

Indo Count Industries Limited

TRANSCRIPT OF 33RD ANNUAL GENERAL MEETING

Day: Thursday

Date/ Time: September 29, 2022/ 12:00 Noon (IST)

Venue: Through Video conferencing facility

– **Mrs. Amruta Avasare - Company Secretary, Indo Count Industries Limited:**

– Good afternoon to all. Myself Amruta Avasare, Company Secretary attending this AGM from Mumbai. I welcome all the shareholders for this 33rd AGM of the company. As per applicable circulars issued by MCA, this AGM is being held through VC. It is well known before the Chairman starts with the main proceedings of the meeting. I welcome Chairman and the Directors present for this AGM. I now request the directors to introduce themselves. I request Executive Chairman, Mr. Anil Kumar Jain, sir, to introduce.

– **Mr. Anil Kumar Jain - Executive Chairman, Indo Count Industries Limited:**

– I'm Anil Kumar Jain. I'm attending this AGM from my office in Bombay.

– **Mrs. Amruta Avasare - Company Secretary, Indo Count Industries Limited:**

– Thank you. I request Mr. Mohit Jain, sir, Executive Vice Chairman.

– **Mr. Mohit Jain - Executive Vice Chairman, Indo Count Industries Limited:**

– Good afternoon, everyone. My name is Mohit Jain. I'm the Executive Vice Chairman of the company. Thank you.

– **Mrs. Amruta Avasare - Company Secretary, Indo Count Industries Limited:**

– Thank you, sir. I request Mr. Kailash Lalpuria, sir, Executive Director and CEO to introduce himself.

– **Mr. Kailash R Lalpuria - Executive Director and CEO, Indo Count Industries Limited:**

– Good afternoon to all. Myself K R Lalpuria, I'm the Executive Director and CEO of the company. Thank you.

– **Mrs. Amruta Avasare - Company Secretary, Indo Count Industries Limited:**

– Thank you, sir. I request Mr. Dilip Thakkar, sir, Independent Director and Chairman of Audit Committee to introduce himself.

– **Mr. Dilip J Thakkar - Independent Director, Indo Count Industries Limited:**

– Good afternoon, everybody. I'm Dilip Thakkar, Independent Director of indo count industries limited and Chairman of its Audit Committee. Thank you.

- **Mrs. Amruta Avasare - Company Secretary, Indo Count Industries Limited:**
- Thank you, sir. I request Mr. Sushilkumar Jiwarajka, sir, Independent Director to introduce himself.
- **Mr. Sushilkumar Jiwarajka - Independent Director, Indo Count Industries Limited:**
- Good afternoon. I am Sushilkumar Jiwarajka, an Independent Director of company and attending the meeting from my office in Mumbai.
- **Mrs. Amruta Avasare - Company Secretary, Indo Count Industries Limited:**
- Thank you, sir. I request Dr. Mrs. Vaijayanti Pandit, Madam, Independent Director and Chairperson of Stakeholders Relationship Committee and CSR Committee to introduce herself to members.
- **Dr. Mrs. Vaijayanti Pandit - Independent Direct, Indo Count Industries Limited:**
- Good afternoon, my name is Dr. Vaijayanti Pandit. I am the Independent Director on the Board of Indo Count Industries Limited. I'm attending this meeting from my residence in Mumbai. Thank you.
- **Mrs. Amruta Avasare - Company Secretary, Indo Count Industries Limited:**
- Thank you, ma'am. I request Mr. Siddharth Mehta, sir, Independent Director to introduce himself to the shareholders.
- **Mr. Siddharth Mehta - Independent Director, Indo Count Industries Limited:**
- Good afternoon, directors and shareholders. I'm Siddharth Mehta, an Independent Director of Indo Count Industries Limited.
- **Mrs. Amruta Avasare - Company Secretary, Indo Count Industries Limited:**
- Thank you, sir. I would like to introduce Muralidharan, sir, CFO, to the members.
- **Mr. K Muralidharan - CFO, Indo Count Industries Limited:**
- Good afternoon to all shareholders and directors. I'm K Muralidharan, CFO of Indo Count Industries, attending this meeting from my office in Nariman Point. Thank you.
- **Mrs. Amruta Avasare - Company Secretary, Indo Count Industries Limited:**
- Thank you. So, I would like to inform that Mr. Prem Malik, sir, Independent Director and Chairman of Nomination and Remuneration Committee is not able to attend today's AGM due to health issues, further due to unavoidable circumstances. Dr. Sanjay Kumar Panda and Mr. Kamal Mitra are not able to attend today's AGM. The statutory auditors, secretarial auditors and Mr. Vikas Chomal, Scrutinizer are present for this AGM. The auditor's report on financial statements for the year ended 31st March, 2022 and Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks or 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 meetings. Over to Chairman, Sir.

