



Complete Comfort



**Stable and  
Sustainable**

**Indo Count Industries Limited**

## ACROSS THE PAGES

### 2-24 CORPORATE OVERVIEW

Chairman's Message	2
Future Visibility	5
Our Snapshot	6
Resilient Business Model	8
Sustainable Growth Enablers	10
Awards and Recognitions	11
Financial Highlights	12
Our Product Portfolio & Brands	13
Sustainability: Our DNA	19
CSR - Every Smile Counts...	21
Corporate Information	24

### 25-97 STATUTORY REPORTS

Management Discussion and Analysis	25
Board's Report	34
Corporate Governance Report	68
Business Responsibility Report	89

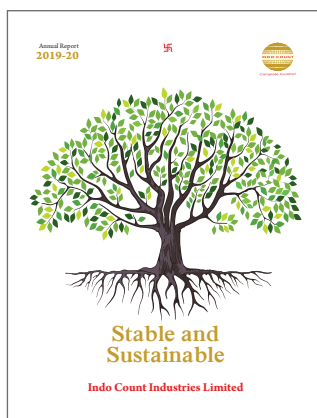
### 98-220 FINANCIAL STATEMENTS

Standalone	98
Consolidated	162

Please find our online version at  
<https://www.indocount.com/investors/financial-reporting/annual-reports>



Or simply scan  
to download



The cover visual shows a banyan tree. This perennial plant stands for deep-rooted strength and growth. Indo Count aptly represents the qualities of a Banyan tree through its strong foundation on which the organisation rests and flourishes. The sturdy tree trunk shows the numerous seasons the tree has weathered. Similarly, Indo Count has passed through the thick and thin and emerged successful each time. The green shoots of the tree are a good sign of its growth, both vertical and horizontal. The same way Indo Count has grown through the length and breadth of its graph, enriching its knowledge and adding experience every single time.

#### Company Information & AGM details

CIN	L72200PN1988PLC068972
BSE Symbol	521016
NSE Symbol	ICIL
Dividend Recommended	30%
31 <sup>st</sup> AGM through Video Conferencing/ OAVM	Date: July 30, 2020 Time: 12.30 p.m. (IST)
VC Platform & Voting	NSDL

#### Disclaimer

This Annual Report contains statements about expected future events and financials of Indo Count Industries Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

**VALUE-DRIVEN CULTURE.**

**RESILIENT BUSINESS MODEL.**

**TEAM EXPERTISE.**

**PRUDENT FINANCIAL MANAGEMENT.**

**FOCUS ON SUSTAINABILITY.**

These are the supreme ingredients that have made us ***stable and sustainable***, amidst uncertainties. They are the core of our organisational strategy and in everything we do which helps in delivering long-term value to our stakeholders.

---

Despite the challenging business landscape of 2019-20, we remained undeterred on our path, delivering stable financial performance. We took a longer view of the business with a clear roadmap and further strengthened the core. This enabled us to demonstrate resilience amidst tough times and achieve growth.

Moving forward, we will continue to be agile and a committed organisation, by consistently evolving to serve our customers better. We will do this with our relentless focus on operational excellence, cost competitiveness, innovation and new product development centered around customers' needs. We have been growing and creating value along the way for our stakeholders.

---



# CHAIRMAN'S MESSAGE



**MR. ANIL KUMAR JAIN**  
*Executive Chairman*

Today the world is working its way through the turbulent times while adapting to the new normal. At Indo Count, we continue to strive on the growth path and fulfil stakeholder expectations.

## OUR PERFORMANCE

In the year 2019-20, our strategic priorities were driven by value, focus and discipline. Despite challenging business environment, the year concluded on a good note with your Company recording one of the highest turnover along with 7% volume growth.

The revenue from operations registered growth of 10% while EBIDTA was higher by 43%. Our net debt to equity ratio has also improved from 0.31x to 0.20x. We have continued rewarding our shareholders who have instilled faith and trust in us with final dividend of ₹ 0.60 per share (subject to approval of the members of the Company). Your Company's marquee customer base, wider geographic reach and penetration through innovative, modern aesthetic products have led to improved performance during the year under review.

