

Indo Count Industries Limited

TRANSCRIPT OF THE 32nd ANNUAL GENERAL MEETING

Day : Friday

Date/ Time: September 3, 2021/ 12:30 Noon (IST)

Venue : Through Video-conferencing facility

– **Ms. Amruta Avasare – Company Secretary**

- Good afternoon to all, Myself, Amruta Avasare, Company Secretary, attending this AGM from my Bombay office. Due to continuing Covid 19 pandemic and as per the guidelines applicable circulars issued by MCA and SEBI, this AGM is being held through video conferencing. It is 12.30 pm. Before the Chairman starts with the main proceedings of the meeting, I welcome Chairman and all directors present for this AGM. I now request all directors to introduce themselves. I start with Executive Chairman, Mr. Anil Kumar Jain Sir.

– **Mr. Anil Kumar Jain – Executive Chairman**

- Good afternoon to everyone. I am Anil Kumar Jain, Executive Chairman of Indo Count Indo Count Industries Ltd.

– **Ms. Amruta Avasare – Company Secretary**

- Thank you, Sir. I request Mr. Mohit Jain Sir, Executive Vice Chairman to introduce himself.

– **Mr. Mohit Jain – Executive Vice Chairman**

- Good afternoon everyone. I am Mohit Jain, the Executive Vice Chairman of the company, thank you.

– **Ms. Amruta Avasare – Company Secretary**

- Thank you, Sir. I request Mr. Kailash R. Lalpuria Sir, Executive Director and CEO to introduce himself.

– **Mr. Kailash R. Lalpuria – Executive Director & CEO**

- Good afternoon everyone. I am Kailash Lalpuria, Executive Director and CEO of Indo Count Industries Ltd, thank you.

– **Ms. Amruta Avasare – Company Secretary**

- Thank you, Sir. I request Mr. Kamal Mitra Sir, Director (Works) to introduce himself to the members.

– **Mr. Kamal Mitra – Director (Works)**

- Good afternoon everyone. I am Kamal Mitra, Director (Works), thank you.
- **Ms. Amruta Avasare – Company Secretary**
- Thank you, Sir. I request Mr. Dilip J. Thakkar Sir, Independent Director and Chairman of Audit Committee to introduce himself.
- **Mr. Dilip J. Thakkar – Independent Director**
- I am Dilip Thakkar, Independent Director of Indo Count Industries Limited, thank you.
- **Ms. Amruta Avasare – Company Secretary**
- Thank you, Sir. I request Mr. Prem Malik Sir, Independent Director and Chairman of NRC Committee to introduce himself.
- **Mr. Prem Malik – Independent Director**
- I am Prem Malik, Independent Director and also the Chairman of NRC of the company. I am present in my room.
- **Ms. Amruta Avasare – Company Secretary**
- Thank you, Sir. I request Dr. (Mrs.) Vijayanti Pandit Madam, Independent Director and Chairperson of Stakeholders Relationship Committee and CSR Committee to introduce herself.
- **Dr. (Mrs) Vijayanti Pandit – Independent Director**
- Namaste. I am Vijayanti Pandit, Independent Director on the board of Indo Count Industries Limited. I am joining this meeting from my residence in Mumbai. I also chair the CSR Committee and the Stakeholders Relation Committee, thank you.
- **Ms. Amruta Avasare – Company Secretary**
- Thank you, ma'am. I request Dr. Sanjay Kumar Panda Sir, Independent Director to introduce himself to the members.
- **Dr. Sanjay Kumar Panda – Independent Director**
- I am Dr. Sanjay Kumar Panda, Independent Director in the Indo Count Industries Limited, thank you.
- **Ms. Amruta Avasare – Company Secretary**
- Thank you, Sir. I request Mr. Siddharth Mehta Sir, Independent Director, to introduce himself.
- **Mr. Siddharth Mehta – Independent Director**
- Good afternoon, members, welcome to the AGM. I am Siddharth Mehta an Independent Director on the board of Indo Count Industries Ltd.
- **Ms. Amruta Avasare – Company Secretary**