- **Mr. Anil Kumar Jain - Executive Chairman, Indo Count Industries Limited:**
- Good afternoon to all. It is a pleasure to connect once again with you virtually on 33rd AGM of the Company. I warmly welcome each one of you to this AGM. The requisite quorum for the meeting is present. I call the meeting to order. As the notice dated 29 May, 2022 convening the 33rd AGM of the company, it is already circulated to all the members, I take the notice of the meeting as read. I would like to share brief highlights of the performance of your company. Financial year 2022 was one of the best consecutive year of highest performance of your company, despite second wave of pandemic in the beginning of financial year 2022, rise input and logistic and supply chain related to, one second sorry, beginning a year input supply chain related your company achieved a growth in all key parameters such as revenue, EBITDA, net profit of the year ended 31st, March 2022 We achieved sales volume of 75.8 million meters with the highest revenue of Rs. 2,982 Crores, showing an increase of 17% as compared to previous year. I am happy to share that our consistent highest export performance was recognized with hat-trick of gold trophy from TEXPROCIL, a government of India body. The philosophy driving your company to new heights has been our vision, values, adopting quickly to changing needs of consumer with innovative product and creating sustainable value chain. Subject to your approval board has recommended 100% dividend which is the highest since its inception.
- I am delighted to share that on 2nd April, 2022, we started our new journey in Gujarat by successfully seamlessly and completing the acquisition of home textile business of GHCL with a capacity of 45 million meters. With this addition, the annual capacity the reaches to 153 million meters and thus, Indo Count becomes largest home textile bed linen company globally. The other capex announced by the company to four brownfield project is on track. The amalgamation of Pranavaditya Spinning Mills Limited, our subsidiary with company is in advanced stage, the proposed capex of Pranavaditya Spinning Mills Limited will involve 68,000 spindles a state of art, this will generate value added specialized yarn to cater our captive needs.
- The global textile industry is making its own mark in direction of growth and long- term changes. The extension of our RoSCTL road time and Aatmanirbhar Bharat benefits are being the boost to textile industry. We thank central and state government for their support. We also see good growth in domestic market and e- commerce going forward, cooperate in India and re-modelling their business around ESG factors. Over the past two years, your company has taken various sustainability initiatives and have laid down ESG plan. Your company's continuously working towards improving the quality of life of communities and has focused on CSR activities in education, health care, environment, agriculture, and livelihood and disaster relief. Indo Count undertook a massive Miyawaki plantation project in Kolhapur and also have partnered with PDKV, Maharashtra for Center of Excellence of Cotton Farming. Your company has also received a prestigious award, Mahatma Award and Healthcare of the CSR award recognition of CSR activities.
- I am confident that we are ready to seize every opportunity with our diverse capabilities and financial management and focused approach. I take this opportunity to thank and appreciate all our team for their efforts, dedication and helped us to

achieve our vision. I also thank all the stakeholders, shareholders, bankers, customers, vendors, suppliers and government authorities for their support and assistance throughout our journey. I thank all my fellow director on board for their advice, guidance from time to time. While we celebrate Aazadi Ki Amrut Mahotsav, I take this opportunity and solicit continued support of all of you and your company country going forward. Jai Hind.

- I hand over to Mr. Mohit Jain for the presentation.
- **Mr. Mohit Jain - Executive Vice Chairman, Indo Count Industries Limited:**
- Yes, good afternoon, everyone. So myself is Mohit Jain. I'm going to run you through a couple of slides to give you an overview of the organization where we stand. And after me Mr. Lalpuria will also go through a couple of slides. Can we go to the next slide please? So just to give a high level perspective on Indo Count, we took this opportunity to put a few slides together. Today as an organization where we stand, over the last 30 years, we've transformed the organization from being a cotton spinning mill, to being a very focused home textile player, and within the home textile business, we cater to all product categories that go on to the bedding side of the segment, which is all your bed linen, coolers, comforters, duvet covers, utility bedding, hospitality, institutional sales, thus making us now the largest global home textile player within the bedding category. We as an organization today ship to over 54 countries. And we've also launched an endeavour to build domestic brands within our own country in India, under the name of Boutique Living and Layers, which is getting great traction.
- As we move forward, we are looking at profitable growth and consistent performance. As we have performed over the years we hope to be able to continue to do that as we move forward. With the acquisition, which we did recently this year that gives us great manufacturing capabilities of two large manufacturing units in two states, which is Maharashtra and Gujarat, both very close to the port. From a customer perspective, the organization has looked as a trusted and innovative supplier, which adapts quickly to market trends.
- Can we go to the next slide please? Because of all these efforts put in throughout the year, we were also recognized by the government through TEXPROCIL award recently which was held last month where for the year 2020-2021, Indo Count was recognized as the largest bed linen exporter. So we thought we will just mention this today which is a testimony of the efforts that have been put in by the whole team. And we hope to be able to carry this forward going forward.
- Next slide. So the year gone by, we've been able to grow in all the parameters despite the challenging environment and keep the margin profile intact. Couple of the challenges that we faced is, we were able to deliver despite logistic and supply chain issues that were held globally. We navigated through pandemic related challenges. We had the second wave come in last year, and the third way that impacted both supply chain as well as demand. Our main commodity or the main raw material that we use is raw cotton, we have seen very high and unusual high cotton prices. And we've seen a mismatch of supply in the retail ecosystem and a high inflationary