## GLOBAL CONTEXT

The year 2019-20 was a challenging year for the global economy with rising trade barriers, geopolitical tensions and weakened economic activities. Just when several measures were being introduced to revive the growth, the world was hit by the

**Value-driven growth has always been the primary ingredient of our strong and sustainable foundation. It is the key enabler of our resilience and responsibility.**

global COVID-19 pandemic. This led to worldwide lockdowns and complete discontinuation of inter-geography commercial activities.

The present situation is complex and fluid. The US and EU nations dominate the larger chunk of textile and apparel imports. India continued being among the top three exporters. With extensive lockdowns across the globe, the consumer spending has taken a major hit, business operations across sectors have paused and exports have declined. This has led to an obvious impact on the textile industry, demand and supply. However, it is estimated that Developed markets will recover faster.

## IMPACT OF COVID-19

The COVID-19 pandemic has affected every aspect of business and life. The world may not be the same again with the lasting impact of pandemic. But, testing times bring out the best in mankind. The real need of the hour is to remain resilient to the continuously evolving situation while ensuring health, safety and wellness of our employees and all stakeholders.

As the world fights this situation collectively, we at Indo Count, are responding to this unprecedented disruption with our commitment and unwavering focus to serve our customers in an efficient, effective and sustainable manner. The health and safety of all our staff and workers was top priority to us. Appropriate actions were taken at each step to ensure safety and security of our team in the best possible way including adoption of remote work. We resumed partial manufacturing operations after ~30 days of temporary closure of factories due to the pandemic. We diligently followed the SOPs laid down by the Government to run the plants.

**At Indo Count, sustainability is a part of our core culture and we have adopted it in every action and activity of our organisation. Right from procurement to processes, from people to environment, every step across our value chain is done keeping sustainability in mind.**

Value-driven growth has always been the primary ingredient of our strong and sustainable foundation. It is the key enabler of our resilience and responsibility. It has further helped us in navigating through the challenges and stepping into the 'new normal'. As we move ahead, our value system will further build our reliability and stability, ultimately strengthening our relationship matrix with all our key stakeholders.

## ADVANTAGE INDIA

Last five years have witnessed India's market share in home textile exports rising from 9% to 11%. The Indian manufacturers are gaining traction as brands seek to de-risk themselves from single geography supply chain. India is in a favourable position on the basis of its superior quality products and capability to grow. Apart from these various other factors like availability of raw material, expertise across the value chain, competitive manufacturing costs and access to skilled labour continues to favour India.

## ACTIVE AND ADAPTIVE

Just like the strength of a tree is known by its firm roots, an organisation's strength lies in its foundation. Over the last decade, we have emerged as the leaders in offering innovative bedding solutions from India. Apart from our

sound balance sheet, our service expertise, experience and capacities have played an important role in bringing stability and agility to the organisation.

Our innovation, R&D, knowledge capital and superior quality have helped us carve a niche in building a portfolio of value-added, modern and functional products. We are on a constant endeavour to understand the evolving trends of our customers.

We strive to actively adapt the changes required in our product portfolio and launch products that resonate customer demand. This has helped us gain a competitive edge and engaging relations with our marquee global customers.

Our growth is spearheaded by our strong brand recalls as we make a steady progress. Our aspirational brand 'Boutique Living' provides premium bedding and superior comfort through more than 500 stores across India.

## RISK MITIGATION

Risks and uncertainties form an inherent aspect of any business. We have a robust governance and risk management framework to alleviate the risk at the time of its occurrence. It also helps in evaluating and analysing various factors of volatility pertaining to our business. This approach of



understanding and evaluating the environment is a core value at Indo Count. It helps underpin our plans and strategies and empowers us to make better and well-informed choices in terms of decisions.

## SUSTAINABILITY

Sustainability is one of the most important agenda globally. At Indo Count, sustainability is a part of our core culture and we have adopted it in every action and activity of our organisation. Right from procurement to processes, from people to environment, every step across our value chain is done keeping sustainability in mind. We initiated a program in the agricultural sector – Project GAGAN – aimed at improving sustainability in cotton farming for farmers. The other objective of this project is to ensure supply of sustainable fibre.

We partnered with Walmart in Project GIGATON, where suppliers set goals for reducing emissions across six pillars (energy, waste, packaging, agriculture, forests, and product use) and have received Walmart's recognition being a Giga-Guru partner.

