer for Indus Fila Limited (“IFL”) and Tulip Apparels Private Limited (“TAPL”) in connection with the scheme of amalgamation as approved by the Hon’ble High Court of Karnataka vide its order dated February 6, 2010.

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 necessary or appropriate for such purpose, and to resolve and settle all questions and difficulties that may arise with regard to the listing with the stock exchange(s) without being required to seek any further clarification, consent or approval of the Members, and the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

By order of the Board of Directors

For Indus Fila Limited

**Hansraj Rathor
CFO & Company Secretary**

Date: August 10, 2012

Place: Bangalore

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING, AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
4. The Register of Members and Transfer Books of the Company will remain closed from September 18, 2012 to September 20, 2012 (both days inclusive).
5. Members are requested to notify any change in their address / bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W), Mumbai – 400 078, Maharashtra in respect of their physical share folios, if any.
6. Members holding shares in the physical form may avail of the facility of nomination by nominating, in the prescribed form, a person to whom your shares in the Company will vest in the event of death. Interested members may write to the Company Secretary / Registrar & Transfer Agent.
7. Brief resume of the director(s) seeking re-appointment and other details as stipulated under Clause 49 of the Listing Agreement are provided in this report.

We request you to update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email.

**By Order of the Board of Directors
for Indus Fila Limited**

**Hansraj Rathor
(CFO & Company Secretary)**

Place: Bangalore
Date : August 10, 2012

Annexure I

Details of Directors retiring by rotation

Name of the Director	Mr. Shashikant G. Mandhana	Mr. V Balaji Bhat
Date of Birth	25.12.1958	19.06.1964
Date of Appointment	01.04.2006	11.04.2006
Expertise in specific functional areas	Operations & Marketing of Apparel Business	Finance
Qualification	B.Com	Chartered Accountant
Directorship held in other companies	02	08
Names of the Companies in which Directorship held	1. Andrew Finvest Private Limited 2. Vir Retail Private Limited 3. Indus Garments (India) Private Limited	1. Subex Limited 2. Subex Technologies Limited 3. Natural Capsules Limited 4. Yuken India Limited 5. Indus Age Advisors Private Limited 6. Primus Retail Private Limited
Committee positions held in companies	Nil	03
Number of Shares held in the Company	462462	5000

**By Order of the Board of Directors
for Indus Fila Limited**

**Hansraj Rathor
(CFO & Company Secretary)**

Place: Bangalore
Date : August 10, 2012

Explanatory statement under Section 173(2) of the Companies Act, 1956

Item No. 5

The scheme of Amalgamation was initiated in April 2008, approved by the members at their meeting held on May 30, 2009 and confirmed by the Hon'ble High Court of Karnataka vide its order dated February 6, 2010.

Clause 24(h) of the Listing Agreement with the Stock Exchanges, was amended on September 4, 2008 to include the furnishing of a "fairness opinion from Merchant Banker on valuation of shares of the Company".

We have subsequently obtained a fairness opinion from Merchant Banker, a copy of which, is enclosed for your perusal.

None of the Directors except Mr. Nitin N. Mandhana, Mr. Shashikant G. Mandhana and Mr. Prakash G. Mandhana are interested in the resolution.

The Board accordingly recommends the resolution as set out in Item No.5 for approval of the members.

By order of the Board of Directors
For Indus Fila Limited

Hansraj Rathor
CFO & Company Secretary

Date : August 10, 2012

Place : Bangalore

Report of the Board of Directors

Dear Shareholders,

Your Directors are pleased to present their 13th Annual Report on the business and operations of your Company together with Audited Statements of the Accounts for the financial year ended 31st March, 2012.

1. Corporate Overview

Indus Fila Limited is one of the most integrated companies in the industry, present across the value chain from fabric to garments. We have added capacities in every segment including yarn dyeing, weaving and processing.

The Company prepares its financial statements in compliance with the requirements of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) in India. The estimates and judgments relating to the financial statements are made on prudent and reasonable basis so as to reflect in true and a fair manner the form and the substance of transactions and reasonably present your Company state of affairs, profit and cash flow for the year ended March 31, 2012

2. Financial Performance

(Rs. in Lakhs)

PARTICULARS	2011 -12	2010 -11
TURNOVER	46608.73	43945.73
Profit/(Loss) before Interest, Depreciation & Tax	5233.78	3674.47
Less: Interest	3391.87	2327.40
Less : Depreciation	971.45	973.62
Less : Tax	240.96	161.13
Net Profit/(Loss) after taxation	629.48	212.32

Your Company's investments is putting in place a structure to deliver on the strategy and improve operational processes are witnessing good traction. The financial Year 2012 performance of your Company is particularly noteworthy when viewed in the backdrop of an extremely challenging business environment especially during the second half of the year which is the peak season for textiles and apparel.

Your Company recorded a total gross turnover of Rs46608.73 lakhs for the period ending 31st March 2012, as compared to Rs. 43945.73 lakhs for the period ending on 31st March 2011 while reporting a net profit of Rs. 629.48 lakhs.

Your Company focuses on enhancing shareholder value and looks beyond immediate opportunities by building its businesses with long term relevance.

3. Consolidated Accounts

In accordance with the requirements of Accounting Standard AS-21 prescribed by the Institute of Chartered Accountants of India, the Consolidated Accounts of the Company and its wholly owned subsidiary is annexed to this Report.

The Company will make available the audited annual accounts and related information of its subsidiaries, upon request by any of its shareholders. The annual accounts of the subsidiary company will also be kept for inspection, by any member at the registered office of the Company and its Subsidiary Company.

4. Dividend

In view of the need to conserve resources and meet working capital requirements, the Board does not recommend dividend.

5. Directors

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Shashikant G Mandhana and Mr. V Balaji Bhat retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

None of these Directors are disqualified from being re-appointed as Directors of your Company.

6. Audit

M/s Suri & Co., Chartered Accountants, Bangalore, who are Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and offer themselves for re-appointment as the Statutory Auditors of your Company pursuant to Section 224 of the Companies Act, 1956.

As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has obtained written confirmation from the Statutory Auditors that their appointment if made would be in conformity with the limits specified in the Section.

7. Management Discussion & Analysis

The management discussion and analysis on the operations of your Company is set out in the Annexure to this report.

8. Directors' Responsibility Statement as required under Section 217(2AA) of the Companies Act, 1956

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the statements in terms of Sub-section 2AA of Section 217 of the Companies Act, 1956,

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;

9. Particulars of Employees under Section 217 (2A)

None of the employees were in receipt of remuneration exceeding the amounts specified in Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1988.

10. Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information pursuant to Clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, viz., a Report on conservation of energy, technology absorption, foreign exchange earnings and outgo, is provided in Annexure I to this Report.

11. Corporate Governance

The Company is committed to maintain high standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The report on the Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

12. Acknowledgements

Your Directors wish to place on record their appreciation for the contribution made by employees at all levels. Your Directors also wish to thank the customers, suppliers, investors and bankers for their continued support and faith reposed in the Company.

For and behalf of the Board of Directors

Nitin N. Mandhana
Vice Chairman & Managing Director

Shashikant G. Mandhana
Executive Director

Place: Bangalore
Date : May 30, 2012

Information under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, forms a part of the Directors' Report for the year ended March 31, 2012.

A. Conservation of energy

a) Energy Conservation Measures

Fuel consumption together with the optimization of electrical energy consumption in all the activities remains a focus area for the Company.

As a part of sustainable development initiatives, the following measures to conserve energy were taken:

- I. Stopping of Chillers in winter season to optimize power consumption
- II. Replacement of inefficient motors with energy efficient motors at various places
- III. Optimization of steam consumption and improvement in steam generation by performing convection section cleaning in furnaces at all the plants.
- IV. Identification and replacement of faulty steam traps and minimization of steam leakages done at all the plants. The Company's continued efforts to reduce and optimize the use of energy consumption has shown positive results. The efforts taken to conserve energy will help us to conserve coal and help the environment.

b) Total Energy Consumption & energy consumption per unit of production.

As per Form 'A' annexed

B. Technology Absorption, adaption and Innovation

The Company is looking for new process designs and application of efficient machinery for continuous product development and process improvement. The Company strives to reduce its operating costs, make improvements in environmental control, optimization of the product mix and conservation of resources. The major developments during the year were :

1. Implementing of warehouse management system resulting in faster locating of stock in warehouse resulting in speedy delivery.
2. Optimizing the space requirement in warehouse.

C. Foreign exchange used and earned

The Company has continued to maintain focus and avail of export opportunities based on economic considerations. During the year the Company has exports (FOB value) worth Rs.5882.66 Lakhs.

Particulars	2011-12 (Rs. in Lacs)
Total Foreign Exchange used	450.02
Total Foreign Exchange earned	10836. 67

The Company's major foreign exchange earnings are on account of export of garments and outgo, on account of import of raw materials and capital goods.

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY			
A. POWER AND FUEL CONSUMPTION			
		2011 -12	2010-11
1. ELECTRICITY			
	a. Purchased		
	Unit (KWH)	3550372	4895856
	Total Amount	2,48,52,601	3,42,50,712
	Rate / Unit (Rs. / KWH)	Up to 1 lakh Rs. 4.60 above 1 lakh unit Rs. 5.00	Up to 1 lakh Rs. 4.60 above 1 lakh unit Rs. 5.00
	b. Own Generation		
	(i) Through Diesel Generator		
	Unit (KWH)	451617	622766
	Units per litre of Diesel Oil (KWH/Litres)	3.48 units/liters	3.25
	Cost / Unit (Rs. / KWH)	13.20	Rs. 14.15
	(ii) Through Steam Turbine / Generator		
	Unit (KWH)	5887056	8118074
	Units per metric tons of coal/fuel / gas	560.74	523.83
	Cost / Unit	8.85	8.11
2. COAL			
	Quantity (tonnes)	27321.58	24972.75
	Total Cost	6,12,01,167	4,96,05,768
	Average Rate	2240.03	1986.39
3. FURNACE OIL			
	Quantity (K. Ltrs)	338.35	382.05
	Total Cost	1,18,57,579	1,02,44,230
	Average rate	35045.30	26814.19

CONSUMPTION PER UNIT OF PRODUCTION

Class of products	UOM	Production (including outsourced / job work)		Electricity (units)		Electricity Consumption (KWH per unit of production)	
		11-12	10-11	11-12	10-11	11-12	10-11
Apparels	Pcs	3715665	3683181	1428566	1723706	2.10	2.14
Fabrics	Mtrs	6868116	7115161	6728064	8118074	1.90	1.14

As the products are manufactured and few processes are outsourced under continuous process and with different specification, the consumption shall differ for each category.

For and behalf of the Board of Directors

Nitin N. Mandhana
Vice Chairman & Managing Direct or

Shashikant G. Mandhana
Executive Director

Place: Bangalore
Date: May 30, 2012

Management Discussion & Analysis

Business Review

From Design to Delivery

Your Company is constantly improving operations and innovating new products for better margins. Your Company is on the path to becoming a lifestyle solution for discerning customers with an offering, consisting of a range of fabrics, garments and accessories.

The customers are looking for “value for money” products. This has promoted companies globally to work on strategies for controlling costs and reducing inventories, resulting in lower demand situation and stagnant prices. Further, this year saw brands and manufacturers reeling under pressure of unprecedented increase in raw material prices as well as spiraling operating costs on account of inflationary situations in all Asian economies.

In this backdrop, countries like Bangladesh and Vietnam, with lower cost structures, have been able to increase their market share in USA and Europe. In addition, some of these nations have been benefited by preferential trade agreements which enhance their competitive position. Further, as a part of the Central Government initiative to withdraw the “stimulus” package, export incentives available to this sector have been reduced, eroding the competitiveness as well as profitability of the Indian apparels exports industry.

Textile Industry

The Textile Industry is one of the most important sectors in the Indian Economy and the second largest generator of employment after agriculture. It contributes more than 4% to the GDP and 17% to the country's export earnings. The Textile sector provides employment to over 3.5 crore people.

The Government proposes to increase the investment in this sector to generate more employment through various schemes viz. Scheme for the Integrated Textile Parks (SITP), Technology upgradation Fund Scheme (TUFS), Integrated Skills Development Scheme (ISDS), Technology Mission on Technical Textiles (TMTT). The allocation for this sector during the 12th Five year Plan is proposed to be increased to around Rs. 49,650 crore as against an allocation Rs.14,000 crore during the 11th Five Year Plan.

Opportunities and Threats

India has big advantages in terms of being globally the second largest cotton growing country, second largest producer of cotton yarn, third largest exporter of cotton fabric and fourth largest exporter of synthetic fabric. It also has a large pool of available manpower which is a key resource for our Industry.

India's product design and development capability, integrated supply chain and higher level of social compliance scores above some of the other apparel manufacturing countries. The Company has formulated strategies and identified key focus areas to improve performance in the current environment. Growing market share with existing customers while seeking to increase the proportion of value added products, working towards acquiring new customers with complementary product portfolio, improvement in efficiencies through Lean manufacturing initiatives, and sustained focus on financial management, will drive better performance in 2012-13.

Risks and Concerns

The Company focuses on exports to the US and European markets with revenues being denominated in USD/EURO. The Company is exposed to risk of currency fluctuations. The Company mitigates this risk through robust foreign currency management practices.

Inflationary conditions and rise in wage costs in the country may have impact on the profitability of the Company.

Internal control systems and their adequacies

Your Company believes in formulating adequate and effective internal control systems and implementing the same, to ensure that assets and interest of the company are safeguarded, and reliability of accounting data and accuracy are ensured with proper checks and balances. The internal control system is improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control system and suggests improvements for strengthening them. The Company has a robust Management Information system which is an integral part of the control mechanism.

Indus Fila

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings, and corrective actions taken.

Discussion on financial performance

Income:

The Company recorded a gross turnover of Rs 46,608.73 lacs for the financial year ending 31st March 2012 as compared to Rs. 44,576.73 lacs for the previous financial year.

A) EBIDTA:

The Company's EBIDTA stood at Rs.5342.9 lacs for the financial year ending 31st March 2012 as compared to Rs.3674.47 lacs for the previous year.

B) PAT:

The Company reported a net profit of Rs. 629.48 lakhs during the current financial year.

Performance of subsidiary company

Indus Garments (India) Private Limited

The Company recorded a gross turnover of Rs.11,452.88 lacs for the financial year ending 31st March 2012 as compared to Rs. 11308.33 lacs for the previous financial year. The Company earned a profit after tax of Rs.36.48 lacs.

Risk Management

The Company is exposed to risk from market fluctuations of foreign exchanges, interest rates, commodity price, business risk, compliance risks and people risks.

Foreign Exchange Risk

The Company's policy is to actively manage its long term foreign exchange risk within the framework laid down by the company's forex policy approved by the Board

Interest Rate Risk

Given the interest rate fluctuations, the company has adopted a prudent and conservative risk mitigating strategy to minimize the interest cost

Commodity price risk

The Company is exposed to the risk of price fluctuation on raw material as well as finished goods in all of its product. The Company proactively manages these risk in inputs through forward booking, inventory management, proactive management of vendor development and relationships. The Company's strong reputation for quality, product differentiation and service, the existence of a powerful brand image and a robust marketing network mitigates the impact of price risk on finished goods.