environment. So despite all of these as an organization, we were able to grow the business as well as keep our margins intact.

- Next slide please. In terms of brands for us as an organization brands, trademarks, patterns, innovation is absolutely the key. So as Indo Count we already had a banner of brands, a lot of brands some of them are mentioned here, such as Kids Corner, SleepRX, Purity Home, Colour Sense, Cotton Exchange, a lot of these used also for e-commerce. With the acquisition we've got access to another set of brands and trademarks as well as patents. Rekoop being one of the major ones which just talks about a complete recycled sustainability story. FABFit, which is a fitted sheet, which is a patented fitted sheet already selling in the US market. Flip is another reversible product, Weavestry, Cirkularity, Distinct Dom to mention to name a few.
- Can we go to the next slide? So as I mentioned a little earlier, focus on domestic brands is on Boutique Living and Layers in India. Recently, for the year 2021 Economic Times recognized Boutique Living as the ET Iconic brand, as well as Layers was recognized by Femina as the Power Brand of the Year. So there's a lot of focus on these two brands as we build different channels of sales.
- Next slide please. Also, we are looking at a complete omni channel presence, so highly would request all of you to go to the website, also boutiquelivingindia.com which we have redone and relaunched. So we hope to be building a large web presence as we build our large format stores and multi brand outlet formats also.
- Next slide. So this whole journey as we are looking at building brands, trademarks, we're looking at seeing how Indo Count as a company from a B2B business is also building a B2B business and a direct to consumer business. So of course, brands become very, very important in this journey. Recently, last year, we are tied up with a very famous international designer lives in the United Kingdom by the name of Jasper Conran, proud to say that in spring of 2022, which is in April, May of this year, we will finally be able to launch the brand in the UK market to start with and it's got a good response. So this is one of the first ones. Just recently as an organization, we've also signed up another fitness brand into health and fitness. And that's by the name of GAIAM, so there is more to come on this space from us as an organization.
- I would now like to hand over to Mr. Lalpuria, our Executive Director and CEO to take you through the next few slides. Thank you.
- **Mr. Kailash R Lalpuria - Executive Director and CEO, Indo Count Industries Limited:**
- Thanks. Good afternoon to all have. As Mohit said like along with the scalability which we have achieved through our acquisition. As an organization, we are becoming more responsible and customer oriented by providing them the flexibility to serve them much better going forward. And apart from the B2B focus, the B2C and D2C focus is also forthcoming. And you will see some more actions on the branding side, which we will all encompass.
- Now, I will just share with you some of the strategic developments, which has happened in the last three four years and how India is very well placed as a textile supplier. So, China has been in the last decade come up very well on the textile space and have garnered a market share of almost 37% globally in the textile global textile

trade of 1 trillion. So, they are almost at 370 billion and India is currently at 44 billion. And what we see that as the cost has increased in China, and the Chinese cotton coming out of Xinjiang area has been banned by the US and other developed nation's retailers, there is a big opportunity towards the China Plus One strategy. This is basically the brands and the retailers de-risking from one supply source and as what we have seen during the pandemic, the supply chain have been hit and there were disruptions faced by the retailer towards no supplies and India stands out very well and very well positioned in the Asian textile supplies phase. So, the growth in the coming years will come from India's core competence towards a complete availability of raw material in the entire value chain and our expertise, knowledge and the technology which we have developed to the technological upgradation fund over the past two decades, where the labour has got skilled enough to deliver and perform and deliver the best of the textiles products worldwide.