- Thank you, Sir. Mr. Sushilkumar Jiwarajka Sir, Independent Director could not remain present for this AGM due to some urgent commitments. I would like to inform you that Mr. K. Muralidharan, CFO, is also attending this meeting. I request Mr. K. Muralidharan to introduce himself.
- **Mr. K. Muralidharan - CFO**
- I am K. Muralidharan, CFO of the company attending the meeting virtually from Mumbai office, good afternoon to everyone.
- **Ms. Amruta Avasare – Company Secretary**
- Thank you, Sir.
- The statutory auditors, secretarial auditors and Mr. Vikas R. Chomal, scrutinizer of this meeting, are also attending this AGM. The auditors' report on financial statements for the year ended 31st March 2021 and secretarial audit report does not contain any qualification, adverse remarks, disclaimer, hence I take the reports as read.
- I now request Executive Chairman, Mr. Anil Kumar Jain Sir to take the chair and start with the proceedings of the meeting, Over to Chairman.
- **Mr. Anil Kumar Jain – Executive Chairman**
- Good afternoon to all shareholders. Trust all of you are safe and taking care of yourselves and your family. It is a pleasure to connect once again with all of you virtually on the 32nd AGM of the company. I warmly welcome each of you to this AGM. The requisite quorum for this meeting is present and I call the meeting to order. As the notice dated May 17, 2021 convening the 32nd Annual General Meeting of the company is already circulated to all the members, I take the notice of the meeting as read.
- I would now like to share brief highlights of the performance of your company, FY 2020-21 was a unique year with challenges and uncertainties at Indo Count. We quickly adopted new norms and remain focused on our goals which enabled us to achieve robust performance for the year ended 31st March 2021. We registered a record volume growth of 26% to 78 million meters with the highest revenue of Rs. 2557 crores. All the key parameters such as revenue, EBITDA and net profits showed substantial growth, the company continued to be a debt free company with a strong liquidity. The philosophy driving our company to new heights has been our vision, value, adopting quickly to changing needs of the consumers with innovative products and creating sustainable value chain.
- To take our vision and growth to next level your company announced capex of Rs. 200 crores Brownfield investment. Continuing our legacy of innovation, we launched our new brands Wholistic, Sleep Rx and Pure Earth in the international market and Layers in domestic market. Sustainability and ESG is going to be vital for all organizations. Your company has already initiated various ESG measures and is continuously working on all fronts to improve its ESG performance.

- Another important part of ESG is CSR, which is guided by our belief “Every Smile Counts...”. During the year we stood with the communities affected by the pandemic through distribution of food packets, bed sheets, providing ventilators, necessary support to the hospital. We continued our ongoing CSR activities in the area of healthcare, education, women empowerment, agriculture and livelihood, water and sanitation.
- While the world is recovering from the effect of the pandemic, the textile industry has been making its own mark in the direction of growth and long term changes. Recently the government announced continuation of benefit of ROSCTL Scheme till March 2024. This will provide level of playing field to the Indian exporters and stability to all textile industry. We thank central and state governments and the continuous support and initiatives for the textile industry.
- I take the opportunity to thank and appreciate all employees for their hard work and dedication that have helped us to achieve our goal despite the challenging years. I also thank all stakeholders, shareholders, customers, suppliers, bankers for their continuous confidence and trust. I thank my fellow directors on the board for their advice and guidance from time to time. I would like to place my gratitude to all Covid warriors for bravely fighting the pandemic. As I conclude the message, I wish you all a healthy life.
- I now hand over the proceedings to Mr. Mohit Jain, Executive Vice Chairman for the presentation.
- **Mr. Mohit Jain – Executive Vice Chairman,**
- Good afternoon everyone. So today I have the pleasure, along with myself our Executive Director and CEO, so both of us are going to run everyone through a short presentation, first time we are doing something like this on our AGM just to give a little bit more flavor of the organization, so I am going to get right started.
- So just a little bit about where we are as an organization. We have been now 30 years in the textile industry, started in 1991 with the cotton spinning business. In 2005-2006 as quotas went away, your company integrated itself into a home textile player. In a short period of 13 to 14 years we are the largest bed linen exporter last year out of our country which makes us very proud. We have also achieved leadership position in the US market in bed linen, so we are the largest importer of bed linen into the United States. Our current capacity is 90 million meters, and as the Chairman mentioned that we are investing 200 crores by end of this financial year we will go up to 108 million meters which is another 20% plus by de-bottlenecking’ our current capacities. These all state of the art facilities in Maharashtra. We ship to over 54 countries as we speak and are increasing our presence. The Indian market, the domestic market in India which we have been present now for 3 years, with our first brand called “Boutique Living” and last year in November, we launched “Layers”, this is a market which is going to be very important for the organization. We do see this as a large growth market so we have two brands right now and we are going to play the direct to consumer and the pure retail play selling through multi brand outlets as well as through large format stores in this market, which we have already started doing and we are seeing some great traction out here.

