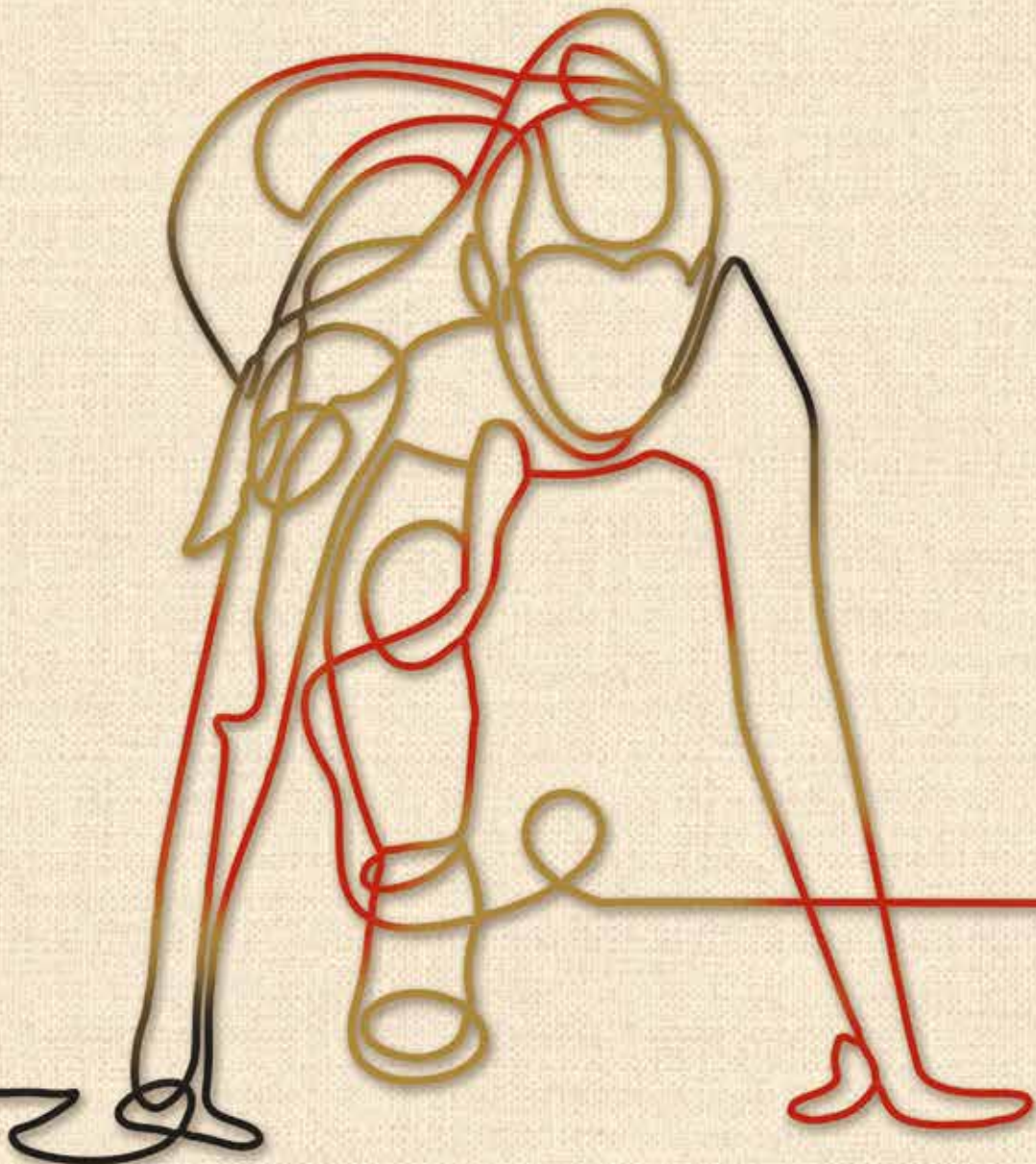




Complete Comfort

Indo Count Industries Limited  
Annual Report 2018-19

Poised  
for Growth



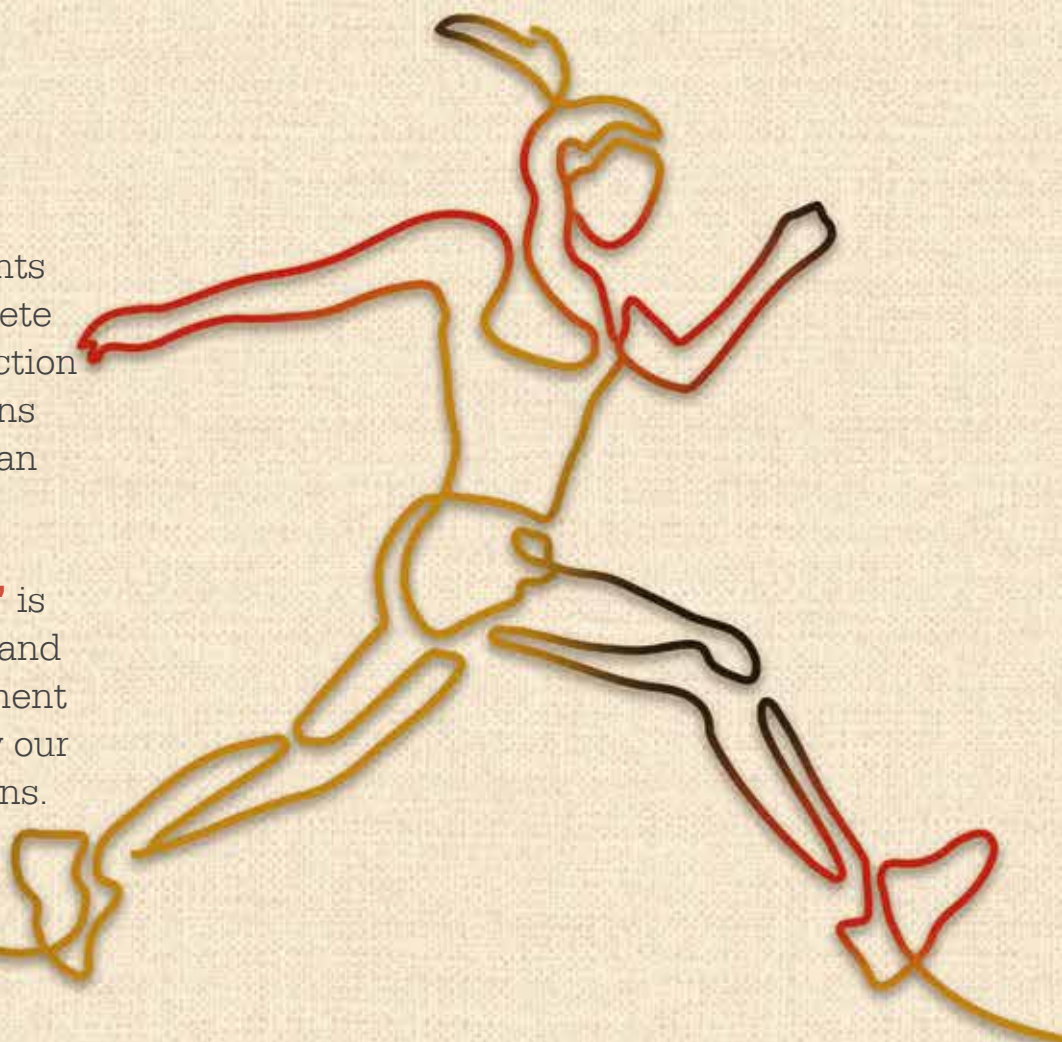


## Our New Logo



Our new logo represents the globe with 'Complete Comfort'. This is a reflection of our global operations and aspirations with an appealing look.

**'Complete Comfort'** is our pledge to partners and illustrates our commitment to everyone touched by our products and operations.



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We are at the cusp of capitalising on a demand recovery in our largest market.

Our foundation is strong. Our relationships over three decades with a number of marquee customer brands are getting stronger.

We possess state-of-the-art manufacturing facilities, adequate and flexible capacity, extensive sectoral understanding of products and design preferences as well as a relatively under-leveraged Balance Sheet.



We are  
**Poised for Growth.**

The Company is ready to embark on the next phase of its successful journey.

## Corporate Overview

### Vision

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

### Mission

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

### Principles

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

### Installed capacity

**90 million metres**

per annum correlates to ~22 million sheet sets a year.