- So the availability of raw material and skilled labour will be the key attributes which will be leveraged by India to deliver to the brands and retailers. Also the positive steps taken by our government towards signing various FTAs with different trade bloc's and companies are going to provide all the textile sector a boost in order to promote their products where we do not have level playing field currently in EU and UK where we need to pay duty and our peer group countries like Bangladesh and Pakistan pays no duty. So the signing of the FTA with Australia and UAE which has already happened and in process, we are expecting the government to come out with FTAs on UK, Canada and EU in that order. And UK of course is that I made one state and this will also open up market opportunities for us as a company and our textile sector. So the consolidation which is happening in the developed markets are providing us a definite edge because we are market ready with the large capacity and we have performed in the last 15 years delivering to the best of the retail world.
- The government's initiatives towards Aatmanirbhar Bharat towards the various PLI schemes, which will be extended to cotton as well will help the industry to face the challenges and grab these opportunities going forward. So, we as a country are very well positioned to deliver the future growth and market share which is coming to in our favour will definitely be grabbed by Indian companies.
- Next slide please. As part of our growth journey, you see we see a big boost due to the signing of FTA and we would like to be market ready. And as a customer centric organization, in order to service our customer with more flexibility, scalability, good value proposition and competitiveness, we acquired the home textile business of GHCL and added up this capacity makes us the globally the largest home textile bed linen player. With this comes responsibility for us to stay ahead of the curve with a lot of innovation and brand offering. Also the board has recommended earlier modernization of our spinning as well as a new top of the beds fashion bedding capacity along with cut and through facilities, so that we can cater to the value added product categories, which we had started our journey four years back. This capex will be completed by H2 FY23.
- Also in order to swat our assets with our subsidiary Pranavadiya Spinning Mills Limited, we are enhancing the spinning capacity there with modernized machines. So that whatever branded cottons which we deliver to the customer comes out with complete traceability as well as towards captive consumption, we are able to enhance

our margin proposition to the company, this also will get completed by March 2023. And so, this addition will help the company towards delivering more specialized yarn to our customers.

- Next slide please. Now, some of the performance snapshots, which you must have already gone through our annual report. So, with our current ratio of 1.51 and an ROCE of 18.47% and an ROE of 24.98% and an EPS of Rs. 18.6, we as a company are consistently delivering growth to the corporate world, not only this growth helps our country in order to get foreign exchange, but we as a country and as a company are making mark globally for all our textile products. Also the solvency ratios are quite healthy enough, whereas our debt service coverage is 6.3x.
- Next slide please. As a matter of philosophy and the values which we carry in the organization, which our Chairman has started three decades back, we are listed since last three decades. And as a company, we have been paying dividends on a regular basis. And the board has recommended just recently 100% dividend for the first time the highest ever Rs. 2 per equity share of the face value of Rs. 2 each, it's subject to of course, the approval of the shareholders. The net worth of the company, which stands at Rs. 1,574 Crores, we have registered an increase of 23% on a YoY basis. This strong track record and proven expertise, we intend to distribute healthy and sustainable returns to all our stakeholders going forward as well.
- Next slide please. ESG is part of our DNA as well as this is form of a risk management tool. ESG's initiative has been taken by your company right from the day one when this buzzword started. And just to inform you we are getting ready towards meeting out the statutory requirements of delivering our ESG report as well. The trial report have already been circulated internally last year. And we are taking an all-round step to see that whether it is environment, whether it is social, whether it is government, we are taking the right steps in order to see that we do not miss out on our commitment towards the social community to which we belong. We as a company are supplying 75% of our products to the US and therefore, we have registered ourselves with the US Cotton Trust protocol. We are taking care through OEKO-TEX to see that we do not consume any hazardous substance in order to deliver our product. We have registered with UNGC which is the largest body towards sustainability, and see that we meet various sustainable development goals as an organization and satisfy the global community as well in the process.
- The Higg Index, which provides us a benchmark to scale our self-up on the operational side of our business, to see that we are meeting out the sustainable initiatives. With Walmart, we have engaged ourselves with the project Gigaton project, where we have been recognized as Giga Guru for the last three years in meeting out their expectations on the greenhouse gas emissions. The product side also we are focused to deliver to the consumer products which can meet the expectations of the consumer and the organic side and the BCI Cotton side, towards we have collaborated with Archroma, a Swiss company, that on an exclusive basis to deliver the right organic product to our customer by the name of PURE EARTH.
- Next slide please. Being in textiles for the last three decades, we feel responsible that as a company, we need to bring the farmers in the mainstream and therefore, in the last four years, we have taken various initiatives towards cotton sustainability, and

this has paid rich dividends to us and there are a lot of learnings that we should at the same time bring the farmers to their glories and towards more sustainable living. The Gagan project was started by our company four years back in the field of BCI Cotton, where we have been able to increase the yield by almost 18%. We are connected with 6,000 farmers and we have established a blockchain whereas, we will be providing a complete traceability with the help of maintaining a software so that the farmers also get connected to the entire value chain. The Avani project is towards organic cotton, which we had started a couple of years back, we are connected with 487 farmers currently and we intend to increase that to 2,000 farmers by the next year thereby ensuring organic cotton supply complete traceability to our customers.