- So in continuation for the second year in a row, we were awarded by TEXPROCIL which is our Apex body for two gold trophies, one was for the highest exports out of India for a category which is Made-Ups under which comes bed linen, bed sheets as well as quilts. And we got a special achievement award from the whole home textile industry, they recognized our initiatives in terms of product development and innovation. That's what led to this. So this is very inspiring for us as a team to achieve these awards for your company.
- So the strategic pillars that enable us to achieve these performances, we are an integrated company, we have spinning, so we buy raw cotton, we spin our yarn, we weave the fabric, dye-finish print, cut and sew so that's the integration side. We are very innovative in what we do as an organization. So I think when you talk to our customers each one would say that each time they meet our team members, the teams are going to show something relevant and innovative products. So over 70% of what we sell to consumers or to customers globally is products that we showcase to them. We follow a lot of sustainable practices which KK will talk to you as we go along this presentation and we are a very focused company. We provide everything other than a mattress that goes on to the bed. So all your bed linen, duvet covers, comforters, quilts, all product categories that go on to a bed is done by the organization. Having said all this, the organization is also extremely financially strong, we have almost zero long term debt. Our current ratio is over 1.9, debt equity will be below 0.2. This has helped us especially in the pandemic to not get deterred, be true to what our long term objectives of the company are, and not get worried by the short term speed breakers that we all faced. Of course, we had to steer it through in the right path, but being financially stable really helped the organization and all of us working there.
- So just high level some of our product portfolios a little bit that I touched upon is bed sheets which is our core category, 85% of our revenue comes from here, is basically flat sheets, fitted sheets, pillow cases. The three new categories that we added is fashion bedding, utility bedding and institutional bedding. Fashion bedding consists of comforters, duvets, comforters are basically filled fashion items, shams, decorative pillow, quilts, coverlets. Utility bedding is products that add more comfort to your bed above the mattress, including pillows, and institutional bed linen is what we sell to hotels and hospitals. So the last three categories would consist of almost 15% of our revenue comes from these three categories and growing.
- As we look at Indo Count also most of our business is B2B and as we move forward we are also playing a B2C game, and a D2C game, these are some of the brands that we sell to our customers, we sell using the e-commerce. Purity Home which is all about organic, True Grip is our patented fitted sheet which does really, really well, Wholistic is our whole health sleep better brand, and Sleep Rx is one of our newest brands which also all about sustainable performance. So these brands are available in the marketplace and we are trying to grow our market share using these brands and we are getting some excellent traction.
- Also on the domestic market we are very fortunate that in the last couple of months our brand Boutique Living has got recognized as the Economic Times Iconic Brand of 2021 although it is a relatively new brand, and Layers has been recognized as the

Femina Power Brand of the Year. Just to also mention Layers is our opening price point value driven brand.