Risk Element in Individual Businesses

Apart from the risks on account of interest rate, foreign exchange and regulatory changes, various businesses of the company are exposed to certain operating business risk, which are managed by regular monitoring and corrective actions.

Compliance Risks

The Company is exposed to risk attached to various statutes and regulations including the competition Act 2002. The Company is mitigating these risks through regular reviews of legal compliances, through internal as well as external compliances audits

People Risks

Retaining the existing talent pool and attracting new manpower are major risks. The Company has initiated various measures such as rollout of strategic talent management system, training and integration of learning activities.

Environment and safety

Your Company is conscious of the importance of environmentally clean and safe operations. Your Company 's Policy requires the conduct of all operations in such manner so as to ensure safety of all concerned , compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible .

Human Resources and Industrial Relations

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Various HR initiatives are taken to align the HR policies to the growing requirements of the business. The Company continues to lay emphasis on people development, especially identifying and nurturing leadership talent in the organization.

Cautionary Statement

Statements in this report describing the Company's objectives, projections, estimates, expectations or predications may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

Date : May 30, 2012

Place : Bangalore

Corporate Governance Report

Our Corporate Governance philosophy stems from our belief that good corporate governance practices are *sine qua non* for sustainable business that aims at generating long-term value to its stakeholders. A transparent, ethical and robust governance framework helps enhance efficiency, which is an important catalyst in driving business growth across parameters and boosts Investors confidence in the Business entity.

The detailed report on implementation by the Company, of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchanges, is set out below:

1. Company's Philosophy on Corporate Governance

Indus Fila is steadfast in executing sustainable business practices and provide long term value for all its stakeholders. To pursue this objective, the Company remains firm in its value systems that incorporate integrity, transparency and fairness across all its business activities.

The Company has adopted best practices towards preserving the environment and adherence to the highest safety standards remains a focus area across all operations. Indus Fila's value systems are based on the foundation of fair and ethical practices in all its dealings with stakeholders including customers, vendors and suppliers.

All the Directors and Senior Management are committed to the Company's Code of Conduct, the compliance to which is periodically reviewed.

2. Board of Directors

I. Composition of the Board

The Board of Directors of the Company consists of three Executive and two Non-Executive Directors. The Chairman of the Board is Non-Executive Director and Independent. Two out of Five Directors are Independent Directors.

II. Details of Directors and Directorship held

The names and categories of the Directors on the Board and also the number of Directorships and Committee memberships held by them are given below:

Name of the Director	Designation	Category	Total no. of Directorship	No. of other Committee Memberships#		No. of Shares held by Non Executive Director
				Chairman	Member	
Mr. Gerhard Bornemann	Chairman	Non-Executive; Independent	1	-	2	Nil
Mr. Nitin N. Mandhana	Vice Chairman & Managing Director	Promoter, Executive	6	-	3	N.A
Mr. Shashikant G. Mandhana	Whole – Time Director	Promoter, Executive	2	-	-	N.A
Mr. Prakash G. Mandhana	Whole – Time Director	Promoter, Executive	3	-	-	N.A
Mr. V. Balaji Bhat	Independent Director	Non-Executive; Independent	6	3	1	5000

Memberships of only Audit Committee, Shareholders' Grievance Committee and Remuneration Committee have been considered.

As required by the Listing Agreement members of the Board do not have Directorships in more than 15 Companies or a Member of more than 10 Board-level Committees or chairman of more than 5 such Committees.

The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non compliance, if any.

III. Reappointment of Directors

Mr. Shashikant G Mandhana and Mr. Balaji Bhat retire by rotation, and being eligible, offer themselves for reappointment. The brief profile of these directors is as detailed below:

Name of the Director	Mr. Shashikant G Mandhana	Mr. Balaji Bhat
Date of Birth	25.12.1958	19.06.1964
Date of Appointment	01.04.2006	11.04.2006
Expertise in specific functional areas	Operation & Marketing of Apparel Business	Finance
Qualification	B.Com	Chartered Accountant
Directorship held in other companies	03	6
Names of the Companies in which Directorship held	1.Andrew Finvest Private Limited 2. VIR Retail Private Limited 3. Indus Garments (India) Private Limited	1. Subex Limited 2. Subex Technologies Limited 3. Natural Capsules Limited 4. Yuken India Limited 5. Indus Age Advisors Limited 6. Primus Retail Private Limited
Committee positions held in other companies	Nil	04

IV. Board Meetings and Annual General Meetings

The Board of Directors met 4 (four) times during the year on 30.05.2011, 11.08.2011, 11.11.2011 and 14.02.2012.

Attendance at the Board meeting and last Annual General Meeting

Name of the director	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Nitin Mandhana	04	Yes
Mr. Shashikant Mandhana	04	No
Mr. V. Balaji Bhat	04	Yes
Mr. Prakash Mandhana	04	Yes
Mr. Gerhard Bomemann	04	No

V. Code of Conduct

The Company has adopted a code of conduct for Executive and Non Executive Directors, Senior Management Personnel and other executives of the Company. The Company has received confirmations from the Executive and Non Executive Directors as well as Senior Management Personnel regarding compliance of the Code during the year under review. The Code of Conduct is posted on the website of the Company.

3. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

Terms of reference:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Reviewing ,with management , the quarterly ,half yearly and annual financial statements
- Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- Authority to investigate any matter pertaining to the items specified in section 292A of the Companies Act or referred to it by the Board
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Reviewing the Company's financial and risk management policies.
- Periodic discussion with the auditors about internal control systems, scope of audit including the observations of the auditors and review the quarterly, half-yearly, and annual financial statements before submissions to the Board.

Composition, Meeting and Attendance:

As on March 31, 2012, the Audit Committee comprised of two Independent Directors and one Executive Director. The composition of the Audit Committee and the details of the meetings attended by members of the Audit Committee are given below:

Name of Member	Designation	Category	No. of meetings attended
Mr. V. Balaji Bhat	Chairman	Independent, Non-executive Director	4
Mr. Gerhard Bomemann	Member	Independent, Non-executive Director	4
Mr. Nitin Mandhana	Member	Vice Chairman & Managing Director	4

Four (4) Audit Committee Meetings were held during the Financial Year ended March 31, 2012. The dates on which the Audit Committee meetings were held are as follows: 30.05.2011, 11.08.2011, 11.11.2011 and 14.02.2012. Necessary quorum was present at the above meetings.

The Audit Committee Meetings are usually held at the Corporate Office of the Company and are attended by the Managing Director, Finance Head and representatives of Statutory Auditors. The Company Secretary acts as the Secretary to the Audit Committee.

4. Remuneration Committee

Terms of reference

The Company has constituted a remuneration committee of Directors. The broad terms of reference of the Committee are to appraise the performance of Managing / Executive Directors and determine and recommend to the Board, compensation payable to them.

Composition, Meetings and Attendance

As on March 31, 2012, the remuneration committee comprised of 3 (three) members. The Chairman of the remuneration committee is an independent director and the members of the remuneration committee include both executive and non-executive directors.

There were no Remuneration Committee Meetings held during the financial year 2011-12.

The composition of remuneration committee as of March 31, 2012 is given below:

Name of the member	Designation	Category
Mr. V. Balaji Bhat	Chairman	Independent, Non-executive Director
Mr. Gerhard Bornemann	Member	Independent, Non-executive Director
Mr. Nitin Mandhana	Member	Vice Chairman & Managing Director

Details of remuneration paid to directors during the financial year 2011-12

No Remuneration was paid to any of the executive directors of the Company for the year ended March 31, 2012.

Remuneration policy

Remuneration to executive directors is based on the years of experience and contribution made by the respective executive directors to the company and in line with the existing industry practice. However no remuneration has been paid to any of the Executive Directors during the Financial Year ended March 31, 2012. Further, sitting fee is not paid to any of the directors of the company.

5. Shareholder's Grievances Committee

Terms of reference

Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interest, non-receipt of annual report etc.

Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Composition, Meetings and Attendance

The composition of Shareholder's Grievances committee as on March 31, 2012 and the attendance of the members in the meeting held during the financial year 2011-12 are as follows:

Name of the member	Designation	Category	No. of Meetings Attended
Mr. V. Balaji Bhat	Chairman	Independent, Non-executive Director	N.A
Mr. Nitin Mandhana	Member	Vice Chairman & Managing Director	N.A
Mr. Hansraj Rathor	Member	Company Secretary & Compliance Officer	N.A

Status of investors' complaints

The status of investor's complaints as on March, 31 2012 is as follows:

Number of Complaints received during the year	Nil
Number of complaints resolved during the year	Nil
Number of Complaints pending as of March 31,2012	Nil

There were no outstanding complaints as on March 31, 2012.

6. General Meetings

A) Annual General Meeting:

The details of last three Annual General Meetings of the Company are as follows:

Financial Year	Date	Time	Venue
2008-09	31.12.2009	8.00 A.M	Registered Office
2009-10	28.09.2010	9.00 A.M	Registered Office
2010-11	23.09.2011	9.00 A.M	R.V Function Hall, DRV Plaza, BB Road Devanahalli, Bangalore Rural District - 562110

B) Postal Ballot:

There were no resolutions passed through Postal Ballot for the financial year 2010-12.

C) Special Resolution:

A Special resolution for conversion of unsecured loans from promoters, into equity shares, was passed in the Annual General Meeting held on 23rd September 2011.

7. Disclosures

a) Materially significant related party transactions

There were no material significant related party transactions during the financial year 2011-12 that may have potential conflict with the interest of the Company at large. The details of related party transactions as per Accounting Standard – are included in the notes to the accounts.

b) Subsidiary Companies:

The revised Clause 49 defines a “material non-listed Indian subsidiary” as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding financial year. As per this definition, Indus Garments (India) Private limited is not a material non listed Indian subsidiary.

c) Details of non-compliance with regard to capital market

The Company has complied with all the requirements of listing agreement as well as the regulations and guidelines prescribed by the Securities and Exchange Board of India (SEBI).

The Company has complied with Clause 38 of the listing agreement with respect to payment of listing fees to the Exchanges and Annual Custodial fees to the Depositories for the year 2011-12. There were no penalties imposed nor strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority on any matter related to capital Markets, during last three years.

d) Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards referred to in Section 211(3) (c) of the Companies Act, 1956. The significant accounting policies which are consistently applied are set out in the Annexure to Notes to the Financial Statements.

e) Board Disclosures – Risk Management

The Company has a well documented risk management policy which acts as an effective tool in minimizing various risks to which our businesses are exposed to during the course of their day to day operations as well as their strategic actions. Various risks are identified, comprising mainly of price volatility of key inputs, foreign exchange risks, environmental, health and safety risks, breakdown of information system, regulatory and legal risks, etc.

All the risks associated with the business are identified and allocated to respective designated owners to manage/control the risks and keep risks exposures within acceptable limit.

f) Details of Investments of the Company's Fund :

Short Term Investment:

	Rs. in Lakhs
In Units of Mutual Funds under Portfolio Management Scheme	NIL
In Commodities & Hedge Instruments thereof	NIL
In Short Term Deposit Instruments of Companies / Bank	NIL
TOTAL	NIL

g) Certification from CEO

The requisite certification from the Managing Director required to be given under Clause 49 (V) has been placed before the Board of Directors of the Company.

h) Details of Compliance with mandatory requirements and adoption of non-mandatory requirements of Clause 49 of the listing agreement

- The company has complied with all the mandatory requirements as mandated under Clause 49 of listing agreement.
- The Company has complied with the non-mandatory requirements relating to remuneration committee.
- The Company has not implemented the Whistle Blower Policy which is a non-mandatory requirement under the code of Corporate Governance.
- Details of Shares held by Non-Executive Directors as on 31.03.2012 :

Name of the Non-Executive Director	No. of Shares held
Mr. Gerhard Bornemann	Nil
Mr. V. Balaji Bhat	5000

8. Means of Communication

The quarterly / half yearly /annual results and notices as required under Clause 41 of the listing agreement are published in regional as well as national newspapers.

Authorized persons of Indus Fila also respond to queries telephonically and by letters.

9. General Shareholder Information

a) Annual General Meeting

Date : 20th September, 2012
 Time : 9 A.M
 Venue :Registered Office of the Company

b) Financial Year

The Financial Year commences from 1st April, 2011 till 31st March, 2012

c) Book Closure

The dates of the book closure are 18th September 2012 to 20th September 2012 (all days inclusive)

d) Dividend Payment

In order to conserve funds and to bridge working capital requirements, the Board has not declared dividend for the financial year 2011-12.

e) Listing

The equity shares of the Company are listed on the following stock exchanges in India since 08.03.2007:

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

Bombay Stock Exchange Limited (BSE)
P.J. Towers. Dalal Street, Mumbai – 400 001.

f) Stock Codes

Indus Fila's Stock Exchange Codes

Name of the Stock Exchange	Stock Code
The National Stock Exchange of India Limited (NSE)	INDUSFILA
The Bombay Stock Exchange Limited (BSE)	532821

The ISIN code of the Company for equity shares held in demat form is INE025I01012.

g) Market Price Data (BSE)

High, Low (based on closing prices) during each month during the year 2011 -2012 on the Bombay Stock Exchange Limited:

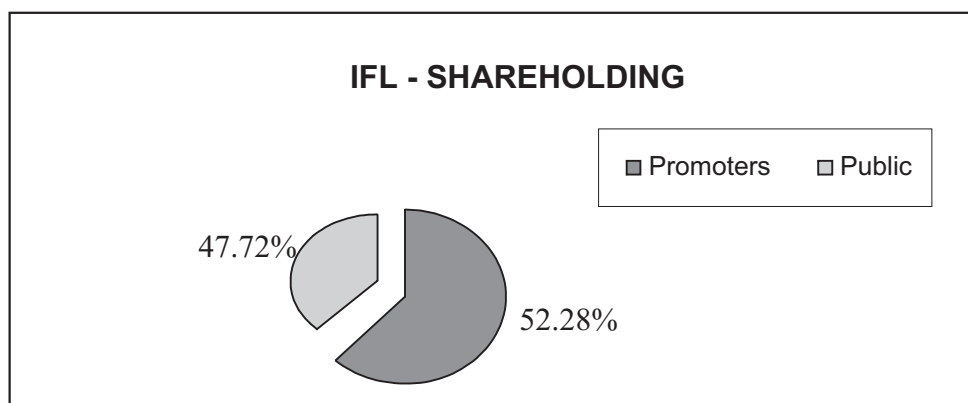
MONTH	INDUS FILA		BSE SENSEX	
	High	Low	High	Low
Apr -11	26.70	23.05	19,811.14	18,976.19
May -11	30.00	20.00	19,253.87	17,786.13
June -11	25.00	16.65	18,873.39	17,314.38
July -11	22.95	19.00	19,131.70	18,131.86
Aug -11	23.25	16.50	18,440.07	15,765.53
Sep -11	21.45	12.80	17,211.80	15,801.01
Oct -11	16.05	12.80	17,908.13	15,745.43
Nov -11	15.00	11.06	17,702.26	15,478.69
Dec -11	16.10	10.10	17,003.71	15,135.86
Jan -12	17.49	10.35	17,258.97	15,358.02
Feb -12	18.40	13.50	18,523.78	17,061.55
Mar -12	17.95	13.20	18,040.69	16,920.61

h) Distribution of Shareholding

1. The distribution of shareholding of the Company as on March 31, 2012 is as follows:

Sl No.	Shares		Range	Shares	% To Capital	No. of Holders	% to Total Holders
	From	To					
1	1	500		429956	2.0726	3252	81.0568
2	501	1000		266523	1.2848	326	8.1256
3	1001	2000		262024	1.2631	166	4.1376
4	2001	3000		183116	0.8827	70	1.7448
5	3001	4000		99817	0.4812	28	0.6979
6	4001	5000		128734	0.6206	27	0.6730
7	5001	10000		368706	1.7773	49	1.2213
8	10001	*****		19005841	91.6177	94	2.3430
TOTAL				20744717	100.0000	4012	100.0000