- On the Anant side, we are participating with CITI-CDRA in their various projects in the state of Rajasthan, Madhya Pradesh and Maharashtra. Currently, we are participating in a project which is running in Madhya Pradesh, thereby helping almost 21,000 farmers to grow better, extra-long staple cotton. Now, these initiatives are important from a point of view that India is branding our old cotton by the name of the Kasturi. So it brings in more relevance that would be certificate of origin, as well as the traceability are clearly met out and we ensure the customer for a genuine product. So the company is taking steps towards bringing the farmer into the mainstream, helping them in their livelihoods and also helping them grow better cotton and better quality of cotton with a better yield.
- Next slide please. On the CSR side also, we remember that when we started this initiatives organization, our Chairman has given a clear indication that it is easier to write a check, rather than commit yourself passionately towards serving our society. And that inspired us. And I'm glad to inform the company that we have made good progress in this initiative in all the various fields of education, agricultural and livelihood, disaster management, water and sanitation, environment, and healthcare. And just to share with you shareholders, we have been recognized with the Mahatma award towards our CSR initiatives. And we feel very satisfied that as a company, we are putting on the best foot forward to see that we pay back to the society as an organization, because those are the values which we have started with, and which we will continue with, and to meet not only from a compliance standpoint, but also passionately drive the CSR initiatives within the organization to make a mark in the society that we are a responsible corporate citizen.
- Next slide, please. So with this comments, I hope you must have got a fair idea that our country's very well positioned. We as a company, are looking for further growth. Our board is helping us to guide that we take the correct steps to see how we can meet all the opportunities and take even steps on the risk management side to mitigate various risks going forward, as we will see not only opportunities, but challenges. The company is very well fundamentally position on the financial side, as we have almost negligible debt. And I'm also glad to share that ICRA has provided us a credit rating of AA minus. With this, I would like to thank for hearing me out. And now I hand over to the company secretary for providing general guidance to the members regarding participation and voting in the meeting. Thank you.

- **Mrs. Amruta Avasare - Company Secretary, Indo Count Industries Limited:**
- Thank you, sir. Members may note that this AGM is being held through VC in accordance with the circular number 2022 issued by MCA. The company has complied with all the provisions of Companies Act 2013, SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 and the 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 hosts to avoid background disturbances and seamless participation. The company had provided remote e-voting facility to all members through an NSDL platform. The remote e-voting facility was available from 9.00 AM IST, Monday, 26th September, 2022 to 5.00 PM IST, Thursday, 28 September, 2022. Members who have not casted their vote electronically through remote e-voting, and who are attending this AGM, have an opportunity to cast their vote during this meeting through e-voting system provided by NSDL. The voting will remain open for 15 minutes from the 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 the e-voting process. The combined result of remote e-voting and e-voting at AGM will be uploaded along with the scrutiniser's report on the website of company as well as on the website of BSE, NSE, NSDL within two working days from the conclusion of this AGM. I would now like to take up the resolutions as set out in the notice of AGM.
- Item number one, ordinary resolution to receive, consider and adopt the audited standalone financial statements of the company for the year ended 31st March, 2022, together with the reports of the board of directors and auditors thereon and the audited, consolidated financial statements of the company for the year ended 31st March, 2022 together with the reports of auditors thereon.
- Item number two, ordinary resolution to declare final dividend of Rs. 2/- per equity share of face value of Rs. 2/- each for the financial year ended 31st March, 2022.
- Item number three, ordinary resolution to appoint a director in place of Mr. Kamal Mitra, DIN number 01839261, who retires by rotation and being eligible offer himself for the re-appointment.
- Item number four, ordinary resolution to appoint M/s. Price Waterhouse Chartered Accountants LLP, as statutory auditors of the company to hold office for a first term of five consecutive years from the conclusion of 33rd AGM till the conclusion of 38th AGM and fixation of remuneration.
- Item number five, special resolution, re-appointment of Mr. Anil Kumar Jain, DIN number, 00086106 as a whole time director, designated as Executive Chairman of the Company for a further period of three years with effect from 1st October, 2022 on the terms and conditions stated in the resolution.
- Item number six, special resolution, re-appointment of Mr. Mohit Jain, DIN number, 01473966 as a whole time director designated as Executive Vice Chairman of the Company for a further period of three years with effect from 1st July, 2022 on the terms and conditions stated in the resolution.