### Brands

#### In-house brands

**14**

- Boutique Living • Heirlooms of India • Atlas • Revival
- The Pure Collection • Haven • Linen Closet • Simply Put
- Whole Comfort • True Grip • Purity Home • Cotton Exchange
- Color Sense • Kids Corner

#### Licensed brands

**4**

- Morris & Co.
- Harlequin
- Sanderson
- Scion

#### Boutique Living

In India, the Company's brand 'Boutique Living' provides premium bedding through more than 500 stores pan-India.

### Portfolio

We are one of the leading Home Textile manufacturers with a product range that includes bed sheets, fashion bedding, utility bedding and institutional bedding with a backward integration starting from spinning and extending across the entire value chain.



### Footprints

The Company has headquarters in India (Mumbai), and exports to more than 54 countries across six continents and USA constitutes the largest market share of the Company. The Company has two Indian and four foreign subsidiaries.

### Clientele

The Company's key international clients includes renowned marquee customers across the globe.

### ISO Certifications

- ISO 9001:2015 – Quality Management System
- ISO 14001:2015 – Environmental Management System
- OHSAS 18001:2007 – Occupational Health And Safety Management System.

### Listing

The Company's equity shares are listed on the BSE Limited and National Stock Exchange of India Limited.

### Credit Rating by CARE & ICRA

- **AA-** with outlook Negative for Long-term bank facilities which signifies high degree of safety regarding timely payment of financial obligations.
- **A1+** for Short-term facilities, the highest rating.

### R&D and accreditations

- The Company's plant at Kagal, Kolhapur has been accredited by the NABL (National Accreditation Board for Testing & Calibration Laboratories) which certified it as ISO/IEC 17025.
- Received 'LEED Green Building Certification' from Green Building Council, USA. LEED (Leadership in Energy and Environmental Design) is the most well-known green building rating system in the world, and a globally recognised symbol of sustainable achievement.
- Collaboration with University of Leeds, UK, for focused and structured innovations in R&D.





## How we have invested, evolved and grown over the years

### Capacity expansion



### Our growth journey

30+  
years

**1988** | Journey began with incorporation

**1990 -91** | Public issue and listing

**1991** | Commenced spinning operations

**2007** | Forayed into Home Textiles business by setting up state-of-the-art manufacturing capacity

**Today we are among the top five global manufacturers and exporters of bed linen.**

### Through subsidiaries

- 2007** | Acquired Pranavaditya Spinning Mills Limited
- 2011** | Established USA subsidiary with a showroom and a design studio on the prestigious Fifth Avenue in New York
- 2014** | Established UK and Australia subsidiary, showrooms and design studios in Manchester and Melbourne, respectively
- 2016** | Established Indo Count Retail Ventures Private Limited and entered the domestic Indian market by launching the Boutique Living brand
- 2017** | Established a wholly-owned subsidiary in Dubai, UAE



Single needle quilting machine

## Awards and recognitions

### 2018-19

#### VASUNDHARA AWARD



Winner of the prestigious "Vasundhara Award" from the Government of Maharashtra in recognition of the Company's contribution towards and commitment to the promotion of environment, energy conservation / natural resources and social / welfare activities. The Company was adjudged the second Best Company in Maharashtra among all large units.

The Award, consisting of a trophy, a certificate of merit and a cash award of ₹2 lakhs, was presented by Honourable Minister of Environment, Government. of Maharashtra, in an award ceremony held on World Environmental Day.



#### STATE EXPORT AWARD



Directorate of Industries, Government of Maharashtra, awarded the Company with the State Export Award in recognition of its export performance in the LSI category during 2016-17. The award was presented by Honourable Minister of Industries, Government. of Maharashtra.

#### TEXPROCIL AWARDS



##### Gold Trophy

2016-17

##### Silver Trophy

2014-15 and 2015-16

##### Bronze Trophy

2009-10 to 2013-14

#### RECOGNITIONS BY LARGE RETAILERS IN USA



Platinum Certification Status in its Sheets and Fashion Bedding category, 2017 by JC Penney.