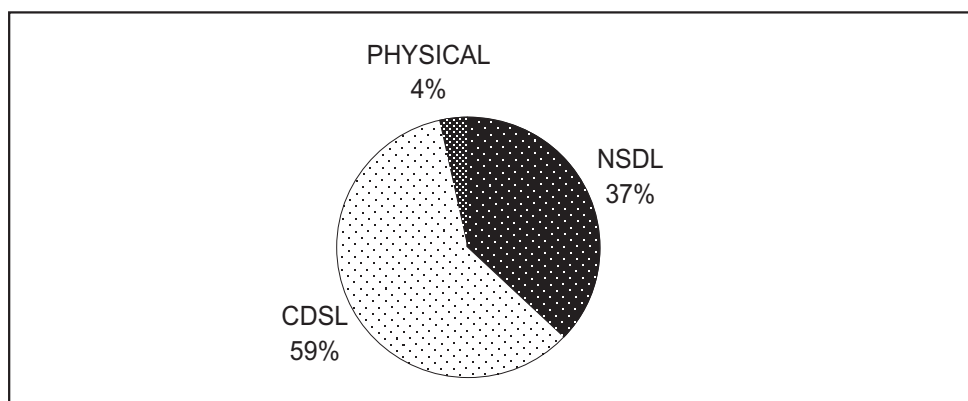
2. Shareholding pattern as on March 31, 2012



i) Dematerialization of Shares

The equity shares of the company are compulsorily traded in dematerialized form and are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Security Identification Number (ISIN) allotted to the Company under Depository System is INE025I01012.

Number of shares held in dematerialized and physical mode as on March 31, 2012 is as below :



j) **Registrar and Share Transfer Agents** : Link Intime India Pvt Ltd
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (W),
Mumbai – 400078
Ph: 25963838 Fax : 25946969

k) Share Transfer System

The Registrar and Share Transfer Agents, M/s. Link Intime India Pvt Ltd are authorized by the Board for processing of share transfers.

Share transfer requests are processed and dispatched to the shareholders generally within 30 days from the date of receipt. All valid requests for dematerialization of shares are processed and confirmations are given to the depositories within the stipulated time.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, on half yearly basis, certificates have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by the Company. Also, pursuant to SEBI (Depositories and Participants) Regulations, 1996, Secretarial Audit is done on a quarterly basis for reconciliation of the share capital of the Company.

l) Outstanding GDR'S /ADR'S etc.

No GDRs / ADRs/ Warrants or Convertible Instruments are outstanding as of the date of this report.

m) Plant Locations

Survey No. 284 & 285 37 th KM Stone, Kasaba Hobli, Nelamangala, Bangalore Rural District – 562 123.	No. 243/1, to 358/3, Thoramavu & Immavu Village, Thandya Industrial Area, Kemp Siddana Hundi, Nanjangud, Dist Mysore – 571 302.
No. 21-D-2, II Phase, Peenya Industrial Area, Bangalore – 560 058.	

n) Address for Correspondence

REGD. OFFICE	Survey No. 285, 37 th KM Stone, Kasaba Hobli, Nelamangala, Bangalore Rural district – 562 123. Ph : 8118 7733501 – 506 Fax : 8118 7733516
CORPORATE OFFICE	No. 107, Industrial Suburb, II Stage, Yeshwanthpur, Bangalore – 560 022. Ph : 080 – 41369700 – 701 Fax : 080 - 41369800

For and on behalf of the Board of Directors

Place : Bangalore
Date : May 30, 2012

Nitin N. Mandhana
Vice Chairman & Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identification Number : L 17121KA1999PLC025320

Nominal Share Capital : Rs.40,00,00,000/-

Paid-up Share Capital : Rs.20,74,47,170/-

To,

The Shareholders of Indus Fila Limited

We have examined all relevant records of Indus Fila Limited (the Company) for the purpose of certifying the compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with Bombay Stock Exchange and National Stock Exchange for the financial year ended 31st March, 2012. We have obtained all information and explanations which to best of our knowledge and belief are necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof. This certificate is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with all the mandatory conditions of the Clause 49 of the Listing Agreement.

For Punit Handa & Associates
Company Secretaries

CS Punit Handa
Proprietor
FCS: 5084; CP:7143

Date: August 10, 2012
Place: Bangalore

Certificate from Chief Executive Officer

I, Nitin N. Mandhana, Vice Chairman & Managing Director to the best of my knowledge and belief, certify that:

- (a) I have reviewed the financial statements and the cash flow statement for the year ended 31st March 2012, and that to the best of my knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violate of the Company's code of conduct.
- (c) I accept the responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Nitin N. Mandhana
Vice Chairman & Managing Director

Place: Bangalore
Date: May 30, 2012

AUDITORS' REPORT

IndusFila

We have audited the attached Balance Sheet of M/S INDUS FILA LIMITED as at 31st March 2012 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted the audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the order to the extent applicable to this company.

Further to our comments in the annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit.
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account maintained by the Company.
- (iv) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956
- (v) Based on the declarations furnished by the Directors, taken on record, none of the directors is disqualified to be appointed as director under section 274 (1)(g) of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required subject to note No.8 regarding the non classification of creditors into micro, small and medium enterprises and the consequent non disclosure under schedule VI of the companies Act, 1956 and MSMED Act 2006, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Balance Sheet, of the State of affairs of the company as at 31st March 2012
 - b) In the case of the Profit and Loss Account, of the PROFIT for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the Cash Flows for the year.

Place : Bangalore
Date : May 30, 2012

For SURI & CO.,

Chartered Accountants
G. Rangarajan
Partner
Firm Regn No.0042838

ANNEXURE TO AUDITORS' REPORT

(Referred to in our report of even date on the Accounts of **INDUS FILA LIMITED** for the year ended 31st March 2012)

- 1)
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The company's programme of physical verification of fixed assets, in our opinion, is reasonable considering the size and nature of assets and business. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of fixed assets of the company.
- 2)
 - a) The inventories has been physically verified by the management under supervision by independent chartered accountants at the end of the year.
 - b) According to the information and explanation given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and nature of its business.
 - c) In our opinion and according to the information and explanation given to us, the company has maintained proper records of its inventories. The discrepancies noticed on physical verification of inventories as compared to the book records were not material and are being adjusted in the books of account.
- 3)
 - a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. As the Company has not granted any loans, clause (iii)(b), (iii)(c), and (iii)(d) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
 - b) The company has taken interest-free unsecured loans from eight parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.959.40 lakhs and the year end balance of the loans taken from such parties was Rs.553..72 lakhs.
 - c) Being Interest free, the loans are not prima-facie prejudicial to the interest of the company.
 - d) The terms of the arrangement do not stipulate any repayment schedule. Accordingly, paragraph 4(iii)(g) of the Order is not applicable.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with size of the company and nature of its business with regard to purchase of inventory, fixed assets and sale of goods and services, subject to continuing weakness relating to internal audit system as stated in Para 7 below.
- 5)
 - a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - b) According to the information and explanations given to us and having regard to the explanations that some the items purchased, sold are services availed are of a special nature for which comparable alternative price are not available, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 of the Companies Act, 1956

during the year have been made at prices which are considered reasonable.

- 6) The Company had not taken any deposits within the meaning of Sections 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and the rules framed there under.
- 7) The system of internal audit of the company needs to be strengthened and commensurate to the size and nature of its business.
- 8) On the basis of the prima facie examination of the records of the company, we are of the opinion that the company has made and maintained cost records as required under section 209(1)(d) of the Companies Act, 1956. However we have not made a detailed examination of the records in this regard.
- 9) a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues where ever applicable, though there are delays in depositing provident fund and ESI. In respect of Income tax there were delays in depositing the undisputed dues with appropriate authorities.
b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise Duty and Cess were in arrears, as at 31st March 2012 for a period of more than six months from the dates they became payable except for the following.

Nature of Dues	Amount outstanding	Period of Outstanding
Fringe Benefit Tax	Rs.23,90,590/-	A.Y 2009-10
Dividend Distribution Tax	Rs 16,46,404/-	A.Y 2008-09
Tax Deducted at source	Rs 33,10,538/-	A.Y 2011-12
Tax Deducted at source	Rs 37,68,724/-	A.Y 2012-13
Provident Fund	Rs.2,40,919/-	A.Y- 2011-12
Provident Fund	Rs.19,01,190/-	A.Y 2012-13
Employee State Insurance	Rs 2,33,306/-	A.Y 2012-13

- c) According to the information and explanations given to us, there are no disputed dues in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise Duty and Cess of the company that have not been deposited except the following

Name of the statute	Nature of Dues	Amount of disputed tax due	Period to which amount related	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Rs. 1177.61 Lakhs	A.Y 2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	Rs.1.95 Lakhs	A.Y 2006-07	Commissioner of Income Tax (Appeals)

- 10) The accumulated losses of the company as on 31st March 2012 does not exceed 50 percent of its net worth. The Company has not incurred Cash Losses during the financial year covered by our audit and has incurred cash losses in the immediately preceding financial year.
- 11) In our opinion, the company has defaulted in the repayment of dues to financial institutions or banks amounting to Rs.21.93 crores during the financial year under review.

- 12) According to the information and explanation given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and investments.
- 13) In our opinion and according to the information and explanations given to us, the Company is not a chit fund / nidhi / mutual fund / society. Therefore, provisions of clause (xiii) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 14) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, provisions of clause (xiv) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 15) The Company has given guarantees for loans from banks taken by subsidiary company/firms, who are engaged for job works and the terms and conditions of such guarantees in our opinion are not prejudicial to the interest of the company.
- 16) In our opinion and According to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the company has not applied short term funds for long term purposes.
- 18) The Company has during the year, made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion and according to the information and explanation given to us, the price at which the shares have been issued are not prejudicial to the interest of the company.
- 19) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- 20) During the year covered under audit, the company has not raised any monies by public issues..
- 21) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place : Bangalore

For SURI & CO.,

Date : May 30, 2012

Chartered Accountants

G. Rangarajan
Partner

Firm Regn No.0042838

To

The Board of Directors,
Indus Fila Limited,
Bangalore

We have audited the attached Consolidated Balance Sheet of Indus Fila Limited as at 31st March 2011 and Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting frame work and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis of our opinion.

We did not audit the financial statements of the subsidiary Indus Garments Private Limited whose financial statements reflect total assets of Rs.55.11 Crores as at 31st March 2011, total revenues of Rs.114.53 Crores and cash flows amounting to Rs.1.20 Crores for the year ended whose financial statements were audited by other auditors. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard 21- Consolidated Financial Statements issued by the Institute of Chartered Accountants of India to the extent they are applicable.

Based on our audit and on consolidation of the reports of the other auditors on separate financial statements, in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a. in the case of the Consolidated Balance Sheet, of the State of affairs of the Group as at 31st March 2012
- b. in the case of the Consolidated Profit and Loss Account, of the **PROFIT** for the year ended on that date; and
- c. in the case of the Consolidated Cash Flow Statement, of the Cash Flows for the year.

Place : Bangalore
Date : May 30, 2012

For SURI & CO.,
Chartered Accountants

G. Rangarajan
Partner
Firm Regn No.0042838

INDUS FILA LIMITED
BALANCE SHEET AS ON 31ST MARCH 2012

(in Rs.)

	Note No	As on 31ST MARCH 2012	As on 31ST MARCH 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	20 35 62 170	18 99 89 470
(b) Reserves and Surplus	3	78 06 69 895	69 05 75 511
(2) Non-Current Liabilities			
(a) Long Term borrowings	4	95 19 24 221	113 57 85 334
(b) Deferred Tax Liabilities (Net)	5	2 73 34 300	6 84 300
(d) Long-Term Provisions	6	1 25 59 567	1 09 50 812
(3) Current Liabilities			
(a) Short- Term Borrowings	7	163 15 28 192	149 25 32 914
(b) Trade payables	8	40 40 70 385	48 67 41 156
(c) Other Current Liabilities	9	49 44 85 121	31 31 33 479
(d) Short-Term Provisions	10	8 68 19 072	7 81 72 345
		459 29 52 923	439 85 65 321
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	131 73 99 417	136 88 74 581
(ii) Capital Work-in-progress		7 69 99 010	6 77 49 030
(b) Non-Current investments	12	9 89 30 610	9 89 30 610
(c) Long term Loans and advances	13	3 89 71 830	3 86 31 914
(2) Current Assets			
(a) Inventories	14	85 25 27 279	77 66 32 171
(b) Trade Receivables	15	197 68 63 305	185 77 48 589
(c) Cash and bank balances	16	5 32 41 412	2 30 02 619
(d) Short-Term Loans and advances	17	8 71 03 325	10 29 46 460
(e) Other Current assets	18	9 09 16 735	6 40 49 347
		459 29 52 923	439 85 65 321

See accompanying notes to financial statements

Place: BANGALORE

Date: 30.05.2012

(Nitin N Mandhana)
Vice Chairman & Managing Director

Vide our report of even date attached

For SURI & CO.,
Chartered Accountants
Firm Regn. No:004283S

(Shashikant G Mandhana)
Executive Director

(Balaji Bhat)
Director

(G. Rangarajan)
Partner
Memb. No: 024107

(Hansraj Rathor)
Chief Finance Officer & Company Secretary

INDUS FILA LIMITED
STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR E NDED 31ST MARCH 2012

(in Rs.)