- Item number seven, special resolution, re-appointment of Mr. Kamal Mitra, DIN number, 01839261 as a whole time director designated as Director (Works) of the Company for a further period of three years with effect from 1st October, 2022 on the terms and conditions stated in the resolution. The aforesaid resolutions shall be deemed to have been passed at the meeting subject to receipt of requisite number of votes. The company has received requests from certain members to register them as speakers for the questions at the AGM. Accordingly, the floor will now be open for Q&A session. The moderator will be conducting this session. Considering the number of requests received, answers for all questions will be given together at the end.
- I now request a moderator to take the speakers. Over to moderator.
- **Moderator:**
- Thank you, ma'am. Before I begin, let me quickly take you through the protocol. We will call the members one by one and on their term. The speaker shareholders will be unmuted by the host. Speaker shareholders are requested to click the video button appearing at the bottom of the screen before they start speaking. If a speaker shareholder is unable to join through video mode for any reason, then he or she can speak to audio. Speaker shareholders are requested to use your phones to minimize any noise in the background. Ensure that Wi-Fi is not connected to any other devices. No other applications are running in the background and that there is proper lighting to have a good video experience. If there is a connectivity problem at the speaker shareholders end, then we would ask the next speaker shareholder to join. Once the connectivity improves, the said speaker shareholder will be called once again to speak, after all the other registered speaker shareholders have completed their turn. There are 10 speaker registrations. Hence, I request the speaker shareholders to kindly limit their speech to one to two minutes and ask only important question. Let us begin with the Q&A.
- Inviting the first speaker shareholder, Mr. Abhijeet Patil. Hello sir, please unmute yourself before you proceed.
- **Mr. Abhijeet Patil - Speaker Shareholder:**
- Yeah. Am I audible?
- **Moderator:**
- Yes.
- **Mr. Abhijeet Patil - Speaker Shareholder:**
- Hello, hi, good afternoon. I'm Abhijeet Patil from Kolhapur. I would like to know on domestic retail business and outlook.
- **Moderator:**
- Thank you, sir. Inviting the next speaker. Ms. Gayatri Kotasthane. Hi, ma'am. We've unmuted you from our end. I request you to unmute yourself and turn on your camera.

- **Ms. Gayatri Kotasthane - Speaker Shareholder:**
- Actually, I'm driving so I'm not able to join the video.
- **Moderator:**
- That's fine.
- **Ms. Gayatri Kotasthane - Speaker Shareholder:**
- I wanted to ask about the, myself Dr. Gayatri from Pune. I would like to know more clarity on the benefits of amalgamation of Pranavaditya. Hello?
- **Moderator:**
- Yes, ma'am. We can hear you. Oh, please proceed if you have any more questions.
- **Ms. Gayatri Kotasthane - Speaker Shareholder:**
- No, yeah, sure, I have only one question. I just wanted to know.
- **Moderator:**
- Thank you. Inviting the next speaker, Mr. Sudhakar Shetty. Hello sir, we've unmuted you. Please unmute yourself from your end and turn on your view.
- **Mr. Sudhakar Shetty - Speaker Shareholder:**
- Yeah, good afternoon. All signatories, I'd like to know the cotton price of outlook, I congratulate management for TEXPROCIL award and secretarial department for informative annual report.
- **Moderator:**
- Thank you, sir. Inviting the next speaker. Mr. Saket Kapoor. Hello, sir, you can unmute yourself.
- **Mr. Saket Kapoor - Speaker Shareholder:**
- Namaskar Jain Saab, and thank you for this opportunity. Am I audible, sir?
- **Moderator:**
- Yes, sir. You're audible, please proceed.
- **Mr. Saket Kapoor - Speaker Shareholder:**
- So, a couple of points and observation from my side and here they are. Sir, firstly, last year we did an acquisition from GHCL. We acquired their home textile business. So, how have been the consolidation now, and when we will be deriving the benefits out of it in terms of the increased turnover and the profitability? What is the roadmap? And correct myself it was also informed that the land bank there we can set up another facility or we can expand our facility at a brownfield expansion can happen very easily because of huge land being available there. So, please, let us know what the capex

plan with respect to the GHCL unit acquired and how is that unit going to contribute going ahead?

- Sir, currently, I think so, what about many yarn players cotton mills are speaking about they are being underutilized because of the steep correction in cotton prices, but not they are commensurate with the decrease in the yarn prices and there has been even I have read in the newspaper that yarn is being imported from China at lower price than what it is prevailing in the domestic market. So how is our company, you want me to start my video okay. Now, am I visible also?

– **Moderator:**

- Yes, sir. You're visible.

– **Mr. Saket Kapoor - Speaker Shareholder:**

- Yes. So, my -- the point I was trying to make was with the fall in the yarn prices and the cotton prices, how is our business model insulated from the vagaries of these price fluctuations, if you could give us some more colour on the same. And I think so sir the government scheme the RoSCTL scheme or providing us incentives on export basis, what are the receivables pending from them as on the last first quarter or if you could give us some ballpark what the number pending. And what kind of discount at which these instruments are currently trading. I understand that they trade at a discount of more than 10% to 12%. So if you could give some more colour. And taking into account the current business environment what kind of utilization levels are we expecting? Our first quarter numbers were in line with what the market conditions were. So taking that into aspect, if you could give us some more colour, how the current year is shaping up that would suffice. And I thank the team for providing us inputs in the form of press release and conference call and the senior management for answering all questions during the conference call. The submission of information is perfect and also thank the person who called me just before and I would have missed the AGM because of my ignorance. I'm really thankful to the team. Thank you all for giving me this opportunity. Namaskar.