- Just a little bit about India you know, of course we are a company based out of India, we have to play to our country's strength. India is the largest grower for the last three years in a row of cotton in the world. So that is very important, and most of our products are cotton based products, and the textile industry is the second largest employer after agriculture. It contributes to 4% of our GDP, 10% to our industrial production, 13% of our exports today, believe it or not come from the textile industry. And most importantly, 45 million people are employed by this industry. There is a lot of government focus also. As our Chairman mentioned our RoSCTL scheme, has been continued for the next three years. That gives us a lot of visibility, from a manufacturing and an exporting perspective. So, this is a great move by the government, and they also brought into a RoDTEP scheme for the rest of the industry.
- I think a macro level again, sticking to is what is actually playing out for us and for the textile industry. I am going, to start from the right side and move towards the left on this presentation, is "Home" has really become the centre stage. I think all of us in the last 18 months have spent more time in our homes. Globally, we all have realized how important our homes are. There is a, what we call the home buddy economy that has developed. We don't see this changing. So, being in the home textile business, automatically we stand to gain from this. Also on our customer side, we are seeing structural shifts in the business. There is consolidation happening amongst customers, the bigger customers, the big box retailers are getting stronger. Automatically we see a consolidation happening on the organized manufacturing side globally. All that is going to lead to better efficiencies, increased efficiencies in the near future. Coming to the segment of market that we are catering to, in the US just to give an example, the market that Indo Count specifically today caters to is \$14 billion at retail. Out of that \$14 billion pie, \$4 billion was the sheet set business, which was our predominant business and \$10 billion at retail is what we have just got into the last couple of years, which is your fashion bedding, utility bedding and institution bedding. These categories were predominantly dominated from China. So as we see the China Plus One strategy play out, the way we being in India have achieved market share on the sheet side we also see there is a great opportunity in getting these in these other categories over a period of time.
- I would also now like to hand over to KK our Executive Director and CEO, to run everyone through what we are doing on sustainability, CSR, ESG. KK over to you.
- **Mr. Kailash R. Lalpuria – Executive Director & CEO:**
- Thank you Mohit for the wonderful insights onto what we are currently doing and what we are focusing upon. Now I would like to mention some of the initiatives which we are taking on the ESG front and CSR, as well as what sort of value creation we are doing for the shareholders, especially on the ESG side which has become a very important tool and acknowledgement for a company to recognize with and that is how the companies in the future will be all acknowledged going forward. And since we have a global reach and supplying to almost 54 countries, we have to

comply with various countries and companies, and that we are currently doing. So on the ESG side, on some of the initiatives which I would mention about the project Gigaton is a very important initiative which has been taken by the world's largest retailer, Walmart and we are collaborating with them and are taking keen interest to see how these initiatives regarding reducing the carbon footprint overall in various activities, like whether it is product or people, processes, environment, emission. So in all these areas we have to undergo a carbon footprint reduction. I am proud to say that your company is very much playing an important role and have been recognized among the top 20 and as a Giga-Guru. And just a couple of months back, they have recognized us with a certificate that we are one of the top performers among these 20 companies globally. On the Higgs' Index side, it is a holistic view. It is again, an index which has been created by recognized organization to see that how operationally we are fit and how operationally we are benchmarked to other industries around the world, where how sustainable initiatives we are taking within our organization and operation to see that we address the overall view on this sustainable initiative. This holistic overview empowers the company to make meaningful improvements in all areas so that it can impact the wellbeing of all the workers, the local communities, as well as the entire environment.

- On the renewable energy side, we are establishing solar power and biogas plants thereby contributing towards the carbon reductions. We also on the water, as we all know, it is a natural scarcity, which is running around the world, we are recycling and reusing 90% of the water we use. And thereby we have been able to reduce 55% of our fresh intake of water. So that is how we are contributing on the sustainability towards water. We are STep certified, which means that we are not using any hazardous substance in our process and operations. So we have been certified to implement Made in Green label on all our products, whereby we feel proud that whatever we are supplying globally, can be supplied with a Made in Green label. As a company, we have also initiated sustainability on the cotton and cotton farming side through our project Gagan, which we had launched three years back. Today, we are connected with almost 4,000 farmers wherein we bring in awareness to all the farmers so that they can implement better farming practices to improve their livelihood, and also to better their yield so that they can provide a better living to their families. So, this is how we are initiating on the project Gagan side so that, that can also produce organic cotton and BCI cotton which contributes again towards sustainability.
- On the CSR side, this is in our DNA now and an integral part of our company where, as our Chairman mentioned that we believe that Every Smile Count's and that is how within our organization, we all of us try to see that how we can bring in smile to the communities and give back to the society. Our major focus areas are education, health care, agricultural and livelihood building, woman empowerment, water and sanitation, and disaster management. On the education side, we are doing e-learning to almost 100 schools where in almost 50,000 students are benefiting out of it. We have 4 mobile vans where we have collaborated with Wockhardt and these vans visit the surrounding village around Kolhapur, and so far we have been able to check and provide medicines to almost more than 400,000 people. So this is on the healthcare side. We are also trying to modernize the equipments and the