Best Collaboration in Design & Product Development award by KOHL'S



## Key locations Indian origin. Global mindset.




# 54

The number of  
countries where  
we are present

### Indo Count exports products to more than 54 countries across six continents

Argentina • Australia • Austria • Brazil • Bangladesh • Belgium • Canada • China  
Colombia • Costa Rica • Cote D'ivoire • Dominica • Denmark • Egypt • Ecuador • Finland  
France • Guatemala • Germany • Greece • Holland • Hong Kong • Indonesia • Italy • Israel  
Ireland • Japan • Mauritius • Mexico • Malaysia • Madagascar • Morocco • New Zealand  
Netherlands • Oman • Peru • Puerto Rico • Portugal • Paraguay • Poland • Romania  
Saudi Arabia • Singapore • Spain • South Africa • Sweden • South Korea • Turkey  
Taiwan • Uruguay • UAE • UK • USA • Vietnam

### Manufacturing facilities and offices in India



Mumbai

Kolhapur

The Company has state-of-the-art manufacturing facilities - at Kolhapur, Maharashtra.

- Gokul-Shirgaon
- Kagal

The Company's headquarters are in Mumbai

### Presence through international subsidiaries

#### USA

- A wholly-owned subsidiary in Indo Count Global Inc
- Showroom and design studio at Fifth Avenue, New York
- Warehouse for retail and e-commerce

#### Australia

A wholly-owned subsidiary in Indo Count Australia Pty. Ltd.

#### United Kingdom

- A wholly-owned subsidiary in Indo Count UK Limited
- Showroom and design studio in Manchester

#### UAE

A wholly-owned subsidiary in Indo Count Global DMCC



## Financial Highlights, 2018-19 (Consolidated)

1945

Revenue  
(₹ in crore)

166

EBITDA  
(₹ in crore)

60

PAT  
(₹ in crore)

3.05

EPS\*  
(₹)

0.31

Debt-equity  
ratio

2.31

Current ratio

0.84

Asset-  
turnover  
ratio

9.4

RoCE  
(in %)

\*Face value of ₹2/- each

- 6% growth in volume from 54.3 million metres in FY 2017-18 to 57.5 million metres in FY 2018-19
- Revenue from operations on a standalone basis increased to ₹1,813 crore against ₹1,709 crore in the previous year
- Turnover on a consolidated basis increased to ₹1,934 crore against ₹1,858 crore in the previous year
- Consolidated net debt stood at ₹281 crore as on March 31, 2019 as against ₹346 crore in the previous year; the Company was almost free of long-term debt.
- Recommended a final dividend @ 30% i.e ₹0.60 per equity share of ₹2 per share for FY 2018-19, signifying a higher dividend pay-out ratio.

## Executive Chairman's Message



### DEAR SHAREHOLDERS

I take this opportunity to share the highlights of another year. Though the year 2018-19 faced various headwinds, the focused approach of your Company ensured that the performance remained on-course.

Our sales volume registered a growth of 6% on a Y-o-Y basis and we were able to maintain our top line at the same pace despite a challenging business environment comprising increased input costs, lower government export incentives. On a

consolidated basis, your Company's revenue and net profit stood at ₹1945 crore and ₹60 crore respectively. I would also like to emphasise that your Company's exposure to debt was low with a debt-equity ratio of 0.30.

#### The market overview

The US economy grew at around 2.9% in 2018 and the Company's major markets of US and EU reported a revival in consumer confidence and spending. There was a re-stocking by US retailers in anticipation of better sales and this supported the offtake of our products as well.

During the year under review, India continued to hold its position in the US textiles market. India's contribution in the made-ups segment increased and the share of Indian cotton bed sheets and terry towel exports to US were the largest contributors in 2018.

India retained its position as the third largest supplier of textile and apparel products to the US. India's textile and apparel exports to the US rose in 2018 while exports from other competing nations could not scale up.

The Indian home textile market grew, encouraging existing players to consolidate their capacities. The domestic home textile market is estimated to grow from US\$ 6 billion in 2017 to around US\$ 15 billion by 2025.

#### Business-strengthening initiatives

Your Company, leveraging its consistent specialisation and knowledge capital, innovated successful products and designs. The combination of our good quality products and service commitment empowered marquee customers to strengthen their respective brands, increasing repeat offtake from the Company.