– **Moderator:**

- Thank you, sir. Inviting the next speaker. Mr. K Bharat Raj. Hello, sir. Please unmute yourself and turn on your video camera before you proceed.

– **Mr. K Bharat Raj - Speaker Shareholder:**

- Hello, am I audible?

– **Moderator:**

- Yes, sir.

– **Mr. K Bharat Raj - Speaker Shareholder:**

- Yes, very good afternoon, entire Board of Directors. I am Bharat Raj, attending from Hyderabad. Sir, I'm very proud to be associated with the Indo Count. So my question is how you are facing the market challenges because the cotton prices are increasing.

So how we are facing the challenge. And second one you have any plans to expand our company, sir, are you planning to come in to right issue. I thank the management for an entire performance on this financial year. I thank our company secretary doing wonderful services. So in advance he was sending the annual report as per our request. Once again I thank the secretarial services and best wishes to you, Madam. Once again, sir, God bless you all. Take care. This is Bharat Raj, participating from Hyderabad. Thank you very much, sir.

– **Moderator:**

– Thank you, sir. Inviting the next speaker shareholder Mr. Yusuf Yunush Rangwala. Hello, sir.

– **Mr. Yusuf Rangwala - Speaker Shareholder:**

– Sir, are you able to hear me, Chairman Sir?

– **Moderator:**

– Yes, sir, you are audible.

– **Mr. Yusuf Rangwala - Speaker Shareholder:**

– Yeah, Good afternoon. Sir. I am Yusuf Rangwala talking from Mumbai. Your Chairman speech was very fantastic. Very knowledgeable. You said we are doing export. Our one brand I forgot, Kasturi, I want to know where we export Kasturi, in India or abroad. I became very happy. It is Pune based company. I have never you're your factory. I request you to arrange my visit for Pune. Please arrange travel for me. We are two shareholders, we will come. This is my humble request. You arrange for our travel after October. I want to know how our plant is running. What is the total number of staff? First point. Second point, did you vaccinated entire staff during COVID-19? You gave 100% dividend of Rs. 2. You gave excellent dividend. Point number four, what was the time you gave bonus? You are giving good dividend, you have good reserve, what is your view on bonus. You can arrange rain of bonus. You have reserve you can give four bonuses for one share. What is your view on this? I hope you will give 1:1 bonus. This is our 33rd annual general meeting, it is fantastic. I want to come to Pune. You call me to Pune, so that I can meet you face to face. Thank you very much. God bless. I received phone from your end today. It shows you care about shareholder. I forgot about it, I salute shareholder department. I have no words for them. Because of her hard work I am able to connect to you. I support you all, I favoured in your support. Thank you very much. Jai Hind.

– **Moderator:**

– Thank you, sir. Inviting the next speaker. Mr. Ramesh Golla. It appears Mr. Golla has not joined. Moving on to the next speaker Mr. Ajay Jain. It appears Mr. Jain has not joined either. Moving on to the next speaker, Mr. Jehangir Batiwala. Hello, sir.

– **Mr. Jehangir Batiwala - Speaker Shareholder:**

– Yeah, one minute. Hello, can you hear me?

- **Moderator:**
- Yes, sir.
- **Mr. Jehangir Batiwala - Speaker Shareholder:**
- Okay, now good afternoon to all the board members. Company Secretary, Avasare, ma'am. All the other fellow shareholders on VC. Good afternoon, all. My name is Jehangir, pleasure to speaking in front of you all. Well, nothing much more to say. Because when we have such learned stalwarts on board, including company secretary, Avasare ma'am, everything is going to be okay and perfect. So no questions to be asked. Just some normal queries. And before that I would complement Avasare, ma'am. That she's come out with a very lovely AGM report, which is colourful, transparent, adhering to all the norms of corporate governance. We received our reports all the time, thanks to Avasare, ma'am and her secretarial team. Just normal queries like what is the roadmap? What is the capex program and your thoughts on the future of the company in the next two to five years? Ma'am, don't mute me, Mr. Rohinton Batiwala is over here. He will also like to share his thoughts. Okay, ma'am, he will speak on his own. Thank you very much.
- **Moderator:**
- Thank you, sir. Inviting the next speaker, shareholder, Mr. Rohinton Batiwala. Sir, please unmute yourself.
- **Mr. Rohinton Batiwala - Speaker Shareholder:**
- Can you hear me, sir?
- **Moderator:**
- Yes, sir.
- **Mr. Rohinton Batiwala - Speaker Shareholder:**
- Respected Chairman and other Board of Directors on list, -- all of you. So my name is Rohinton Batiwala and thank -- name and inviting me. We have done some really good figures compared to last year, I know that these figures rise year-over year. Sir, first and foremost, I must complement our company secretary and her secretarial team for coming out excellent AGM report, which is exhaustive, educative, knowledgeable, intelligent, and it adheres to all the norms of corporate governance. Good, very good, madam. Please keep it up. Sir, our Honourable Modiji has said about Aatmanirbhar Bharat program, how are we fairing in that? Please let us know. And sir, I've got two three queries. What is the roadmap for next two to three years? And what is our Capex program for next financial year? And sir, what is our order of value for next financial year, and are we capable to cope with it. So here I end my speech with prayers to Almighty Lord to bring our company to newer and greater heights with your dynamic and magnificent leadership. With this, sir, I support all your resolution wholeheartedly. Thank you once again. Jai Hind.