departments of cardiology and gynaecology, where in the local Kolhapur area, so that people can avail health care through them.

- On the woman empowerment side, we have a skill centre where we provide skill to women who have never worked before and tried to provide them jobs so that they can empower themselves and improve their livelihoods. On the water and sanitation side also, we are implementing RO systems in many of the schools so that the students and the children can have better drinking water facilities. On the sanitation side, we are building toilet blocks so that we can provide better sanitation to the citizens. On the disaster management side as our Chairman had spoken that we had taken a keen interest whenever there is a flood or whenever during the vaccine, during the COVID pandemic also, we have provided vaccination to our employees, and different citizens surrounding in the Kolhapur area and also distributed food packets. So as a company, we take keen interest to see that how we can give back to the society and the community surrounding us.
- As I mentioned, we are a textile company for the last 30 years, and we strongly believe that we would like to take all the stakeholders along with us, and we have awarded, and we are awarding, and we would award going forward all our shareholders with healthy returns. And just in FY21, we declared a dividend of 75%. So, that speaks about our dividend pay-out policies. On the net worth side, your company's today's net worth stands at Rs. 1, 280 crores.
- On some of the financial ratios, which I would like to inform with which our Vice Chairman has also spoken about on the financial stability of the company, just to give you an insight, the solvency ratios like EBITDA to total income is around 16.2%. The net debt to net worth is 0.20X. The debt service coverage is 13.23X. The current ratio is 1.91. The ROCE is 24%. The ROE 19.4%. The EPS as on 31st March 2021, stood at Rs. 12.70 per share. So, this speaks about the company's fundamental strength wherein we are all hoping to leverage this going forward to grow as the demand for home textile is further growing. And for that, we are taking the company in the next orbit of growth. Thank you very much.
- Now I request Amruta, Company Secretary for providing general guidance to the members regarding participation and voting in this meeting. Thank you.
- **Ms. Amruta Avasare – Company Secretary:**
- Thank you Sir. Members may note that this AGM is also being held through VC in accordance with the applicable circulars issued by MCA and SEBI. The company has complied with all provisions of Companies Act 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable circulars of MCA and SEBI in holding this AGM through VC. The AGM is being conducted through the platform provided by NSDL. The facility of joining this meeting through VC is available to the members on first-come-first-serve-basis. All members who have joined this meeting are placed on mute by host to avoid background disturbances, and for seamless participation.
- The company had provided remote e-voting facility to all members through NSDL platform. The remote e-voting facility was available from 9:00 AM (IST), Tuesday 31

August, 2021 to Thursday, September 2, 2021 at 5:00 PM (IST). Members who have not casted their vote electronically, and who are attending in this meeting, have an opportunity to cast their vote during this meeting through e-voting system provided by NSDL. The e-voting will remain open for 15 minutes from close of meeting. Members are requested to refer to the notice of AGM for voting details. Mr. Vikas R. Chomal, Practicing Company Secretary is the scrutinizer for e-voting process. The combined result of remote e-voting and e-voting that AGM along with scrutinizers' report will be uploaded on the website of the company, as well as on the websites of NSDL, BSE and NSE within 48 hours from the conclusion of this AGM.

- I would now like to take up the resolutions as set forth in the notice of AGM.