	Particulars	Note No	For the year ended 31ST MARCH 2012	For the year ended 31ST MARCH 2011
	REVENUE			
I.	Revenue from Operations			
	Sales of products (Refer Note)		425 21 28 795	410 44 90 787
	Sales of Services		27 84 97 289	29 00 81 845
	Other Operating Revenue (Refer Note)		10 80 05 440	3 77 26 071
			463 86 31 524	443 22 98 703
II.	Other Income	19	2 22 41 529	2 53 74 559
III.	Total Revenue (I+II)		466 08 73 053	445 76 73 262
	EXPENSES			
	Cost of materials consumed	20	314 17 53 797	330 40 31 590
	Other Manufacturing Expenses	21	55 06 55 794	31 04 35 624
		22	(7 70 35 527)	(2 18 27 729)
	Changes in inventories of finished goods and work i n progress	23	38 59 16 403	36 40 33 474
	Employee benefits expense	24	33 91 87 180	25 07 91 434
	Finance Costs	11	9 71 45 474	9 73 61 846
	Depreciation expense	25	13 62 04 286	11 55 01 299
	Other expense			
IV.	Total Expenses		457 38 27 407	442 03 27 537
V.	Profit before Tax (PBT) (III-IV)		8 70 45 646	3 73 45 725
VI.	Tax Expense of continuing operations:			
	Current Tax		60 00 000	
	Earlier year taxes(net)		(25 53 338)	8 13 717
	Deferred Tax		2 66 50 000	1 53 00 000
	Mat Credit Entitlement		(60 00 000)	
			2 40 96 662	1 61 13 717
VII.	Profit/(loss) for the period from continuing operations (V-VI)		6 29 48 984	2 12 32 008
VIII.	Profit/(loss) for the period [Profit After Tax (PAT)] (V-VI)		6 29 48 984	2 12 32 008
	Add: Balance Brought Forward from earlier year		(18 66 84 489)	(20 79 16 496)
	Balance Carried to Balance Sheet		(12 37 35 505)	(18 66 84 489)
IX.	Earnings per equity share			
	Basic & Diluted		3.14	1.10
	Weighted Average No. Of Shares Used In			
	Computing Earnings Per Share		2 00 66 082	1 93 87 447

See accompanying notes to financial statements

Place: BANGALORE

Date: 30.05.2012

(Nitin N Mandhana)
Vice Chairman & Managing Director

Vide our report of even date attached

For SURI & CO.,
Chartered Accountants
Firm Regn. No:004283S

(Shashikant G Mandhana)
Executive Director

(Balaji Bhat)
Director

(G. Rangarajan)
Partner
Memb. No: 024107

(Hansraj Rathor)
Chief Finance Officer & Company Secretary

INDUS FILA LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03 .2012

2. (A) Authorised, Issued, Subscribed, Paid-up share capital and par value per share

Particulars	As on 31ST MARCH 2012	As on 31ST MARCH 2011
Authorised Share Capital		
4,00,00,000 Equity Shares of Rs.10/- each (Previous year 4,00,00,000 equity shares of Rs.10/- each)	40 00 00 000	40 00 00 000
Issued & Subscribed Share Capital		
2,07,44,717 equity shares of Rs.10/- each (Previous year 1,93,87,447 equity shares of Rs.10/- each)	20 74 47 170	19 38 74 470
Paid-up Share Capital		
2,07,44,717 equity shares of Rs.10/- each (Previous year 1,93,87,447 equity shares of Rs.10/- each)	20 74 47 170	19 38 74 470
less: Amount recoverable from ESOP Trust	(38 85 000)	(38 85 000)
Total	20 35 62 170	18 99 89 470

(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars	For the year ended 31ST MARCH 2012	For the year ended 31ST MARCH 2011
Number of shares outstanding as the beginning of the year	1 93 87 447	1 93 87 447
Add:		
Number of shares allotted during the year as fully paid-up pursuant to a contract without payment being received in cash	13 57 270	NIL
Number of shares outstanding as at the end of the year	2 07 44 717	1 93 87 447

(C) Shares in the company held by each shareholder holding more than 5% shares

Name of the shareholder	Number of shares held in the company	Percentage of shares held
Kamal Kishor Finvest Private Limited	60 13 657	28.99%
Andrew Finvest Pvt Ltd	22 16 610	10.69%
Religare Finvest Ltd	16 96 289	8.18%
Total	99 26 556	47.85%

(D) Details of allotments of shares for consideration other than cash(during the period of five years from 1.4.07 to 31.3.12)

Particulars	Amount
Allotment of shares as fully paid-up pursuant to contracts without payments being received in cash	
12,291 Equity Shares of Rs. 10 Each fully paid-up allotted on 25th June 2010 pursuant to scheme of Amalgamation with Tulip Apparel Private Limited	1 22 910
13,57,270 Equity Sahres of Rs. 10 Each fully paid up allotted on 11th October 2011 as Preferential allotment for Conversion of Unsecured Loan into Equity Shares	1 35 72 700
67500 Equity Shares of Rs. 10 each fully paid up allotted on 08th November 2007 to ESOP Trust	6 75 000

3. Reserves and Surplus

Particulars	As on 31ST MARCH 2011	Additions during the year	Deductions during the year	As on 31ST MARCH 2012
Securities Premium Reserve	87 23 84 410	2 71 45 400	NIL	89 95 29 810
Amalgamation Reserve	48 75 590	NIL	NIL	48 75 590
Surplus (Profit and Loss Account)	(18 66 84 489)	6 29 48 984	NIL	(12 37 35 505)
Total	69 05 75 511	9 00 94 384	NIL	78 06 69 895

4. LONG TERM BORROWINGS

Particulars	As on 31ST MARCH 2012	As on 31ST MARCH 2011
(A) TERM LOANS FROM BANKS		
Secured		
- Term Loans From Banks	94 81 86 181	109 13 29 194
(B) LOANS AND ADVANCES FROM RELATED PARTIES		
Unsecured		
From Directors And Associates	37 38 040	4 44 56 140
Total	95 19 24 221	113 57 85 334

Nature of Security

The above Term loan from Banks are secured by

a) First pari-passu charge on all the fixed assets, present and future of the company.

b) Pari-passu second charge on all the current assets, present and future of the company.

Terms of Repayment of above Term loan from banks

a) Out of the total term loans, Rs 15.38 crores (as on 31.03.2011 Rs.16.47 crores) is repayable in 28 Quarterly installments commencing from June 2012. Last installment due in March 2019. Rate of interest @ 12% p.a. as at year end(previous year 10.75 % p.a.)

b) Out of the total term loans, Rs 48.12 crores (as on 31.03.2011 Rs.53.87 crores) is repayable in 36 Quarterly installments commencing from June 2010. Last installment due in March 2019. Rate of interest @ 12% p.a. as at year end(previous year 10.75 % p.a.)

c) Out of the total term loans, Rs 24.89 crores (as on 31.03.2011 Rs.31.34 crores) is repayable in 32 Quarterly installments commencing from June 2011. Last installment due in March 2019. Rate of interest @ 12% p.a. as at year end(previous year 10.75% p.a.)

d) Out of the total term loans, Rs 6.43 crores (as on 31.03.2011 Rs.7.45 crores) is repayable in 40 Quarterly installments commencing from June 2009. Last installment due in March 2019. Rate of interest @ 12% p.a. as at year end(previous year 10.75 % p.a.)

e) Continuing default- Rs 37117494 from Dec. 2009.

5. DEFERRED TAX LIABILITIES (NET)

Particulars	As on 31ST MARCH 2012	As on 31ST MARCH 2011
Deferred Tax liabilities	19 56 34 300	19 92 34 300
Deferred Tax Assets	16 83 00 000	19 85 50 000
Deferred Tax Liabilities (Net)	2 73 34 300	6 84 300
Movement of deferred tax		
Particulars	As at 31.3.2012	As at 31.3.2011
Deferred Tax Liability on account of:		
Depreciation & Others	19 56 34 300	19 92 34 300
Total	19 56 34 300	19 92 34 300
Deferred Tax Assets:		
Unabsorbed Business Loss/ Depreciation	8 28 00 000	19 85 50 000
Other tax disallowances	8 55 00 000	-
Total	16 83 00 000	19 85 50 000
Deferred Tax Liability/ (Asset) (Net)	2 73 34 300	6 84 300

6. LONG-TERM PROVISIONS

Particulars	As on 31ST MARCH 2012	As on 31ST MARCH 2011
Employee Benefits		
Provision For Gratuity	1 25 59 567	1 09 50 812
Total	1 25 59 567	1 09 50 812

7. SHORT-TERM BORROWINGS

Particulars	As on 31ST MARCH 2012	As on 31ST MARCH 2011
(A) LOANS REPAYABLE ON DEMAND		
Secured		
From Banks		
Working Capital Loans repayable on demand (secured against hypothecation of all current assets present and future)	156 31 90 381	141 44 29 168
(B) LOANS AND ADVANCES FROM RELATED PARTIES		
Unsecured		
From Directors & Relatives of Directors	5 48 54 595	5 32 51 846
(C) OTHERS		
Unsecured		
Inter Corporate Deposit	1 34 83 216	2 48 51 900
Total	163 15 28 192	149 25 32 914

8. CURRENT LIABILITIES

Particulars	As on 31ST MARCH 2012	As on 31ST MARCH 2011
Trade Payables -		
---- Raw Materials	10 84 79 199	18 22 41 267
---- Consumables	9 22 07 032	7 54 83 315
---- Expenses & Others	15 69 06 054	17 73 51 424
Others-		
---- Capital goods	4 64 78 100	5 16 65 150
Payable to Micro, Small and Medium Enterprises (Refer Note no. 26(e) of Notes to accounts)	NIL	NIL
Total	40 40 70 385	48 67 41 156

9. OTHER CURRENT LIABILITIES

Particulars	As on 31ST MARCH 2012	As on 31ST MARCH 2011
Current maturities of long term debt	26 09 73 148	16 07 81 731
Current maturities of finance lease obligations	NIL	1 87 077
Interest accrued and due on borrowings (Continuing default- Rs 182220946 from dec.2009)	19 67 48 526	8 21 19 523
Unpaid/unclaimed dividends	22 994	22 994
Advance from Customers	60 81 033	3 17 35 068
Other Liabilities		
- PF,ESI & Professional Tax Payable	1 19 16 516	2 51 06 237
- TDS Payable	1 82 49 492	1 29 36 574
- Service Tax Payable	4 93 412	2 44 275
Total	49 44 85 121	31 31 33 479

10. SHORT-TERM PROVISIONS

Particulars	As on 31ST MARCH 2012	As on 31ST MARCH 2011
Provision For Bonus	1 73 08 049	1 46 30 964
Provision For Gratuity	12 08 653	10 43 627
Provision for dividends (including dividend distribution tax)	16 46 404	16 46 404
Provision for Income Tax	6 42 65 376	5 84 60 760
Provision For Fringe Benefit Tax	23 90 590	23 90 590
Total	8 68 19 072	7 81 72 345

INDUS FILA LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2012

11. FIXED ASSETS - TANGIBLE

Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

Description	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount	
	As on 31ST MARCH 2011	Additional adjustment during the year	Deductions during the year	As on 31ST MARCH 2012	As on 31ST MARCH 2011	Additional adjustment during the year	As on 31ST MARCH 2012	As on 31ST MARCH 2012
1. Land								
- Owned	4 02 63 930			4 02 63 930			4 02 63 930	4 02 63 930
2. Buildings								
- Owned	26 91 47 889			26 91 47 889	5 37 84 492	95 97 446	6 33 81 938	20 57 65 951
3. Building (Lease hold Improvement)	9 43 84 372			9 43 84 372	4 51 62 454	94 05 305	5 45 67 759	3 98 16 613
4. Plant & Equipment								
- Owned	1 36 32 23 263	4 62 72 387		1 40 94 95 650	33 92 29 920	7 22 23 994	41 14 53 914	99 80 41 736
5. Furniture & Fixtures								
- Owned	2 76 29 608	45 000		2 76 74 608	84 01 209	17 50 620	1 01 51 829	1 75 22 779
6. Vehicles								
- Owned	2 17 90 505		16 52 832	2 01 37 673	1 06 97 824	20 70 098	1 20 73 044	80 64 629
7. Office equipments								
- Owned	82 47 800	1 20 627		83 68 427	19 54 351	3 95 601	23 49 952	60 18 475
8. Canteen equipments								
- Owned	1 43 642			1 43 642	72 603	9 093	81 696	61 946
9. Computer System								
- Owned	1 36 20 842	1 90 250		1 38 11 092	1 02 74 417	16 93 317	1 19 67 734	18 43 358
Total	1 83 84 51 851	4 66 28 264	16 52 832	1 88 34 27 283	46 95 77 270	97 14 5474	56 60 27 866	1 36 88 74 581
Previous Year	1 80 42 61 536	3 70 62 814	28 72 500	1 83 84 51 851	37 33 23 652	97 31 61 846	46 95 77 270	1 36 88 74 581

12. NON-CURRENT INVESTMENTS

Particulars	As on 31ST MARCH 2012	As on 31ST MARCH 2011
(A) Trade Investments		
Unquoted		
(i) Investments in Equity Instruments* (1,97,999 shares of Face Value of Rs.100/- each, fully paid up at cost)	9 89 20 410	9 89 20 410
(B) Non-trade Investments		
Unquoted		
(i) Investment in Government or trust securities	10 200	10 200
Total	9 89 30 610	9 89 30 610

*Investments in shares of **INDUS GARMENTS (INDIA) PVT LTD.** (subsidiary) shown as Trade investment has been valued

at cost less other than temporary diminution in value.

13. LONG-TERM LOANS AND ADVANCES

Particulars	As on 31ST MARCH 2012	As on 31ST MARCH 2011
(A) Security Deposits		
(i) Unsecured, Considered good	3 57 22 830	3 53 82 914
(B) Advances Due From Directors		
(i) Unsecured, Considered good	32 49 000	32 49 000
Total	3 89 71 830	3 86 31 914

14. INVENTORIES

Particulars	As on 31ST MARCH 2012	As on 31ST MARCH 2011
(a) Raw Materials		
(i) in stock	31 32 66 922	31 54 29 656
(b) Work-in-progress		
(i) in stock	31 54 49 376	24 22 63 128
(c) Finished Goods		
(i) in stock	21 62 03 672	21 23 54 393
(d) Stores and spares		
(i) in stock	76 07 309	65 84 994
Total	85 25 27 279	77 66 32 171

15. TRADE RECEIVABLES

Particulars	As on 31ST MARCH 2012	As on 31ST MARCH 2011
(A) Trade receivables outstanding for more than six months from the date they become due for payment:		
(i) Unsecured, Considered good	4 30 50 430	7 29 59 215
(ii) Doubtful	13 05 533	61 46 555
Less: Allowance for bad and doubtful debts	13 05 533	61 46 555
Total (A)	4 30 50 430	7 29 59 215
(B) Trade receivables - Others		
(i) Unsecured, Considered good	193 38 12 875	178 47 89 374
(iii) Doubtful	NIL	NIL
Less: Allowance for bad and doubtful debts	NIL	NIL
Total (B)	193 38 12 875	178 47 89 374
Total (A+B)	197 68 63 305	185 77 48 589

16. CASH AND BANK BALANCE

Particulars	As on 31ST MARCH 2012	As on 31ST MARCH 2011
(A) Cash and cash equivalents		
(i) Earmarked Bank Balances		
(a) Unpaid dividend bank account	22 994	22 994
(ii) Bank balances		
(a) Others	4 99 89 209	1 23 37 642
(iii) Cheques, drafts in hand		
(a) Cheques on hand	NIL	NIL
(iv) Cash on hand	6 35 630	54 70 241
Total(A)	5 06 47 833	1 78 30 877
(B) Other Bank Balances		
(i) Bank balances held as margin money or as security against:		
(ii) Guarantees	NIL	6 71 400
(iii) Letters of Credit	25 93 579	45 00 342
Total(B)	25 93 579	51 71 742
TOTAL (A)+(B)	5 32 41 412	2 30 02 619