Our various sustainability initiatives have always been leading and guiding us by setting standards through HIGG Index. HIGG is a global online platform wherein the Company discloses its performance across 8 different modules to customers. Your Company's home textile facilities have achieved Level 3 which is a superior Verified score in HIGG Index.

Your Company has collaborated with the School of Design of the University of Leeds, a recognised leader in textiles and sleep research. This will enable us to enhance our innovation capabilities to deliver new and exciting products into the home textile sector. Further, we have adopted various measures viz. state-of-the-art, multi-effect evaporator to ensure: zero-discharge effluent treatment plant, a reverse osmosis (RO) plant for recycling waste and water, facilities for rainwater harvesting and solar power as a part of sustainability measures.

**The year concluded on a good note with your Company recording one of the highest turnover along with 7% volume growth. The revenue from operations registered growth of 10% while EBIDTA was higher by 43%.**

## CSR - EVERY SMILE COUNTS...

Indo Count is committed to create a larger societal value. It stands as a responsible corporate citizen to serve towards the greater purpose of prosperity in the society it grows.

During the year, our focus areas continued to be Education and Healthcare benefiting more than 50,000 students and 3,00,000 people. The Company initiated sustainable cotton farming in Warora Taluka of Chandrapur District in Maharashtra state to help farmers increase the yield and earn a sustainable livelihood. This program has benefited more than 1,500 farmers across 10 villages and we aim to extend this benefit to 30 villages. We also contributed towards this pandemic by way of distribution of masks, provision of food etc.

## OUTLOOK

In adversity lies opportunity and as we navigate through the crisis, we are quite optimistic to see opportunities generating in the near term. I remain confident that we are well positioned with appropriate strategies and resources to continue delivering value to all the stakeholders and contributing to the broader vision of growth. We will continue to emphasise on increasing utilisation levels and growing the share of value-added businesses.

The market requirement and consumer mindset may not be the same post easing of the lockdown. As a proactive response, we are continuously studying the consumer landscape and overall markets, and thereafter quickly

adapting to the changed dynamics. We believe in serving our customers globally by offering them the right product at the right time and place thus fulfilling their aspirations and needs.

Strengthened with a diverse portfolio, financial prudence, robust governance along with aspiring innovations, we are well placed to address all challenges and materialise opportunities. We are well-equipped with all the competencies to satisfy our customers and together, will mutually help businesses revive and maintain our market share.

## VOTE OF THANKS

I take this opportunity to acknowledge and thank our Employees for their dedication, commitment and contributions which have enabled us to achieve the results. I also thank our customers, vendors, bankers, Central and State Government and all other stakeholders for their undeterred confidence, trust and support. I thank all our colleagues for their guidance during the year.

As I conclude, I would like to place on record appreciation for all the efforts taken by the COVID warriors for bravely fighting this pandemic. I urge everyone to stay safe, take care and continue to follow all precautionary measures.

With regards,

**Anil Kumar Jain**

*Executive Chairman*

# FUTURE VISIBILITY



The lockdown due to Covid-19 has impacted almost all industries alike. Many things have changed around us like work from home, social distancing, and emphasis on health and safety among others. At Indo Count all the safety protocols from the Government have been implemented across its plants and offices.

Amidst this backdrop, we remain optimistic and confident that with our proactive steps and timely decisions will enable us to build a sustainable long-term future.

Our approach is centered around four key actions:

1. Safety of our employees and communities
2. Alignment with unique customer needs
3. Cash conservation through cost control and working capital
4. Providing incessant support to our customers and supply chain partners

Our liquid balance sheet strength has kept us in strong position to navigate through these challenging times. We have been able to comfortably service our existing debt without any moratorium. We are well positioned to leverage this opportunity with a strong customer base, capital adequacy, wider geographic distribution and extensive sectoral understanding of product development to quickly adapt to the changing customer ecosystem.

We are also keenly focusing on e-commerce, digital marketing, developing health and hygiene products and other innovative ways to reach out to our customers and strengthen our relationships with them. Investments made in building our competencies in the past are expected to reap benefits in the years to come.

The Indian home textile manufacturers are expected to gain traction as dependency on a single geography for supply is expected to reduce. India is well positioned with competitive advantages resulting from abundant availability of raw materials and skilled manpower along with steady capability and capacity available for growth.