- **Item no. 1 - Ordinary resolution**

To receive, consider and adopt the audited standalone financial statements of the company for the financial year ended 31st March, 2021 together with the reports of Board of Directors and auditors thereon, and the audited consolidated financial statements of the company for the financial year ended 31st March, 2021 together with the reports of auditors thereon.

- **Item no. 2 - Ordinary resolution**

To declare final dividend of Rs. 1.5 per equity share of face value of Rs. 2 each for the year ended 31st March, 2021.

- **Item no. 3 - Ordinary resolution**

To appoint a director in place of Mr. Mohit Jain, (DIN 01473966) who retires by rotation and being eligible offers himself for the re-appointment.

- **Item no. 4 - Special resolution**

Re-appointment of Mr. Kailash R. Lalpuria, (DIN 00059758) as a Whole-time Director designated as Executive Director and CEO of the company for a further period of three years with effect from May 4th, 2021.

- The aforesaid resolutions shall be deemed to have been passed at the AGM subject to receipt of requisite number of votes. The company has received a request from certain members to register them as speakers for the questions at the meeting. Accordingly, the floor will now be open for Q&A session. The moderator would be conducting the said session. Considering the number of requests received, answers for all questions will be given together in the end. I also request all speakers to be brief and specific to their questions.
- I now request moderator to take the first speaker, and start the Q&A session. Over to moderator.
- **Moderator:**

- Thank you ma'am. We shall now request our shareholders who have registered their names as speakers with the Company to now ask their questions. I am taking the speaker shareholders one by one. I am now taking Mr. Sudhakar M. Shetty, first speaker shareholder. Mr. Shetty you are on screen. Kindly unmute and speak.
- **Mr. Sudhakar M. Shetty – Shareholder:**
- Hello, Sir I'm a shareholder of your company. I have one small question. Sir, if you can, throw some light on the expansion in the domestic market in terms of what is your target on the retail front in the domestic home textile industry scenario.
- **Moderator:**
- Thank you Sir. Your queries will all be answered collectively at the end. We move on to our next registered shareholder, Mr. Vilas Maruti Hilage. Mr. Hilage, can you unmute and go ahead and speak? Mr. Hilage please unmute your microphone. Yes Sir.
- **Mr. Vilas M. Hilage – Shareholder:**
- Are you hearing me?
- **Moderator:**
- Yes, Sir we can hear you. Please go ahead.
- **Mr. Vilas Maruti. Hilage – Shareholder:**
- Hello. Congratulations to the top management and all the employees of the organisation for the fantastic performance inspite of the GDP growth down by -7.3% last year. So congratulations once again. I have one suggestion that, in your CSR spending, kindly increase your spending on education and skill building i.e. human capital building. That is my request. Everything is fine and I have no comments. The only thing is, So I will request you to concentrate also on the domestic market because your 90% revenue is coming from the exports. Thank you very much.
- **Moderator:**
- Thank you Mr. Hilage. We move on to our next shareholder who has registered, Mr. Prasad Hanamant Joshi. Mr. Joshi, can you unmute and go ahead and speak? Mr. Joshi you would need to unmute your mic. Yes, thank you.
- **Mr. Prasad H. Joshi – Shareholder:**
- Yeah. I would like to know more details on the proposed Capex of 200 crores. I mean, I would like to know the schedule of the Capex.
- **Moderator:**
- Okay, thank you Mr. Joshi. We move on to our next speaker shareholder, Ms. Manisha Vijay Oswal.
- **Ms. Manisha V. Oswal – Shareholder:**