17. SHORT-TERM LOANS AND ADVANCES

Particulars	As on 31ST MARCH 2012	As on 31ST MARCH 2011
(A) Loans and Advances to related parties		
To Directors & Relative of Directors		
(i) Unsecured, Considered good	15 26 627	NIL
(B) Others		
Advances Recoverable In Cash Or Kind Or For Value To Be Received In The Normal Course Of Business	2 32 546	11 26 777
Advances given to employees	21 57 081	23 05 319
Advances given to Suppliers	1 68 52 302	3 63 55 183
Balances with Revenue Authorities	5 71 73 881	5 68 62 513
Mat Credit Entitlement	60 00 000	NIL
Prepaid expenses	3 25 000	20 170
Capital Advances		
(i) Unsecured, Considered good	28 35 888	62 76 498
Total	8 71 03 325	10 29 46 460

18. OTHER CURRENT ASSETS

Particulars	As on 31ST MARCH 2012	As on 31ST MARCH 2011
Others		
- TUF Interest receivable	3 66 14 531	5 24 61 027
- Duty drawback receivable	3 75 15 880	1 13 37 209
- Duty entitlement exemption certificate receivable	1 66 49 324	NIL
- Insurance claim receivable	1 37 000	1 82 000
- Interest receivable	NIL	69 111
Total	9 09 16 735	6 40 49 347

19. OTHER INCOME

Particulars	For the year ended 31ST MARCH 2012	For the year ended 31ST MARCH 2011
Profit on sale of assets	2 17 056	37 531
Exchange fluctuation	NIL	1 80 52 398
Interest from fixed deposit	9 15 495	3 13 342
Interest from others	26 55 948	62 055
Creditors no longer required written back	1 51 36 673	43 53 855
Miscellaneous receipts	33 16 357	25 55 378
Total	2 22 41 529	2 53 74 559

20. COST OF MATERIAL CONSUMED

Particulars	For the year ended 31ST MARCH 2012	For the year ended 31ST MARCH 2011
Opening Stock	31 54 29 656	31 37 17 619
Add : Purchases	311 98 43 520	328 53 76 605
Add : Freight & Carriage Inward	1 97 47 543	2 03 67 022
Less: Closing Stock	31 32 66 922	31 54 29 656
Raw material consumed based on derived basis	314 17 53 797	330 40 31 590
Total	314 17 53 797	330 40 31 590

Consumption of Raw materials

Particulars	31.03.2012	31.03.2011
Cotton Yarn Consumption	18 62 97 236	37 58 04 559
Others incl. Fabric, Trims, Dyes, Chemicals	295 54 56 561	292 82 27 031
Total	314 17 53 797	330 40 31 590

Value of imports calculated on C I F basis

Particulars	31.03.2012	31.03.2011
Raw Material	3 78 81 891	6 47 24 894
Components & Spare parts	4 13 589	92 92 485
Capital Goods	45 14 758	2 46 73 077
Total	4 28 10 238	9 86 90 456

Consumption of Spare parts & Components

Particulars	Imported	Indigenous	%	
	Value	Value	Imported	Indigenous
Spare parts	4 13 589	3 52 30 937	1%	99%
Raw Materials	3 78 81 891	310 38 71 906	1%	99%

21. OTHER MANUFACTURING EXPENSES

Particulars	For the year ended 31ST MARCH 2012	For the year ended 31ST MARCH 2011
Stores, spares, chemicals and packing materials consumed based on derived basis	3 56 44 526	3 71 27 171
Repairs - Plant and Machinery	1 10 47 094	96 17 083
Repairs - Factory Buildings	15 12 671	11 52 396
Power and fuel consumed	21 95 97 603	13 69 13 859
Job Work Charges	28 28 53 900	12 56 25 115
Total	55 06 55 794	31 04 35 624

22. CHANGES IN INVENTORIES

Particulars	For the year ended 31ST MARCH 2012	For the year ended 31ST MARCH 2011
Increase/(Decrease) in Stock		
Finished Goods		
Closing Stock	21 62 03 672	21 23 54 393
Opening Stock	21 23 54 393	21 43 63 881
	38 49 279	(20 09 488)
Work-in-Progress		
Closing Stock	31 54 49 376	24 22 63 128
Opening Stock	24 22 63 128	21 84 25 911
	7 31 86 248	2 38 37 217
Total	7 70 35 527	2 18 27 729

23. EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31ST MARCH 2012	For the year ended 31ST MARCH 2011
Salaries and wages, bonus, gratuity and allowances	33 71 30 513	31 18 10 870
Contribution to PF & Other Funds	3 83 85 838	3 53 96 738
Staff Welfare Expenses	1 04 00 052	1 68 25 866
Total	38 59 16 403	36 40 33 474

24. FINANCE COSTS

Particulars	For the year ended 31ST MARCH 2012	For the year ended 31ST MARCH 2011
Interest Expense		
Interest on Term Loans	15 21 75 566	12 08 07 286
Interest on Other Loans	18 91 39 813	14 16 67 311
Finance Charges on HP	9 483	54 483
Bank Charges	87 75 144	88 77 103
Less: Interest income		
Tuf Interest Income	1 09 12 826	2 06 14 749
Total	33 91 87 180	25 07 91 434

25. OTHER EXPENSES

Particulars	For the year ended 31ST MARCH 2012	For the year ended 31ST MARCH 2011
Rent	2 66 81 114	2 83 56 073
Insurance	59 48 829	50 56 151
Rates and Taxes other than taxes on income	27 31 573	34 10 492
Security Charges	74 43 929	62 79 461
Payment to statutory auditors		
- As Auditors	4 00 000	4 00 000
- For Tax Audit	1 50 000	1 50 000
- For Certification	35 000	NIL
- For Taxation matters	4 05 000	3 60 000
- For company law matters	50 000	NIL
- For Service tax	85 593	94 003
- reimbursement of expenses (out of pocket expenses)	46 000	30 088
Legal, Professional and consultancy charges	1 08 02 296	1 53 27 993
Advertisement, Publicity and Sale Promotion	22 02 888	17 84 510
Sampling & Inspection	55 49 801	28 06 432
Repairs and Maintenance		
- Vehicle	56 87 816	61 16 390
- Others	39 95 096	79 71 343
Communication Costs	54 18 488	68 72 533
Printing and Stationery	22 26 455	27 30 286
Travelling and conveyance	1 43 48 445	1 22 88 115
Freight and Forwarding	1 64 40 400	36 53 240
Bad Debts Written Off	37 80 951	34 80 137
Sundry Advances Written Off	44 792	35 51 135
Exchange Loss on Foreign Currency Transactions	1 18 50 021	NIL
Miscellaneous expenses	98 79 799	47 82 917
Total	13 62 04 286	11 55 01 299

26. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) (Rs. in lakhs)

Particulars	As on 31ST MARCH 2012	As on 31ST MARCH 2011
(A) Contingent Liabilities		
Service Tax on Rent payable not recognised as debt as the case is pending with Hon'ble High Court of Karnataka	78.59	-
Bank Guarantee towards customs duty concession	42.91	42.91
Corporate Guarantee given on behalf of subsidiary company	2,848.00	2,848.00
(B) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,926.00	2,384.00
Total	4,895.50	5,274.91

27. Other notes

a) Earnings & Expenditure in Foreign currency during the year:

Particulars	Rs.	Rs.
	31.03.2012	31.03.2011
Earnings		
Exports - FOB Value	108 36 67 542	57 77 18 738
Expenditure		
Import of capital Goods	45 14 758	2 46 73 077
Import of Raw Materials	3 82 95 480	7 40 17 379
Travelling Expenses	14 06 674	15 69 270
Others	7 85 256	5 46 78 369
	4 50 02 168	15 49 38 095

b) Operating Lease:

The maximum obligations on long term non-cancelable operating lease payable as per the rentals stated in the lease agreement are

Particulars	31.03.2012	31.03.2011
Within one year of the balance sheet date *	2 32 09 332	2 57 69 124
Due in a period between one year and five years *	10 05 08 828	9 44 62 987
Due after 5 years*	1 35 45 930	2 70 91 848

*- Lease obligations are considered based on the operating lease period mentioned in the agreement. The Company has not renewed the agreement for its office in Mumbai from 31st March 2011 and its corporate office which expires on 31st March 2012. Hence the operating lease obligation to that effect is not considered above

c) Disclosure pursuant to Accounting Standard - 15 (revised) - Employee Benefit :

The Company has with effect from 1st April 2007, adopted Accounting Standard - 15 (revised). The Company has a defined Gratuity Plan wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded

Defined Benefit Plan:	31.03.2012	31.03.2011
Change in present Value of Obligation:		
Present value of obligation as on 01.04.2011	1 19 94 439	86 28 969
Interest Cost	9 08 633	6 67 173
Current Service Costs	34 05 167	40 61 235
Benefits Paid	(26 09 276)	(5 78 623)
Actuarial Loss/(Gain) on obligation	69 257	(7 84 315)
Present value of obligation as on 31.03.2012	1 37 68 220	1 19 94 439
Change in the Fair value of Plan Assets:		
Fair Value of Plan Assets as on 01.04.2011	NIL	NIL
Contributions by employer	26 09 276	5 78 623
Expected Return on Plan Assets	NIL	NIL
Benefits Paid	(26 09 276)	(5 78 623)
Actuarial (Loss)/Gain on Plan Assets	NIL	NIL
Fair Value of Plan Assets as on 31.03.2012	NIL	NIL
Total actuarial Loss/(Gain) to be accounted	NIL	NIL
Actual Return on Plan Assets:		
Expected Return on Plan Assets		
Actuarial (Loss)/Gain on Plan Assets		
Actual Return on Plan Assets	NIL	NIL
Amount recognized in the Balance Sheet		
(Asset)/Liability as at 31.03.2012	1 37 68 220	11 994 439
Fair Value of Plan Assets as at 31.03.2012		
Difference	1 37 68 220	11 9 94 439
Unrecognized past service cost	NIL	NIL
(Asset)/Liability recognized in the Balance Sheet	1 37 68 220	11 9 94 439
(Income)/Expenses recognized in the Profit & Loss Statement:		
Current service cost	34 05 167	40 61 235
Interest cost on benefit obligation	9 08 633	6 67 173
Expected Return on Plan Assets	NIL	NIL
Net actuarial (gain)/Loss in the period	69 257	(7 84 315)
Net (benefit)/expense (Refer Note below)	43 83 057	39 44 093
Movement in net liability recognized in Balance Sheet:		
Opening Net Liability	1 19 94 439	86 28 969
Expenses as above (Expense recognized in P&L)	43 83 057	39 44 093
Employers Contribution- Benefits Settled	(26 09 276)	(5 78 623)
(Asset)/Liability recognized in the Balance Sheet	1 37 68 220	1 19 94 439
Principal actuarial assumptions as at Balance Sheet Date:		
Discount rate:	8.50%	8%
(The rate of discount is considered based on market yield on Government Bonds)		
Expected rate of return on Plan Assets	8.50%	8%
(The estimated rate of return assumed by the insurance company is based on their investment pattern as stipulated by the Government of India)		
Annual Increase in salary cost	6%	6%

d) Earnings Per Share

Particulars	2012	2011
Profit After Tax	6 29 48 984	2 12 32 008
Number of shares (Weight Average)	2 00 66 082	1 93 87 447
Basic Earnings per share: Basic & Diluted	3.14	1.10

e) The Company is not in the possession of details required for the purpose of classification of creditors as per Micro, Small and Medium Enterprises Development Act, 2006. Hence the company is unable to furnish the information required under the said Act or under Schedule VI of the Companies Act, 1956.

f) Balances in certain party's accounts are subject to reconciliation and consequent adjustments thereof. In the opinion of the management the impact of such adjustments, if any, on the financial results would be not material.

g) The company operates in one segment, viz., Textiles.

h) Taxation

a. Deferred Tax Asset on the current year losses of the company has been accounted on the basis of business plan and projection furnished by the company to the bankers based on which the debt restructuring has been sanctioned. There is a variation in the amount projected and the actuals. In the opinion of the management the variance would be offset by the earnings in future periods.

i) Bank Balances

Consequent to listing of the company in stock exchange the company has communicated to the bankers for making necessary change in the name of the company in their records however some of the bankers have not given effect to the change and continuing in the erstwhile name.

j) Turnover of the company is net off sales returns and trade discounts

k) Other Operating revenue represents the export incentives receivable from the government authorities. The Other operating revenue includes prior period income amounting to Rs. 11632004/-

l) Previous year figures have been regrouped / reclassified wherever necessary.

Place: BANGALORE

Date: 30.05.2012

(Nitin N Mandhana)

Vice Chairman & Managing Director

Vide our report of even date attached

For SURI & CO.,

Chartered Accountants

Firm Regn. No:004283S

(Shashikant G Mandhana)

Executive Director

(Balaji Bhat)

Director

(G. Rangarajan)

Partner

Memb. No: 024107

(Hansraj Rathor)

Chief Finance Officer & Company Secretary

Related Party Transaction Disclosure as Per AS-18

Indus Fila

Transactions with Associates:-

S.No.	Particulars	Transactions during the year (Amount)
1	Conversion Charges received	21 86 34 059
2	Conversion Charges provided	13 98 31 752
3	Purchase of goods	72 08 781
4	Loans and advances given	33 26 627
5	Others	38 74 265
	Balance Outstanding	
	Payable	6 98 07 432
	Receivable	1 68 61 580

Transaction with the key Management Personnel:-

- | | |
|---------------------------|-------------------------------------|
| 1 Mr. Nitin N Mandhana | : Vice Chairman & Managing Director |
| 2 Mr. Shashikant Mandhana | : Executive Director |
| 3 Mr. Prakash G. Mandhana | : Executive Director |

Transaction with relatives of key Management Personnel :-

- 1 Mrs. Savita Mandhana
- 2 Mrs. Kavita Mandhana
- 3 Mrs. Neeta Mandhana

Name of Related Parties

Associates (Enterprises in which Key Management Personnel or their relatives exercise significant influence)

- 1 Abhay Weaving Mills Pvt. Ltd.
- 2 Abhijeet Weaving Mills Pvt. Ltd.
- 3 Ahaan Weaving Mills Pvt. Ltd.
- 4 Andrew Finvest Pvt Ltd
- 5 Avinash Weaving Mills Pvt. Ltd.
- 6 Indus Garments (India) Pvt. Ltd.
- 7 Indus Infoways Pvt. Ltd
- 8 Kamal Kishor Finvest Pvt Ltd
- 9 Kavita Weaving Mills Pvt. Ltd
- 10 Neeta Weaving Mills Pvt. Ltd
- 11 Niharika Weaving Mills Pvt. Ltd
- 12 Nirmala Hosieries Mills Pvt. Ltd
- 13 Parag Investment Pvt. Ltd
- 14 Propellor Infotech
- 15 Savita Textiles Pvt. Ltd
- 16 Siddhant Spinning & Weaving Mills Pvt. Ltd
- 17 Sneha Textiles Private Limited
- 18 Vedant Weaving Mills Pvt. Ltd
- 19 Vir Retail Private Limited
- 20 Tulsi Weaving Mills

Place: BANGALORE

Date: 30.05.2012

Vide our report of even date attached

For SURI & CO.,
Chartered Accountants
Firm Regn. No:004283S

(G. Rangarajan)

Partner

Memb. No: 024107

(Nitin N Mandhana)

