



COMPLETE COMFORT



Indo Count Industries Limited
Annual Report 2015-16

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Indo Count is one of the leading end-to-end bedding provider that is solely focussed on creating all-encompassing sleep experiences for consumers around the world.

We are passionate, and fully concentrate on bringing complete comfort to our clients and consumers.



From customers to consumers, from employees to investors, from vendors to bankers, we assure all our stakeholders that we are committed to deliver **COMPLETE COMFORT.**



PERFORMANCE HIGHLIGHTS

29%

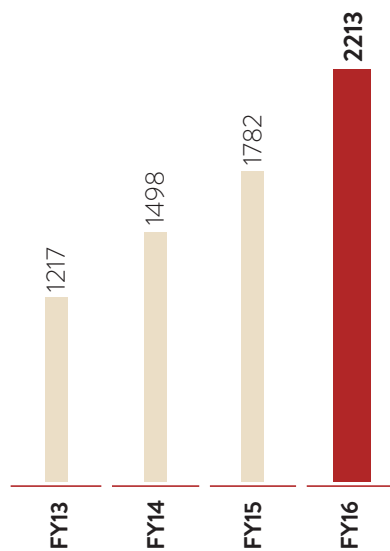
Revenue
5 years CAGR

66%

EBITDA
5 years CAGR

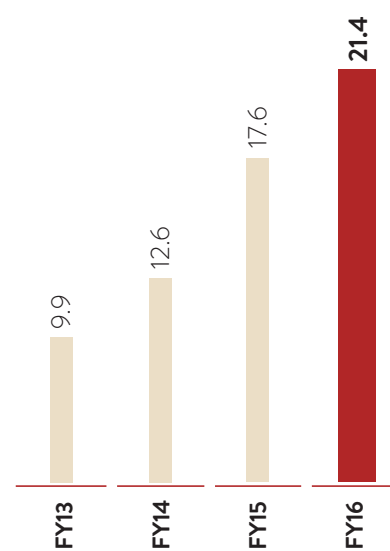
Growing Revenues

(₹ crore)



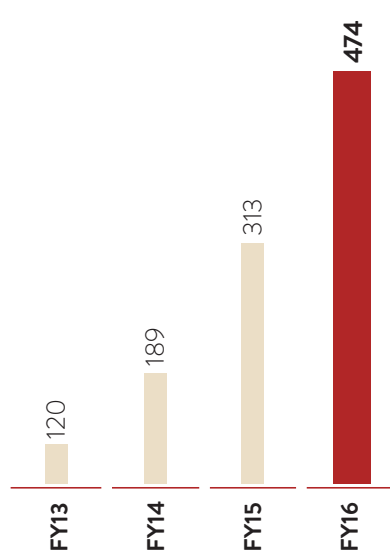
Increasing EBIDTA Margin

(Per cent)



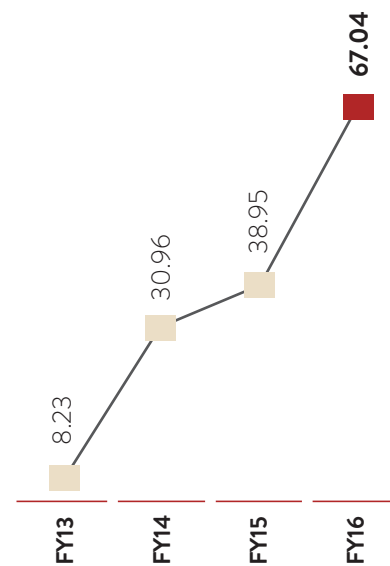
Growing EBITDA

(₹ crore)



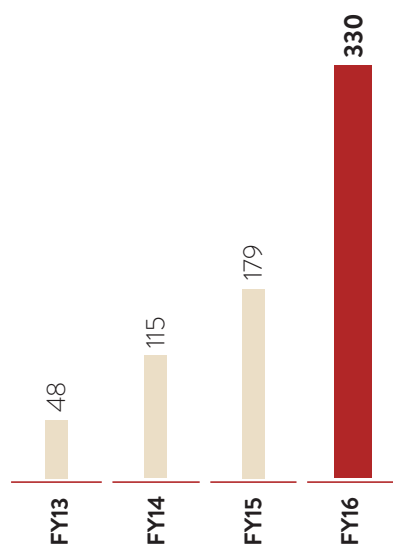
Growing Earnings Per Share

(₹)



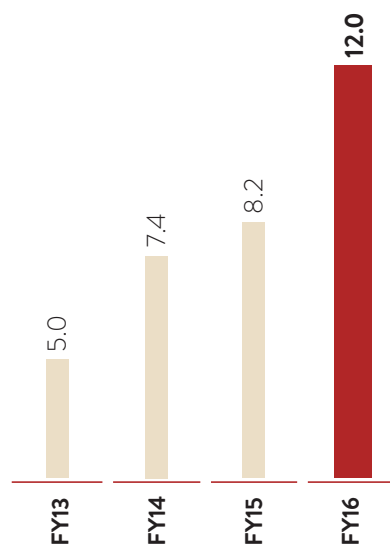
Surging Cash Profit

(₹ crore)