- Good afternoon. Are you getting me?
- **Moderator:**
- Yes Sir, we can hear you.
- **Ms. Manisha V. Oswal – Shareholder:**
- Okay. I would like to ask, during the year, due to pandemic, health and hygiene products demand was increasing. Does our company plan to increase our brands in that segment?
- **Moderator:**
- Thank you Mr. Oswal. Your queries will all be answered collectively. We move on to our next speaker shareholder Mr. Nandu Kesarimal Oswal.
- **Mr. Nandu K. Oswal – Shareholder:**
- Hello?
- **Moderator:**
- Yes Sir, we can hear you.
- **Mr. Nandu K. Oswal – Shareholder:**
- The company performance is very good, hence I would like to congratulate you for that. Like Infosys, it would be great if you could give us some guidance regarding the coming year.
- **Moderator:**
- Thank you Mr. Oswal. We move on to our next speaker shareholder, Mr. Ramesh Shankar Gola. Mr. Gola, could you unmute, switch your camera on and speak? Mr. Gola? I don't think Mr. Gola has logged in right now. So we shall move on to our next speaker shareholder, Mr. Abhijeet Patil. Mr. Patil, could you switch your camera on as well if possible?
- **Mr. Abhijeet Patil – Shareholder:**
- Yeah, am I audible?
- **Moderator:**
- Yes Sir, please go ahead.
- **Mr. Abhijeet Patil – Shareholder:**
- You have announced the amalgamation of Pranavadiya Spinning Mills Limited with the company. What would be the benefit of the amalgamation for ICIL?
- **Moderator:**

- Okay, thank you Mr. Patil. I don't think Mr. Gola has logged in as yet, so with this, we conclude this part of the AGM. Thank you to all our speaker shareholders for your comments and queries. All questions raised by our speaker shareholders have been noted by the management and will be answered shortly. Till then, do watch this one minute brand video.
- ***Video plays from 49.06 to 50.21***
- **Ms. Amruta Avasare - Company Secretary,**
- I would now request Mr. Kailash R. Lalpuria Sir, Executive Director and CEO, to answer to the shareholders' questions. Over to you Sir.
- **Mr. Kailash R. Lalpuria - Executive Director & CEO:**
- Thank you shareholders for your questions. I will answer one by one to all of them.
- The first question was from Mr. Shetty for the domestic front. Yes Mr. Shetty, as the Indian economy is growing strong and it will develop into a 5 trillion economy, we have the opportunity to grow our domestic business. So we are focusing on this by providing the right product to the Indian consumers. We had launched boutique living, an aspirational brand 2-3 years back and today it is quite well acknowledged in the domestic market. Last year we also launched Layers, a value driven brand in order to substantiate our domestic presence. And that has also been accepted very well in the domestic market. Currently we are doing 1% on the domestic front as sales to our revenue. We will expand this by the year 2024 to almost 3% of our revenue. So that's the kind of inclination and emphasis we are paying as management to grow our domestic presence. And, we are catering to all the distribution fronts, whether it is large format stores, multi-brand outlets, e-commerce. And we are taking a keen interest to see how we can develop a luxury brand going forward on the D2C side. So, let me assure you that the company is working upon, in all ways, to see that how we can gain further market share in the domestic market through our brands.
- The second question was of Mr. Hilage about our CSR and on the education side. Yes, we acknowledge your question and suggestions. We as a company, as we mentioned, are taking keen interest to see how we can do further CSR on the education side. We had started e-learning process earlier and today we are servicing almost 100 schools through our e-learning process benefiting almost more than 50,000 students. And here, we will further initiate to see how we can provide post pandemic good education system to students surrounding the Kolhapur area. So definitely we will take initiatives to see how we can further expand our education process among the community. On the domestic, yes, I have answered that today we are at 1% of our revenues and we will expand this to 3%. So our emphasis will also be equally on the domestic front where we see the middleclass growing, as well as the premium class also demanding better brands and better products. And we have a great opportunity in the domestic market wherein our products are very well accepted. So we have this opportunity and we will definitely focus upon to see how we can scale this up.