Vice Chairman & Managing Director

(Shashikant G Mandhana)

Executive Director

(Balaji Bhat)

Director

(Hansraj Rathor)

Chief Finance Officer & Company Secretary

A) Cash Flow Statement for the Year ended 31st March 2012

	Amount Rs. 2011-12	Amount Rs. 2010-2011
Net Profit as per Profit & Loss Account	8 70 45 646	3 73 45 725
Adjustments made :		
Provision for Gratuity	43 83 057	-
Depreciation	9 71 45 474	9 73 61 846
Loss/(Profit) on Sale of Fixed Assets	(2 17 056)	(37 531)
Interest Received	(9 15 495)	(4 12 928)
Finance Cost	33 91 87 180	25 07 91 434
Operating Profit before Working Capital Changes	52 66 28 806	38 50 48 546
(Increase)/Decrease in Stock	(7 58 95 108)	(2 58 92 230)
(Increase)/Decrease in Sundry Debtors	(11 91 14 716)	1 98 13 010
(Increase)/ Decrease in Loans & Advances/Other current Assets	(1 13 64 169)	(2 11 86 764)
Increase/(Decrease) in Sundry Creditors	10 71 06 634	(22 77 98 759)
	(9 92 67 358)	(25 50 64 742)
Cash generated from Operations	42 73 61 447	12 99 83 804
Income Taxes Paid	-	-
Cash Flow before Extraordinary item	42 73 61 447	12 99 83 804
Net Cash from Operating Activities :	42 73 61 447	12 99 83 804
Cash Flows from Investing Activities		
Purchase of Fixed Assets	(5 58 78 244)	(4 45 98 645)
Proceeds on Disposal of Fixed Assets	11 75 010	17 95 802
Interest Received	9 15 495	4 12 928
Net Cash from Investing Activities :	(5 37 87 739)	(4 23 89 915)
Cash Flows from Financing Activities		
Proceeds from issue of Share Capital *	4 07 18 100	
Payment of long term borrowings *	(4 48 65 835)	16 95 29 377
Payment of Unsecured Loans	-	(44 44 069)
Interest Paid	(33 91 87 180)	(25 07 91 434)
Net Cash from Financing Activities :	(34 33 34 915)	(8 57 06 126)
	3 02 38 793	18 87 763
Cash and Cash equivalents at beginning of period	2 30 02 618	2 11 14 854
Cash and Cash equivalents at end of period	5 32 41 411	2 30 02 618

* Increase in share capital is on account of conversion of unsecured loan into share capital

Place: BANGALORE

Date: 30.05.2012

(Nitin N Mandhana)
Vice Chairman & Managing Director

Vide our report of even date attached

For SURI & CO.,
Chartered Accountants
Firm Regn. No:004283S

(Shashikant G Mandhana)
Executive Director

(Balaji Bhat)
Director

(G. Rangarajan)
Partner
Memb. No: 024107

(Hansraj Rathor)
Chief Finance Officer & Company Secretary

INDUS FILA LIMITED
BALANCE SHEET AS ON 31ST MARCH 2012

Particulars	Note No	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	20 35 62 170	18 99 89 470
(b) Reserves and Surplus	3	89 47 52 868	80 10 10 331
(2) Non-Current Liabilities			
(a) Long Term borrowings	4	95 44 15 988	113 57 85 334
(b) Deferred Tax Liabilities (Net)	5	4 03 37 410	1 15 77 823
(d) Long-Term Provisions	6	1 54 22 477	1 25 26 968
(3) Current Liabilities			
(a) Short- Term Borrowings	7	168 70 24 773	154 18 97 215
(b) Trade payables	8	59 61 81 813	66 42 89 779
(c) Other Current Liabilities	9	53 35 46 961	34 13 01 156
(d) Short-Term Provisions	10	10 60 45 524	10 00 02 180
		503 12 89 984	479 83 80 256
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	143 80 54 223	148 71 70 266
(ii) Capital Work-in-progress		7 69 99 010	6 77 49 030
(b) Non-Current investments	12	10 200	10 200
(c) Long term Loans and advances	13	5 39 97 430	5 36 57 514
(2) Current Assets			
(a) Inventories	14	93 82 23 143	90 09 90 267
(b) Trade Receivables	15	224 23 85 671	202 88 63 377
(c) Cash and bank balances	16	6 92 74 886	2 70 09 752
(d) Short-Term Loans and advances	17	12 14 28 688	16 88 80 505
(e) Other Current assets	18	9 09 16 733	6 40 49 345

See accompanying notes to financial statements

Place: BANGALORE

Date: 30.05.2012

(Nitin N Mandhana)
Vice Chairman & Managing Director

Vide our report of even date attached
For SURI & CO.,
Chartered Accountants
Firm Regn. No:004283S

(Shashikant G Mandhana)
Executive Director

(Balaji Bhat)
Director

(G. Rangarajan)
Partner
Memb. No: 024107

(Hansraj Rathor)
Chief Finance Officer & Company Secretary

INDUS FILA LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

	Particulars	Note No	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
I.	REVENUE			
	Revenue from Operations			
	Sales of products (Refer Note no.26(j) to notes to accounts)		516 63 02 583	514 74 28 393
	Sales of Services		14 40 96 536	4 48 73 545
	Other Operating Revenue (Refer Note no.26(k) to notes to accounts)		13 81 35 669	12 01 22 927
			544 85 34 788	531 24 24 865
II.	Other Income	19	2 26 70 733	79 02 890
III.	Total Revenue (I+II)		547 12 05 521	532 03 27 755
	EXPENSES			
	Cost of materials consumed	20	377 59 12 420	390 06 41 794
	Other Manufacturing Expenses	21	41 66 59 123	36 73 87 674
	Changes in inventories of finished goods, work in progress and stock-in-trade	22	1 52 19 442	(7 43 07 212)
	Employee benefits expense	23	55 87 00 813	52 71 45 263
	Finance Costs	24	34 41 85 634	25 34 67 947
	Depreciation expense	11	10 27 41 112	10 20 13 865
	Other expense	25	16 49 83 596	16 77 70 524
IV.	Total Expenses		537 84 02 140	524 41 19 855
V.	Profit before Tax (PBT) (III-IV)		9 28 03 381	7 62 07 900
VI.	Tax Expense of continuing operations:			
	Current Tax		71 48 000	1 25 80 000
	Earlier year taxes(net)		(25 53 338)	8 13 717
	Deferred Tax		2 87 59 586	1 65 96 198
	Mat Credit Entitlement		(71 48 000)	NIL
			2 62 06 248	2 99 89 915
VII.	Profit/(loss) for the period from continuing operations (V-VI)		6 65 97 133	4 62 17 985
VIII.	Profit/(loss) for the period [Profit After Tax (PAT)] (V-VI)		6 65 97 133	4 62 17 985
	Add: Balance Brought Forward from earlier year		(15 55 61 246)	(20 17 79 231)
	Balance Carried to Balance Sheet		(8 89 64 113)	(15 55 61 246)
IX.	Earnings per equity share			
	Basic & Diluted		3.32	2.38
	Weighted Average No. Of Shares Used In Computing Earnings Per Share		2 00 66 082	1 93 87 447

See accompanying notes to financial statements

Place: BANGALORE
Date: 30.05.2012

(Nitin N Mandhana)
Vice Chairman & Managing Director

Vide our report of even date attached
For Suri & Co
Chartered Accountants
Firm Regn. No:004283S

(Shashikant G Mandhana)
Executive Director

(Balaji Bhat)
Director

G. Rangarajan
Partner
Memb No. 024107

(Hansraj Rathor)
Chief Finance Officer & Company Secretary

INDUS FILA LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2012

2. (A) Authorised, Issued, Subscribed, Paid-up share capital and par value per share

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
Authorised Share Capital 4,00,00,000 Equity Shares of Rs.10/- each (Previous year 4,00,00,000 equity shares of Rs.10/- each)	40 00 00 000	40 00 00 000
Issued & Subscribed Share Capital 20744717 equity shares of Rs.10/- each (Previous year 19387447 equity shares of Rs.10/- each)	20 74 47 170	19 38 74 470
Paid-up Share Capital 20744717 equity shares of Rs.10/- each (Previous year 19387447 equity shares of Rs.10/- each)	20 74 47 170	19 38 74 470
less: Amount recoverable from ESOP Trust	(38 85 000)	(38 85 000)
Total	20 35 62 170	18 99 89 470

(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
Number of shares outstanding as the beginning of the year	1 93 87 447	1 93 87 447
Add: Number of shares allotted during the year as fully paid-up pursuant to a contract without payment being received in cash	13 57 270	NIL
Number of shares outstanding as at the end of the year	2 07 44 717	1 93 87 447

(C) Shares in the company held by each shareholder holding more than 5% shares

Name of the shareholder	Number of shares held in the company	Percentage of shares held
Kamal Kishor Finvest Private Limited	60 13 657	28.99%
Andrew Finvest Pvt Ltd	22 96 563	10.69%
Religare Finvest Ltd	15 89 589	8.18%
Total	98 99 809	47.85%

(D) Details of allotments of shares for consideration other than cash(during the period of five years from 1.4.07 to 31.3.12)

Particulars	Amount
Allotment of shares as fully paid-up pursuant to contracts without payments being received in cash	
12,291 Equity Shares of Rs. 10 Each fully paid-up allotted on 25th June 2010 pursuant to scheme of Amalgamation with Tulip Apparel Private Limited	1 22 910
13,57,270 Equity Shares of Rs. 10 Each fully paid up allotted on 11th October 2011 as Preferential allotment for Conversion of Unsecured Loan into Equity Shares	1 35 72 700
67500 Equity Shares of Rs. 10 each fully paid up allotted on 8th November 2007 to ESOP Trust	6 75 000

3. Reserves and Surplus

Particulars	Consolidated for the year ending 31ST MARCH 2011	Additions during the year	Deductions during the year	Consolidated for the year ending 31ST MARCH 2012
Securities Premium Reserve	87 23 84 410	2 71 45 400	NIL	89 95 29 810
Amalgamation Reserve	48 75 590	NIL	NIL	48 75 590
Surplus (Profit and Loss Account)	(15 55 61 246)	6 65 97 134	NIL	(8 89 64 109)
Capital Reserve	7 93 11 577	NIL	NIL	7 93 11 577
Total	80 10 10 331	9 37 42 534	NIL	89 47 52 868
	(73 97 92 346)	(4 62 17 985)	(1 50 00 000)	(80 10 10 331)

4. LONG TERM BORROWINGS

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
(A) TERM LOANS FROM BANKS		
- Term Loans From Banks	95 06 77 948	109 13 29 194
(B) LOANS AND ADVANCES FROM RELATED PARTIES		
Unsecured		
From Directors And Associates	37 38 040	4 44 56 140
Total	95 44 15 988	113 57 85 334

Nature of Security

The above Term loan from Banks are secured by

- First pari-passu charge on all the fixed assets, present and future of the company.
- Pari-passu second charge on all the current assets, present and future of the company.

Terms of Repayment of above Term loan from banks

- Out of the total term loans, Rs 15.38 crores (as on 31.03.2011 Rs.16.47 crores) is repayable in 28 Quarterly installments commencing from June 2012. Last installment due in March 2019. Rate of interest @ 12% p.a. as at year end (previous year 10.75 % p.a.)
- Out of the total term loans, Rs 48.12 crores (as on 31.03.2011 Rs.53.87 crores) is repayable in 36 Quarterly installments commencing from June 2010. Last installment due in March 2019. Rate of interest @ 12% p.a. as at year end (previous year 10.75 % p.a.)
- Out of the total term loans, Rs 24.89 crores (as on 31.03.2011 Rs.31.34 crores) is repayable in 32 Quarterly installments commencing from June 2011. Last installment due in March 2019. Rate of interest @ 12% p.a. as at year end (previous year 10.75% p.a.)
- Out of the total term loans, Rs 6.43 crores (as on 31.03.2011 Rs.7.45 crores) is repayable in 40 Quarterly installments commencing from June 2009. Last installment due in March 2019. Rate of interest @ 12% p.a. as at year end (previous year 10.75 % p.a.)
- Out of the total term loan amounting to Rs .086 crores (as on 31.03.2011 Rs. Nil) is repayable in 36 Monthly installments commencing from May 2011. Last installment due in April 2014. Rate of interest @ 11.02% p.a. as at year end.
- Out of the total term loan amounting to Rs .068 crores (as on 31.03.2011 Rs. Nil) is repayable in 36 Monthly installments commencing from June 2011. Last installment due in May 2014. Rate of interest @ 11.25 % p.a. as at year end.
- Out of the total term loan amounting to Rs .095 crores (as on 31.03.2011 Rs. Nil) is repayable in 36 Monthly installments commencing from January 2012. Last installment due in December 2014. Rate of interest @ 14% p.a. as at year end.
- Continuing default- Rs 37117494.

5. DEFERRED TAX LIABILITIES (NET)

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
Deferred Tax liabilities	21 04 93 314	21 25 45 237
Deferred Tax Assets	17 01 55 904	20 09 67 414
Deferred Tax Liabilities (Net)	4 03 37 410	1 15 77 823

Movement of deferred tax

Particulars	As at 31.3.2012	As at 31.3.2011
Deferred Tax Liability on account of:		
Depreciation & Others	21 04 93 314	21 25 45 237
Total	21 04 93 314	21 25 45 237
Deferred Tax Assets:		
Unabsorbed Business Loss/ Depreciation	8 46 55 904	20 09 67 414
Other tax disallowances	8 55 00 000	-
Total	17 01 55 904	20 09 67 414
Deferred Tax Liability/ (Asset) (Net)	4 03 37 410	1 15 77 823

6. LONG-TERM PROVISIONS

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
Provision For Gratuity	1 54 22 477	1 25 26 968
Total	1 54 22 477	1 25 26 968

7. SHORT-TERM BORROWINGS

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
(A) LOANS REPAYABLE ON DEMAND		
Secured		
..> From Banks		
Working Capital Loans repayable on demand (secured against hypothecation of all current assets present and future)	161 40 24 589	145 90 11 688
(B) LOANS AND ADVANCES FROM RELATED PARTIES		
Unsecured		
From Directors & Relatives of Directors	5 48 54 595	5 32 51 846
(C) OTHERS		
Unsecured		
Inter Corporate Deposit	1 81 45 589	2 96 33 681
Total	168 70 24 773	154 18 97 215

8. CURRENT LIABILITIES

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
Trade Payables -		
---- Raw Materials	16 76 69 285	18 87 14 176
---- Consumables	10 48 79 237	9 83 93 692
---- Expenses & Others	27 68 72 718	31 96 03 536
Others-		
---- Capital goods	4 67 60 573	5 75 78 375
Payable to Micro, Small and Medium Enterprises (Refer Note no. 26(e) of Notes to accounts)	NIL	NIL
Total	59 61 81 813	66 42 89 779

9. OTHER CURRENT LIABILITIES

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
Current maturities of long term debt	26 09 73 148	16 07 81 731
Current maturities of finance lease obligations	16 73 281	1 87 077
Interest accrued and due on borrowings (Continuing default- Rs 182220946)	19 67 48 526	8 21 19 523
Unpaid/unclaimed dividends	22 994	22 994
Advance from Customers	82 42 765	3 34 78 477
Other Liabilities		
- PF,ESI & PT	1 64 12 799	4 09 82 791
- TDS	2 45 66 014	2 13 39 162
- Service Tax	4 93 412	2 44 275
- Credit Balance of Bank Accounts	12 87 687	21 45 126
- Pending Cheques For Clearence	2 31 26 335	NIL
Total	53 35 46 961	34 13 01 156