Improving Net Profit Margin

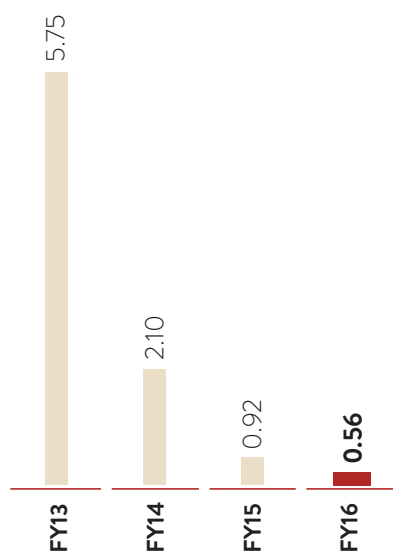
(Per cent)



85%

Net Profit
5 years CAGR

Net Debt-Equity Ratio



- Credit Rating of “A” for long-term bank facilities and “A1” for short-term bank facilities by CARE and ICRA
- Ranked 235 in profit amongst India’s top 500 companies by profit Dun & Bradstreet (D&B)
- 4th amongst Top 20 Multi Baggers during the last 10 years (Business Line dated 11.1.2016). Highest Wealth Creators in 2015 - 677% Fortune India - January 2016
- Investment in Indo Count shares grows from ₹ 1 lac to ₹ 72 lac - In 5 years - Economic Times
- Our Chairman & Managing Director is one amongst India’s Best 100 CEO’s 2015 (Business Today Special Issue, Jan. 2016)
- Received Silver Trophy from TEXPROCIL for the 2nd highest exports of made-ups in Bed Line/Bed Sheets/Quilts under Category III for 2014-15
- Among Top 3 Bedsheet Supplier & 11th largest supplier of Home Textiles to USA
- FIEO, Western Region has conferred Export Excellence Award in the Top Exporter – Non MSME Trading House Category

EXECUTIVE CHAIRMAN'S MESSAGE



This performance could not have been achieved without single minded FOCUS on bed linen solutions, INNOVATION in product development and marketing and PERSEVERANCE in operational efficiency.

Dear Shareholders,

It gives me immense pleasure to present to you another record performance on the financial front during fiscal '16. I am happy to share that despite the challenging global environment, your Company has outpaced the industry with a revenue of ₹ 2,213 crores resulting in 24% growth during fiscal '16. Highest ever EBITDA and PAT have shown a remarkable growth of 51% and 82% respectively. The positive impact of the highest ever financial performance is reflected in the gradual lowering of Debt.

Debt Equity ratio has reduced substantially from more than 5 at the end of fiscal '12 to 0.1 at the end of March '16 and the highest ever Earnings per Share of ₹ 67.04.

The Company declared Interim Dividend of 10% and Final Dividend of 10% has been recommended on equity shares of the Company. Total Dividend payout is 20%. The market cap is around ₹ 3,835 Crore.

This performance could not have been achieved without single minded FOCUS on bed linen solutions, INNOVATION in product development and marketing and PERSEVERANCE in operational efficiency.

I am happy to inform that towards development of long term succession plan, the Board approved appointment of my son Mr. Mohit Anilkumar Jain as a Managing Director of the Company for a period of 5 years w.e.f. 9th May, 2016.

A New Confident Identity

Your Company has taken many strategic initiatives in fiscal '16 to achieve its vision of being one of the leading home textile company in the world and to deliver a sustainable growth story for all its stakeholders and our vision is to become debt free.

Keeping in view its global ambition and reach, your Company has revamped and launched a new branding and communication exercise. The new logo represents the strategic vision of Indo Count, a streamlined process of

the development, manufacture and performance of our products. The new brand signature represents our brand promise - to bring COMPLETE COMFORT to the world. As we continue to expand into new strategic frontiers of the global bedding products space successfully, this new brand identity and look would allow us to precisely represent our brand promise to our global consumer base.

In order to meet the rapidly growing demand for high quality bed linen in India, your Company has developed a detailed strategy for launch of their customised products to meet the requirements of discerning consumers.

With the successful on-streaming of the augmented capacity, we have also put into action a two-phase expansion plan to cater to the expected strong demand for home textile products. **Phase 1** of ₹ 175 Crores is towards increasing processing capacity from current 68 million meters to 90 million meters, setting up a state-of-the-art RO and water effluent treatment plant, automation of cut and sew and warehousing and **Phase 2** of ₹ 300 Crores is towards upgrading the existing spinning facilities, Investments in additional weaving (with specialized looms) and value added equipment for the delivery of fashion and utility bedding.

The roadmap, for the coming years, looks promising as we venture into new segments of fashion, utility and institutional bedding. The revenue contribution from these new segments has already touched 10% mark. To bolster your Company's high-value bed linen products and channel portfolio, three new lifestyle brands have been launched in the US market namely

Boutique Living, Revival and The Pure Collection with each one catering to distinct consumer segments.