- Now the third question was from Mr. Joshi about the Capex. As the demand is growing and as we are consuming our capacity almost 85%, the board has decided to scale up our home textile capacity from 90 million metres to 108 million metres. And this will meet the growing demand in the home area, because we all know that home is the centre stage now and work from home is a new culture where people are spending more on home textile. So to cater to this, we are expanding our capacity on the home textile front. We are also modernising our spinning unit so that we can cater to specialised yarn and compact spinning which can add value further to our home textile business. We are also putting on automated cut & sew department for fashion bedding and utility bedding so that we can cater to this new product categories both overseas and in the domestic market. So, the Capex will be financed both by internal accruals as well as debt, and this will be over by H2 FY22. And this will add further revenue to our business by almost 600 crores, as we had mentioned earlier, in the next 2 years. So that's on the Capex side.
- Now, Ms. Manish Oswal had asked about health-hygiene segment. Yes, the health, hygiene and wellness segment got added up and become much more prominent during the COVID and post COVID. This new category... the company has seen this as an opportunity and has been able to develop products which could resonate very well with both the global consumers and the domestic consumers. We have launched Wholistic and Sleep Rx, two brands under our brand initiatives which we had also mentioned. Today we have almost 10 brands in our kitty and we are focusing on this B2C and D2C brands both overseas and in the domestic market. And this category building of health, hygiene and wellness will provide the company much more opportunities to see how they can scale up their presence in this particular segment and grow both their margins as well as provide value to the customer and grow our revenues as well. So health and hygiene will be an important segment for the company and we will keep on initiating new product development and do a lot of research to see that we can meet the consumer expectations.
- Now, as far as Mr. Nandu Oswal's question on the guideline side is concerned... Since you asked the question in Hindi, I will answer you in Hindi too. In our concall we gave a guidance that till date, our company has been utilising 78 million metres capacity out of 90 million metres i.e. up to 85%. And since we are expanding from 90 to 108 million metres, I would say that we have given a guidance that we will be able to achieve 85 to 90 million metres in FY22. We had given this guidance in our concall. We even gave a margin guidance of 18% to 20%. The margin improvement which earlier was 15 to 17% has now increased to 18 to 20%. So this was our margin guidance. Since US is our biggest market and we have a leadership position in US. Our business has increased because of the FTA, the various trade packs, the domestic business, our B2C and D2C brand strategy and ecommerce, and all that will provide us an opportunity to increase our revenue compared to the past year.
- Mr. Abhijeet Patil on the amalgamation benefits to ICIL. Pranavaditya is a listed company and we hold around 74% of Pranavaditya shares. We were in the same line of business and in today's world we have to add value and sweat our asset. So by adding Pranavaditya we will be able to see how we can scale up and strengthen our home textile business further by sweating that assets under Indo Count where it can have opportunities and it will have opportunities to further grow both revenue and

the margin. And for these reasons, we have gone in for amalgamation of Pranavadiya with Indo Count Industries.

- I missed out Mr. Ramesh as he could not question. So I thank you all the shareholders. If there are any questions, you can connect with us anytime. Thank you very much. Now I handover to Amruta for further proceedings please.
- **Ms. Amruta Avasare - Company Secretary**
- I handover the call to the Chairman Anil Kumar Jain Sir to conclude the proceedings.
- **Mr. Anil Kumar Jain – Executive Chairman**
- Thank you all for joining the meeting. Once again, stay safe and take care. There being no other business to be transacted, I close the proceedings of the meeting. The e-voting facility will remain open for the next 15 minutes from the close of the meeting. I authorise the Company Secretary to complete the necessary formalities in this regard. Have a good day.
- **Ms. Amruta Avasare - Company Secretary**
- Thank you Sir. Dr. Vaijayanti Pandit ma'am would like to propose vote of thanks. Over to you ma'am.
- **Dr. Vaijayanti Pandit – Independent Director**
- Namaste. On behalf of the board of directors of Indo Count Industries Ltd, I would like to congratulate and thank the Chairman Mr. Anil Kumar Jain, the Executive Vice Chairman Mr. Mohit Jain, all the directors, the management, the shareholders, all the stakeholders, each and every employee and everyone connected with this company for their wholehearted support for Indo Count Industries Ltd. to deliver a stellar performance in 2021 which was one of the most challenging years of this century. Thank you everyone. May I have the permission from the Chairman and the directors to please excuse ourselves as the e-voting facility will be starting soon. Thank you.

1.22 p.m. (IST) - Time clock started for e-voting for 15 minutes.

After 15 minutes at 1.37 p.m. (IST) the proceedings of the meeting including e-voting were concluded.