INDUS FILA LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2012
11. FIXED ASSETS - TANGIBLE
 Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

Description	Gross Carrying Amount			Accumulated Depreciation			s	
	As on 31ST MARCH 2011	Additional adjustment during the year	Deductions during the year	As on 31ST MARCH 2012	As on 31ST MARCH 2011	Additional adjustment during the year	As on 31ST MARCH 2012	As on 31ST MARCH 2012
1. Land	4 02 63 930			4 02 63 930			4 02 63 930	4 02 63 930
- Owned								
2. Buildings	29 92 14 576			29 92 14 576	5 61 37 082	1 05 95 227	24 30 77 492	23 24 82 265
- Owned								
3. Building (Lease hold Improvement)	9 43 84 372			9 43 84 372	4 51 62 454	94 05 305	4 92 21 918	3 98 16 613
4. Plant & Equipment								
- Owned	1 44 20 68 574	4 69 22 969		1 48 89 91 543	35 02 63 347	7 56 59 689	1 09 18 05 228	1 06 30 68 508
5. Furniture & Fixtures								
- Owned	4 50 66 835	97 048		4 51 63 883	1 03 90 606	21 73 523	3 46 76 229	3 25 99 754
6. Vehicles								
- Owned	2 29 66 563	72 52 130	16 52 832	2 85 65 861	1 13 63 548	26 78 219	1 16 03 015	1 52 18 972
7. Office equipments								
- Owned	1 31 29 595	1 20 627		1 32 50 222	24 49 737	4 25 279	1 06 79 859	1 03 75 207
8. Canteen equipments								
- Owned	1 43 642			1 43 642	72 603	9 033	81 696	61 946
9. Computer System								
- Owned	1 71 44 450	1 90 250		1 73 34 700	1 13 72 894	17 94 777	1 31 67 671	41 67 028
Total	1 97 43 82 537	5 45 83 024	16 52 832	2 02 73 12 729	48 72 12 271	10 27 41 112	58 92 58 505	1 43 80 54 223

10. SHORT-TERM PROVISIONS

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
Provision For Bonus	2 35 96 409	2 05 74 614
Provision For Gratuity	12 08 653	10 43 627
Provision for dividends (including dividend distribution tax)	16 46 404	16 46 404
Provision for Income Tax	7 70 31 712	7 41 75 189
Provision For Fringe Benefit Tax	25 62 346	25 62 346
Total	10 60 45 524	10 00 02 180

12. NON-CURRENT INVESTMENTS

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
(A) Non-trade Investments		
(i) Investment in Government or trust securities	10 200	10 200
Total	10 200	10 200

13. LONG-TERM LOANS AND ADVANCES

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
(A) Security Deposits		
(i) Unsecured, Considered good	5 07 48 430	5 04 08 514
(B) Advances Due From Directors		
(i) Unsecured, Considered good	32 49 000	32 49 000
Total	5 39 97 430	5 36 57 514

14. INVENTORIES

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
(a) Raw Materials		
(i) in stock	39 43 62 520	33 85 08 196
(b) Work-in-progress		
(i) in stock	31 54 49 376	30 91 68 924
(c) Finished Goods		
(i) in stock	21 62 03 672	23 77 03 566
(d) Stores and spares		
(i) in stock	1 22 07 575	1 56 09 581
Total	93 82 23 143	90 09 90 267

15. TRADE RECEIVABLES

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
(A) Trade receivables outstanding for more than six months from the date they become due for payment:		
(i) Unsecured, Considered good	7 62 79 022	10 02 29 010
(ii) Doubtful	13 05 533	61 46 555
Less: Allowance for bad and doubtful debts	13 05 533	61 46 555
Total (A)	7 62 79 022	10 02 29 010
(B) Trade receivables - Others		
(i) Unsecured, Considered good	216 61 06 649	192 86 34 367
Total (B)	216 61 06 649	192 86 34 367
Total (A+B)	224 23 85 671	202 88 63 377

16. CASH AND BANK BALANCE

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
(A) Cash and cash equivalents		
(i) Earmarked Bank Balances		
(a) Unpaid dividend bank account	22 994	22 994
(ii) Bank balances		
(a) Others	5 02 04 152	1 28 91 125
(iii) Cheques, drafts in hand		
(a) Cheques & Drafts on hand	1 29 93 148	NIL
(iv) Cash on hand	6 73 976	65 95 666
Total(A)	6 38 94 270	1 95 09 785
(B) Other Bank Balances		
(i) Bank balances held as margin money or as security against:		
(ii) Guarantees	27 87 037	29 99 626
(iii) Letters of Credit	25 93 579	45 00 342
Total(B)	53 80 616	74 99 968
TOTAL (A)+(B)	6 92 74 886	2 70 09 752

17. SHORT-TERM LOANS AND ADVANCES

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
(A) Loans and Advances to related parties		
To Directors & Relative of Directors		
(i) Unsecured, Considered good	15 26 627	NIL
(B) Others		
Advances Recoverable In Cash Or Kind Or For Value To Be Received In The Normal Course Of Business	86 46 996	4 44 05 863
Advances given to employees	21 57 081	23 05 319
Advances given to Suppliers	3 37 12 376	5 37 27 694
Balances with Revenue Authorities	6 20 74 553	5 91 05 204
Mat Credit Entitlement	99 45 000	27 97 000
Prepaid expenses	5 30 167	2 62 927
Capital Advances		
(i) Unsecured, Considered good	28 35 888	62 76 498
Total	12 14 28 688	16 88 80 505

18. OTHER CURRENT ASSETS

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
Others		
- TUF Interest receivable	3 66 14 529	5 24 61 025
- Duty drawback receivable	3 75 15 880	1 13 37 209
- Duty entitlement exemption certificate receivable	1 66 49 324	NIL
- Insurance claim receivable	1 37 000	1 82 000
- Interest receivable	NIL	69 111
Total	9 09 16 733	6 40 49 345

INDUS FILA LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2012

19. OTHER INCOME

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
- Profit on Sale of Assets	2 17 056	37 531
- Interest From Fixed Deposit & Bank	11 41 079	5 07 685
- Interest From Others	26 55 948	62 055
- Creditors no longer required written back	1 51 36 673	43 53 855
- Miscellaneous Receipts	35 19 977	29 41 764
Total	2 26 70 733	79 02 890

20. COST OF MATERIAL CONSUMED

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
Opening Stock	33 85 08 196	32 11 53 979
Add : Purchases	381 10 48 256	389 59 27 175
Add : Freight & Carriage Inward	2 07 18 488	2 20 68 836
Less: Closing Stock	39 43 62 520	33 85 08 196
Raw material consumed based on derived basis	377 59 12 420	390 06 41 794
Total	377 59 12 420	390 06 41 794

21. OTHER MANUFACTURING EXPENSES

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
Stores, spares, chemicals and packing materials consumed based on derived basis	5 87 34 398	5 02 33 100
Factory Rent	99 34 920	99 34 920
Repairs - Plant and Machinery	1 15 56 202	1 13 82 246
Repairs - Factory Buildings	15 53 471	15 01 887
Power and fuel consumed	23 03 81 852	14 75 63 346
Job Work Charges	10 44 98 280	14 67 72 175
Total	41 66 59 123	36 73 87 674

22. CHANGES IN INVENTORIES

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
Increase/(Decrease) in Stock		
Finished Goods		
Closing Stock	21 62 03 672	23 77 03 566
Opening Stock	23 77 03 566	22 19 57 843
	(2 14 99 894)	1 57 45 723
Work-in-Progress		
Closing Stock	31 54 49 376	30 91 68 924
Opening Stock	30 91 68 924	25 06 07 435
	62 80 452	5 85 61 489
Total	(1 52 19 442)	7 43 07 212

23. EMPLOYEE BENEFIT EXPENSES

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
Salaries and wages, bonus, gratuity and allowances	49 02 66 285	45 62 84 352
Contribution to PF & Other Funds	5 75 53 847	5 31 84 698
Staff Welfare Expenses	1 08 80 681	1 76 76 213
Total	55 87 00 813	52 71 45 263

24. FINANCE COSTS

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
Interest Expense		
Interest on Term Loans	15 21 75 566	12 08 07 286
Interest on Other Loans	19 26 42 226	14 39 42 766
Finance Charges on HP	3 69 766	54 483
Bank Charges	99 10 902	92 78 162
Less: Interest income	NIL	NIL
Tuf Interest Income	1 09 12 826	2 06 14 749
Total	34 41 85 634	25 34 67 947

25. OTHER EXPENSES

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
Rent	3 74 81 114	3 91 56 073
Insurance	70 25 557	54 87 327
Rates and Taxes other than taxes on income	62 88 340	53 73 921
Security Charges	97 57 581	84 50 276
Payment to statutory auditors		
- As Auditors	5 75 000	5 50 000
- For Tax Audit	2 00 000	1 75 000
- For Certification	NIL	NIL
- For Taxation matters	25 000	3 60 000
- For company law matters	50 000	NIL
- For Service tax	1 04 545	1 12 028
- reimbursement of expenses (out of pocket expenses)	30 000	30 088
Legal, Professional and consultancy charges	1 24 22 747	1 66 41 402
Advertisement, Publicity and Sale Promotion	22 31 262	17 84 510
Sampling & Inspection	57 82 085	30 09 930
Repairs and Maintenance		
- Vehicle	58 26 665	61 20 950
- Others	53 41 143	97 59 060
Communication Costs	55 05 401	69 18 707
Printing and Stationery	29 10 838	35 24 970
Travelling and conveyance	1 48 42 182	1 49 67 159
Freight and Forwarding	2 83 70 306	2 08 39 740
Bad Debts Written Off	40 80 546	35 72 058
Sundry Advance Written Off	44 792	35 51 135
Exchange Loss on Foreign Currency Transactions	59 34 885	1 23 09 589
Miscellaneous expenses	1 01 53 607	50 76 601
Total	16 49 83 596	16 77 70 524

26. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)(Rs. in lakhs)

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
(A) Contingent Liabilities		
Bank Guarantee towards customs duty concession	56.04	56.04
Service Tax on Rent payable not recognised as debt as the case is pending with Hon'ble High Court of Karnataka	78.59	-
(B) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	1 926	2 384
Total	2 061	2 440

27. Other notes

a) Operating Lease:

The maximum obligations on long term non-cancelable operating lease payable as per the rentals stated in the lease agreement are

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
Within one year of the balance sheet date *	3 34 55 022	3 57 04 044
Due in a period between one year and five years *	14 49 19 954	14 10 76 376
Due after 5 years*	2 64 50 621	5 66 54 445

*- Lease obligations are considered based on the operating lease period mentioned in the agreement. The Company has not renewed the agreement for its office in Mumbai from 31st March 2011 and its corporate office which expires on 31st March 2012. Hence the operating lease obligation to that effect is not considered above

b) Disclosure pursuant to Accounting Standard - 15 (revised) - Employee Benefit :

The Company has with effect from 1st April 2007, adopted Accounting Standard - 15 (revised). The Company has a defined Gratuity Plan wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded

Defined Benefit Plan:	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
Change in present Value of Obligation:		
Present value of obligation as on 01.04.2011	1 35 70 595	88 41 300
Interest Cost	10 41 234	6 84 159
Current Service Costs	46 12 710	55 11 564
Benefits Paid	(26 41 576)	(5 78 623)
Actuarial Loss/(Gain) on obligation	48 167	(8 87 805)
Present value of obligation as on 31.03.2012	1 66 31 130	1 35 70 595
Change in the Fair value of Plan Assets:		
Fair Value of Plan Assets as on 01.04.2011	NIL	NIL
Contributions by employer	26 41 576	5 78 623
Expected Return on Plan Assets	NIL	NIL
Benefits Paid	(26 41 576)	(5 78 623)
Actuarial (Loss)/Gain on Plan Assets	NIL	NIL
Fair Value of Plan Assets as on 31.03.2012	NIL	NIL
Total actuarial Loss/(Gain) to be accounted	NIL	NIL
Actual Return on Plan Assets:		
Expected Return on Plan Assets		
Actuarial (Loss)/Gain on Plan Assets		
Actual Return on Plan Assets	NIL	NIL
Amount recognized in the Balance Sheet		
(Asset)/Liability as at 31.03.2012	1 66 31 130	1 04 18 283
Fair Value of Plan Assets as at 31.03.2012		
Difference	1 66 31 130	1 04 18 283
Unrecognized past service cost		
(Asset)/Liability recognized in the Balance Sheet	1 66 31 130	1 04 18 283
(Income)/Expenses recognized in the Profit & Loss Statement:		
Current service cost	46 12 710	55 11 564
Interest cost on benefit obligation	10 41 234	6 84 159
Expected Return on Plan Assets	NIL	
Net actuarial (gain)/Loss in the period	48 167	(8 87 805)
Net (benefit)/expense (Refer Note below)	57 02 111	53 07 918
Movement in net liability recognized in Balance Sheet:		
Opening Net Liability	1 35 70 595	86 28 969
Expenses as above (Expense recognized in P&L)	57 02 111	39 44 093
Employers Contribution- Benefits Settled	(26 41 576)	(5 78 623)
(Asset)/Liability recognized in the Balance Sheet	1 66 31 130	1 19 94 439
Principal actuarial assumptions as at Balance Sheet Date:		
Discount rate:	8.50%	8%
(The rate of discount is considered based on market yield on Government Bonds)		
Expected rate of return on Plan Assets	8.50%	8%
(The estimated rate of return assumed by the insurance company is based on their investment pattern as stipulated by the Government of India)		
Annual Increase in salary cost	6%	6%

c) DeferredTax:

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
Deferred Tax Liability on account of:		
Depreciation	19 81 93 314	20 02 45 237
Others	1 23 00 000	1 23 00 000
Total	21 04 93 314	21 25 45 237
Deferred Tax Assets:		
Employee Benefits		
Unabsorbed Business Loss/ Depreciation	17 01 55 904	20 09 67 414
Others		
Total	17 01 55 904	20 09 67 414
Deferred Tax Liability/ (Asset) (Net)	4 03 37 410	1 15 77 823

d) Earnings Per Share

Particulars	Consolidated for the year ending 31ST MARCH 2012	Consolidated for the year ending 31ST MARCH 2011
Profit After Tax	6 65 97 133	4 62 17 985
Number of shares (Weight Average)	2 00 66 082	1 93 87 447
Basic Earnings per share: Basic & Diluted	3. 32	2. 38

Related Party Transaction Disclosure as Per AS-18

Transactions with Associates:-

S.No	Particulars	Transactions during the year (Amount)
1	Conversion Charges received	2 81 62 825
2	Conversion Charges provided	NIL
3	Purchase of goods	72 08 781
4	Loans and advances given	33 26 627
5	Others	38 74 265
	Balance Outstanding	
	Payable	5 56 40 996
	Receivable	1 68 61 581