Corporate Social Responsibility

As a responsible corporate, your Company visualizes its CSR to improve the quality of the life of the people living in the villages of rural India. To achieve this vision, a separate foundation i.e. Indo Count Foundation has been established.

Our social initiatives range from Education, Healthcare, Drinking Water and Sanitation to Woman Empowerment. In Fiscal '16:

- Contributed to Prime Minister's Relief Fund.
- We have initiated E-learning programme across 45 schools covering approximately 16,500 students with Wockhardt Foundation.
- Provided free medicine and health check-up through mobile medical vans in tie-up with Wockhardt Foundation.

Our future programmes include village adoption etc.

Your Company is extremely concerned about shortage of water throughout the Country and we are happy to inform that on the environmental front, we commissioned an \$8 million RO plant that resulted in the re-use of processed water and post-treatment water portability. This has resulted in saving of more than 200 MLD liters of water per year.

Accolades and Awards

You will be happy to know that your Company has in recognition of its

achievements received several accolades from leading institutions and media.

- Export Excellence Award in the Top Exporter – Non MSME Trading House Category by FIEO, Western Region.
- Silver Trophy from TEXPROCIL for the 2nd highest exports of made-ups in Bed Line/Bed Sheets/Quilts under the category III for 2014-15.
- Among the Top 3 Bed sheet supplier and 11th Largest Homes Textile supplier to USA. (Home & Textiles Today)
- Our Lead Bank, Union Bank of India, has recognized the Company as Most Promising MSME.
- The Company is ranked 235 on net profit (D&B) India's Top 500 Companies 2016.

Credit Rating

CARE & ICRA have assigned credit rating of "A" and "A1" for Company's long term and short term bank facilities respectively.

Acknowledgments

All these could not have been achieved without whole-hearted support of loyal partners, outstanding human capital and committed shareholders. I thank all customers, vendors, bankers and employees of the Company for their unstinted support. I take this opportunity to thank everyone who have contributed to deliver the stellar performance in fiscal '16 and thank them for their belief.

Yours truly,

Anil Kumar Jain

OUR NEW IDENTITY



Success plays a vital role in the formation of identity.

Success also reinforces one's own belief in the purpose. It evokes confidence and trust of the stakeholders in the identity.



In its relatively young vintage age of 25 years, the Company has phenomenal growth due to launching of home textile in 2009, delivering performance par excellence. And this success led us to this effort to articulate our purpose and reimagine our identity.

We are specialists, not generalists, and have chosen to only work towards creating the best sleep experience imaginable.



We streamlined our product development and design, manufacturing and supply chain, branding and marketing to allow us to create an all-encompassing sleep experience. In this endeavour, we have done seemingly contrasting things with ease. Like being proud of our track record, yet remain humble about the enormity of our vision. Communicate softly, but precisely. Be simple, yet sophisticated. Be distinguished, but never elitist. In every aspect of what we do and with every employee, customer, partner and shareholder, we always aim to be graciously professional. All this has been possible due to clarity about our values and mission.



Our new identity cleanly and clearly manifests who we are and our purpose to the consumers and all stakeholders.



Warehouse




RO Plant

It has been designed to inspire complete confidence and trust. It embodies our personality and promise of 'Complete Comfort' to the world.

COMPLETE COMFORT is our pledge to our partners and illustrates our commitment to everyone who is touched by our products and operations. The new identity is a reflection of our global operations and aspirations with its modernity and universality of representation. This new identity is a step towards establishing us as stewards of good sleep globally.

COMFORT EXPERIENCE

Becoming a product of choice and achieving market success is dependent upon the product's ability to meet consumer needs. Products which meet hitherto unmet needs can command a premium. However, consumers derive maximum comfort from the product's ability to deliver an overall experience, in addition to meeting their functional needs.



Along with the tangible product benefits, the total product experience is dependent on other elements such as branding, product quality, packaging, sales channel, etc. Hence, Indo Count's extensive consumer research by its teams based in India, USA, UK and Australia not only focusses on understanding consumer needs, but also gleans the experiences sought by them. Such consumer research is an inseparable step of the product development process encompassing the entire value chain from product design to marketing and sales, so as to deliver a 'complete sleep experience' to consumers.

We have showrooms and design studios in our major markets to have direct access to the consumers' voice and better understand their needs. The Company has also expanded product portfolio to provide end-to-end solutions. Entry into fashion bedding, utility bedding and institutional linen not only allowed the Company to address a market bigger in size than just sheet sets, it also created opportunity to meet differentiated consumer needs.

The Perfect Blend: **Innovation + Quality + Service**

INNOVATION

Our design and development teams are always researching new technologies and processes to answer to the needs of consumers. Innovative new weaves and finishes allow us to continue to expand our product offering.

QUALITY

We ensure total quality solution starting with sourcing the best cotton, state-of-the-art equipment to spin, weave, bleach, dye and cut and sew. The result is complete quality control across the entire process.

SERVICE

The implementation of the latest Supply Chain Management solutions gives us a real-time snapshot of production and inventory across all our facilities. Our business partners have peace of mind knowing they can **COUNT ON US** when it comes to e-commerce fulfilment, inventory control and maintaining the integrity of their brand.