**WE ARE ALSO KEENLY  
FOCUSING ON E-COMMERCE,  
DIGITAL MARKETING,  
DEVELOPING HEALTH  
AND HYGIENE PRODUCTS  
AND OTHER INNOVATIVE  
WAYS TO REACH OUT  
TO OUR CUSTOMERS  
AND STRENGTHEN OUR  
RELATIONSHIPS WITH THEM**

# OUR SNAPSHOT

Established in 1988 and head-quartered in India (Mumbai), Indo Count Industries Limited (ICIL) is one of the leading Home Textile manufacturers with an extensive product range. The product portfolio spans across bed sheets, fashion bedding, utility bedding and institutional bedding. The manufacturing skill extends across the entire value chain. We export to over 54 countries across six continents.

Over the years, we have constantly progressed to maximise our unique value proposition whilst building a widespread network of customers, sound financials excellent reputation and strong corporate governance control.



## 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





## KEY DIFFERENTIATORS

### Global player:

- Renowned player with strong focus on bed linen
- Established business with global prestigious clients
- Strong product positioning
- Continuous product development through innovation and R&D

### Strong domain expertise:

- Complete end-to-end solution in bedding
- Efficient marketing and branding
- Widespread global distribution
- Enhanced customer service experience

### Operationally efficient:

- Proficient and scalable operations
- Experienced management with a competitive track record
- Progressive investments in state-of-the-art technology
- Training and development of human resource

## ISO 9001:2015

QUALITY MANAGEMENT SYSTEM

## OHSAS 18001:2007

OCCUPATIONAL HEALTH AND SAFETY  
MANAGEMENT SERIES

## ISO 14001:2015

ENVIRONMENTAL MANAGEMENT SYSTEM

## ISO/IEC 17025:2005

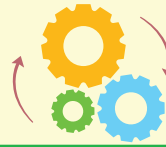
NATIONAL ACCREDITATION BOARD FOR TESTING  
AND CALIBRATION LABORATORIES (NABL)  
CERTIFICATION FOR KAGAL FACILITY, KOLHAPUR

## SA 8000:2014

MANAGEMENT SYSTEM CERTIFICATION



# RESILIENT BUSINESS MODEL



OUR STRATEGY AND BUSINESS MODEL ENABLE US TO DELIVER GROWTH THAT IS CONSISTENT, COMPETITIVE, PROFITABLE AND RESPONSIBLE IN THE LONG-TERM.

## INPUTS

## PROCESS



### FINANCIAL CAPITAL

This capital refers to our equity and debt

₹ **1,320 crore**

TOTAL CAPITAL EMPLOYED

₹ **985 crore**

NET WORTH



### MANUFACTURED CAPITAL

This capital refers to state-of-the-art infrastructure and core assets

- State-of-the-art facilities in and around Kolhapur
- Showroom and design studios at New York (USA), Manchester (UK) and Dubai (UAE)
- Warehouses for retail and e-commerce fulfillment in USA, UK and India



### INTELLECTUAL CAPITAL

This capital refers to our investments towards innovation and R&D.

Investment in research enables us to deliver value-added products. Collaboration with University of LEEDS, UK, for developing new and exciting products into the home textile portfolio.



### HUMAN CAPITAL

This Capital refers to our culture, people, their development and our collective knowledge.

**5,000+**

TEAM SIZE



### RELATIONSHIP AND SOCIAL CAPITAL

This capital refers to investments in relationship-building and social welfare in the communities where we operate.

₹ **11.47 crore spent**

TOWARDS CSR ACTIVITIES OVER 5 YEARS



### NATURAL CAPITAL

This capital refers to investments towards conservation of natural resources. We have responsibly invested in solar and ETP to preserve the natural resources.

CONCEPT, DESIGN AND  
SAMPLING

PROCUREMENT OF  
COTTON

SPINNING COTTON  
INTO YARN

WEAVING FABRICS

DYEING / PROCESSING /  
PRINTING INTO  
FINISHED FABRIC

CUTTING AND SEWING  
THE FABRIC INTO  
FINISHED PRODUCTS

QUALITY ASSURANCE

BRANDING,  
MARKETING AND  
SALES PROMOTION