Transaction with the key Management Personnel:-

- | | |
|---------------------------|-------------------------------------|
| 1 Mr. Nitin N Mandhana | : Vice Chairman & Managing Director |
| 2 Mr. Shashikant Mandhana | : Executive Director |
| 3 Mr. Prakash G. Mandhana | : Executive Director |

Transaction with relatives of key Management Personnel :-

- 1 Mrs. Savita Mandhana
- 2 Mrs. Kavita Mandhana
- 3 Mrs. Neeta Mandhana

Name of Related Parties

Associates (Enterprises in which Key Management Personnel or their relatives exercise significant influence)

- 1 Abhay Weaving Mills Pvt. Ltd.
- 2 Abhijeet Weaving Mills Pvt. Ltd.
- 3 Ahaan Weaving Mills Pvt. Ltd.
- 4 Andrew Finvest Pvt Ltd
- 5 Avinash Weaving Mills Pvt. Ltd.
- 6 Indus Infoways Pvt. Ltd
- 7 Kamal Kishor Finvest Pvt Ltd
- 8 Kavita Weaving Mills Pvt. Ltd
- 9 Neeta Weaving Mills Pvt. Ltd
- 10 Niharika Weaving Mills Pvt. Ltd
- 11 Nirmala Hosieries Mills Pvt. Ltd
- 12 Parag Investment Pvt. Ltd
- 13 Propellor Infotech
- 14 Savita Textiles Pvt. Ltd
- 15 Siddhant Spinning & Weaving Mills Pvt. Ltd
- 16 Sneha Textiles Private Limited
- 17 Vedant Weaving Mills Pvt. Ltd
- 18 Vir Retail Private Limited
- 19 Tulsi Weaving Mills

Place: BANGALORE

(Nitin N Mandhana)

Date: 30.05.2012

Vice Chairman & Managing Director

Vide our report of even date attached

For Suri & Co

(Shashikant G Mandhana)

Chartered Accountants

Executive Director

Firm Regn. No:004283S

(Balaji Bhat)

Director

G. Rangarajan

Partner

Memb No. 024107

(Hansraj Rathor)

Chief Finance Officer & Company Secretary

A) Consolidated Cash Flow Statement for the Year ended 31st March 2012

	Amount Rs. 2011-12	Amount Rs. 2010-2011	
Net Profit as per Profit & Loss Account	9 28 03 381	7 62 07 900	
Adjustments made :			
Provision for Gratuity	4,383,057	-	
Earlier Year Tax Adjustment	2,553,338	-	
Depreciation	10 27 41 112	10 20 13 865	
Loss/(Profit) on Sale of Fixed Assets	(2 17 056)	(37 531)	
Interest Received	(37 97 027)	(6 07 271)	
Other Income	(1 16 16 696)	0	
Finance Cost	34 41 85 634	25 34 67 947	
	43 82 32 362	35 48 37 010	
Operating Profit before Working Capital Changes	53 10 35 743	43 10 44 910	
(Increase)/Decrease in Stock	(3 72 32 876)	(9 87 08 996)	
(Increase)/Decrease in Sundry Debtors	(21 35 22 294)	92 81 849	
(Increase)/ Decrease in Loans & Advances/Other current Assets	20,244,513	(3 15 26 417)	
Increase/(Decrease) in Sundry Creditors	128,693,635	(17 18 16 320)	
	(10 18 17 022)	(29 27 69 884)	
Cash generated from Operations	42 92 18 721	13 82 75 026	
Income Taxes Paid	-	-	
Cash Flow before Extraordinary item	42 92 18 721	13 82 75 026	
Net Cash from Operating Activities :			13 82 75 026
Cash Flows from Investing Activities			
Purchase of Fixed Assets	(6 38 33 004)	(5 94 22 304)	
Increase in Investment	-	-	
Proceeds on Disposal of Fixed Assets	11 75 010	17 95 802	
Interest Received	37 97 027	6 07 271	
Other Income	1 16 16 696		
Net Cash from Investing Activities :		(4 72 44 271)	(5 70 19 231)
Cash Flows from Financing Activities			
Proceeds from issue of Share Capital *	4 07 18 100		
Payment of long term borrowings *	(3 62 41 788)	17 26 67 381	
Proceeds from Unsecured Loans	-	337,712	
Dividend paid	-	-	
Dividend Tax Paid	-	-	
Dividend Tax Reversed	-	-	
Preliminary expenses	-	-	
Interest Paid	(34 41 85 634)	(25 34 67 947)	
Net Cash from Financing Activities :		(33 97 09 322)	(8 04 62 854)
	4 22 65 128	7 92 941	
Cash and Cash equivalents at beginning of period	2 70 09 752	2 62 16 811	
Cash and Cash equivalents at end of period	6 92 74 880	2 70 09 752	

* Increase in share capital is on account of conversion of unsecured loan into share capital

Place: BANGALORE

Date: 30.05.2012

Vide our report of even date attached
For Suri & Co
Chartered Accountants
Firm Regn. No:004283S

G. Rangarajan
Partner
Memb No. 024107

(Nitin N Mandhana)
Vice Chairman & Managing Director

(Shashikant G Mandhana)
Executive Director

(Balaji Bhat)
Director

(Hansraj Rathor)
Chief Finance Officer & Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

Note No.1

A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified by the Central Government of India under The Companies (Accounting Standards) Rules, 2006 and with the provisions of the Companies Act, 1956.

1. USE OF ESTIMATES

The preparation of the financial statements is in conformity with GAAP requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed assets and intangible assets. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively.

2. FIXED ASSETS AND DEPRECIATION

- a. Fixed Assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing asset to its working condition for its intended use (including therein proportionate expenditure during construction period). Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to put to use.
- b. Depreciation is provided on Straight Line basis as per Schedule XIV to the Companies Act, 1956 at the rates specified therein and in respect of buildings on lease hold land, cost is amortized as depreciation over the period of lease.

3. INVENTORIES

Inventories are valued at lower of cost or net realizable value. Cost includes all cost of purchase, applicable duties and taxes, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and in the case Finished Goods and Work-in-progress includes appropriate allocated/apportioned production overheads.

4. FOREIGN CURRENCY TRANSACTION

Monetary assets and liabilities are restated at the date of Balance Sheet. The resultant difference is charged / credited to Profit and Loss Account except in respect of liabilities related to fixed assets which is adjusted to the fixed assets. In respect of Foreign Currency Forward / Derivative contracts entered for hedge the outstanding contracts are evaluated with the foreseeable future transaction and in event of the material shortfall in the estimate of future transaction corresponding forward adjustment is made for the forward / derivative contracts, at the Balance Sheet date. However exchange Loss / Gain on the date of maturity of forward / derivative are adjusted in the profit and loss account of the period.

5. REVENUE RECOGNITION

- a. Revenue in respect of sales is recognized on transfer of significant risks and rewards of ownership which is generally at the point of despatch of materials to customers.
- b. Other revenues including drawback claims etc., are recognized with due consideration for significant uncertainty if any in realization of such dues.

6. RETIREMENT BENEFITS

a. Defined Contribution Plan :-

In respect of provident fund benefits the company makes the stipulated contribution in respect of the employees to the regional provident fund authority under which the company's liability is limited to the extent of the contribution.

INDUS FILA LIMITED

Notes to Accounts

(Annexed to and forming part of Balance Sheet and Profit and Loss Account)

b. Defined Benefit Plan :-

The liability for defined benefit plan of the gratuity is determined on the basis of actuarial valuation at the end of the year using projected unit credit method. However, the liability has not been funded. Actuarial gain & loss which comprises experience adjustments & effect of change in actuarial assumption are recognized in the Profit & Loss Account.

7. INVESTMENTS

Long term investments are stated at cost (net of provisions), if any, for diminution in value which is not temporary. Current investments are stated at lower of cost or fair value determined with reference to its market value realisability in consonance with the nature of underlying asset.

8. BORROWING COSTS

Interest and other borrowing costs are charged to the profit and loss account except in cases where the borrowing is directly attributable to the acquisition, construction or production of an asset or group of assets, which take(s) substantial period of time to get ready for intended use. All other interest and other borrowing costs are recognized as expenses in the period in which they are incurred.

9. TAXES ON INCOME

Income taxes are accounted in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Tax expense comprises of both current and deferred tax.

Current Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the period using the applicable tax rates and tax laws.

Deferred Tax

Deferred Tax Assets and Liabilities are recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods and are measured using the tax rates enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for their appropriateness of their respective carrying value at each balance sheet date.

10. IMPAIRMENT OF ASSET

The Company assesses the impairment of assets with reference to each Cash Generating Unit (CGU) at each Balance Sheet date if events or changes in circumstances, based on internal and external factors, indicate that the carrying value may not be recoverable in full. The loss on account of impairment, which is the difference between the carrying amount and recoverable amount, is accounted accordingly. Recoverable amount of a CGU is its net Selling price or value in use whichever is higher. The value in use is arrived at on the basis of estimated future cash flows discounted at company's pre-tax borrowing rates.

11. PROVISIONS & CONTINGENCIES:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made. Provisions are not discounted to present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31.03.2012

Notes to Accounts

Note no.1

A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The company follows Accrual System of Accounting on a going concern concept on historical cost convention method as per applicable mandatory accounting standards.

1. USE OF ESTIMATES

The preparation of the financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed assets and intangible assets. Actual results could differ from those estimates.

2. FIXED ASSETS AND DEPRECIATION

- a. Fixed Assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing asset to its working condition for its intended use (including therein proportionate expenditure during construction period).
- b. Depreciation is provided on Straight Line basis as per Schedule XIV to the Companies Act, 1956 at the rates specified therein and in respect of buildings on lease hold land, cost is amortized as depreciation over the period of lease.

3. INVENTORIES

Inventories are valued at lower of cost or net realizable value. Cost includes all cost of purchase, applicable duties and taxes, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and in the case Finished Goods and Work-in-progress includes appropriate allocated/apportioned production overheads.

4. FOREIGN CURRENCY TRANSACTION

Monetary assets and liabilities are restated at the date of Balance Sheet. The resultant difference is charged / credited to Profit and Loss Account except in respect of liabilities related to fixed assets which is adjusted to the fixed assets. In respect of Foreign Currency Forward / Derivative contracts entered for hedge the outstanding contracts are evaluated with the foreseeable future transaction and in event of the material shortfall in the estimate of future transaction corresponding forward adjustment is made for the forward / derivative contracts, at the Balance Sheet date. However exchange Loss / Gain on the date of maturity of forward / derivative are adjusted in the profit and loss account of the period.

5. REVENUE RECOGNITION

- a. Revenue in respect of sales is recognized on transfer of significant risks and rewards of ownership which is generally at the point of dispatch of materials to customers.
- b. Other revenues including drawback claims etc., are recognized with due consideration for significant uncertainty if any in realization of such dues.

6. RETIREMENT BENEFITS

- a. Defined Contribution Plan :-
In respect of provident fund benefits the company makes the stipulated contribution in respect of the employees to the regional provident fund authority under which the company's liability is limited to the extent of the contribution.
- b. Defined Benefit Plan :-
The liability for defined benefit plan of the gratuity is determined on the basis of actuarial valuation at the end of the year using projected unit credit method. However, the liability has not been funded. Actuarial gain & loss which comprises experience adjustments & effect of change in actuarial assumption are recognized in the Profit & Loss Account.

7. INVESTMENTS

Long term investments are stated at cost (net of provisions), if any, for diminution in value which is not temporary. Current investments are stated at lower of cost or fair value determined with reference to its market value realisability in consonance with the nature of underlying asset.

8. BORROWING COSTS

Interest and other borrowing costs are charged to the profit and loss account except in cases where the borrowing is directly attributable to the acquisition, construction or production of an asset or group of assets, which take(s) substantial period of time to get ready for intended use. All other interest and other borrowing costs are recognized as expenses in the period in which they are incurred.

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Income taxes are accounted in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Tax expense comprises of both current and deferred tax.

Current Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the period using the applicable tax rates and tax laws.

Deferred Tax

Deferred Tax Assets and Liabilities are recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods and are measured using the tax rates enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for their appropriateness of their respective carrying value at each balance sheet date.

10. IMPAIRMENT OF ASSET

The Company assesses the impairment of assets with reference to each Cash Generating Unit (CGU) at each Balance Sheet date if events or changes in circumstances, based on internal and external factors, indicate that the carrying value may not be recoverable in full. The loss on account of impairment, which is the difference between the carrying amount and recoverable amount, is accounted accordingly. Recoverable amount of a CGU is its net Selling price or value in use whichever is higher. The value in use is arrived at on the basis of estimated future cash flows discounted at company's pre-tax borrowing rates.

11. PROVISIONS & CONTINGENCIES

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made. Provisions are not discounted to present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet.

12. BASIS FOR CONSOLIDATION

The consolidated financial statements are prepared in accordance with the Accounting Standard 21 (Consolidated Financial Statements) issued by the Institute of Chartered accountants of India.

B. OTHER NOTES:

1. CONSOLIDATION PROCEDURE:

- a) The consolidated Financial Statements ("CFS") has been prepared on the basis of audited financial statement of the Parent company Viz. Indus Fila Limited for the year ended 31.03.2012 and its subsidiary viz. Indus Garments (India) Private Limited, Bangalore (Shareholding 100%) for the year ended 31.03.2012. The financial statements of the Parent and its subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group transactions and unrealized profit/ loss.

Information Regarding Subsidiary Company

(Rs. in lakhs)

Name of the Subsidiary Company	Issued and Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend
Indus Garments (India) Private Limited	198.00	1932.03	5510.70	5510.70	Nil	57.57	21.09	36.48	Nil

INDUS FILA LIMITED

Registered Office: Survey No. 285, 37th KM Stone, Kasaba Hobli, Nelamangala,
Bangalore Rural District – 562 123

ATTENDANCE SLIP

Folio No.	
-----------	--

No of Shares held	
-------------------	--

DP Id/Client ID	
-----------------	--

Name and address of shareholder / Proxy holder

I hereby record my presence at the Annual General Meeting of the Company held on Thursday, the 20th September 2012 at No.284, 285, T.Begur Village, Kasaba Hobli, Nelamangala, Bangalore Rural District -562123, Karnataka at 9.00 A.M.

Member's / Proxy's Signature

(Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand over at the entrance of the Meeting Hall)

INDUS FILA LIMITED

Registered Office: Survey No. 285, 37th KM Stone, Kasaba Hobli, Nelamangala,
Bangalore Rural District – 562 123

PROXY FORM

Folio No.	
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No. of Shares held	
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DP ID/Client ID	
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I / We _____ of
Members of INDUS FILA LIMITED hereby appoint Mr./Ms. _____ being a Member /
_____ of
_____ or
failing him / her Mr. / Ms. _____ of _____ as my
/ our Proxy to attend and vote for me / us and on my / our behalf at the ANNUAL GENERAL MEETING of the
Company to be held on Thursday, 20th September 2012 at 9.00 A.M. and at any adjournment (s) thereof.

Signed this ____ day of September 2012

Affix Re.1/- Revenue Stamp

Signature(s)

Proxy Form must reach company's registered office not later
48 Hours before commencement of the meeting.

FOR OFFICE USE ONLY

DATE OF RECEIPT