- **Moderator:**
- Thank you, sir. That concludes all the speaker shareholder addresses. I request the management to address their queries.
- Played video...
- **Mr. Kailash R Lalpuria - Executive Director and CEO, Indo Count Industries Limited:**
- So, Moderator, should I start moderator with my answers.
- **Moderator:**
- Yes, sir.
- **Mr. Kailash R Lalpuria - Executive Director and CEO, Indo Count Industries Limited:**
- Okay. So thank you for all your questions. I really appreciate that you have gone through our annual report and have the insight about our company to a great level which also inspires us. So the first question was through Mr. Abhijeet Patil, on the domestic retail business, we are quite a bit as India is moving towards a \$5 trillion economy. We are well positioned in order to service the inspiring customers. And as India is growing, we intend to grow our domestic business also aggressively. We have launched two brands, Boutique Living and Layers, four years back and we have established omni channel businesses in India, whether it is offline or online serving the large format stores, the multi brand outlets and various institutions as well. And we intend to grow this business in the coming years. We have strengthened our team with a very expert specialized team and we are quite confident that in times to come our brand should do well on the domestic front as well.
- The question of Gayatri Kotasthane on the benefit of our amalgamation. So we all know that Pranavaditya is a subsidiary company of our and in order to service our customers with specialized yarn, branded cotton yarn, as well as to ensure that they get value added yarns, we have modernized our subsidiary with 68,000 spindling, which will get over by H2 FY23. This is in relation to increasing our captive consumption as well as you see contributes towards better margin of businesses going forward. So, we would like to swat our assets to see that we get proper return out of our assets investment, and that's the reason we have invested in spindling which is our core competence.
- The question of Sudhakar Shetty on the cotton situation. Yes, it has been quite challenging Mr. Shetty on the cotton front, because of the mismatch in the demand and supply globally. There was a shortage of cotton cultivation, which was earlier indicated as 350 lakh bales and the final crop came out to be 320 lakh bales. So, there was a shortage, there was a good demand as of Indian cotton, the reason being cotton coming out of Xinjian area in China got banned. Higher consumption by the mills, put the stock to end use ratio also in pressure. And there was an export demand also, to cater to. So all these reasons, fuelled up the prices. But your company has taken correct steps into hedging and investing into the supply chain in order to mete out the cotton situation. I'm glad to share that we have been able to manage our raw material prices, good enough to see that we keep our margins intact. Going forward also, your

company will take appropriate steps to see how it can tackle the cotton situations by hedging it properly and also investing into the entire supply chain.

- Now the questions of socket Kapoor, the first thing he asked about the reasons for the acquisition, and how the roadmap will be, and why we have done this acquisition, the acquisition is part of our growth story. As we mentioned earlier, we have invested into capacity in order to see that we are market ready, and we service the market. And this is a both medium term and long-term strategy of the company to see that how we can further increase our market share in the global business. We all know that the FTAs are getting signed by the Government of India, with various countries where we currently do not have level playing field, we see big opportunities for Indian textiles going forward. And that's the reason we have built up scalability as well as the capacity is in order to service our customer better. We expect the market to respond in a better way, wherever we are falling short of our market share just like EU where currently India has just 4% market share and in other countries as well like Japan, where the country has just 1% market share. So, our focus has been US currently with 75% of export, we intend to grow non-US business going forward and for this we needed capacity to cater to the customers which are based out there. So this is a roadmap toward this acquisition and the capex plan further wherever the customer needs are. We will invest into technology, into digitalization, into automation, into warehousing, into omni channel, distribution and domestic businesses to see that we meet aspiration of all our stakeholders and keep intact our growth story going.
- Now as far as the yarn prices, Mr. Kapoor, we see that the crop should be good as the rainfall have been good, the projection is almost once again 350 lakhs bale what we hear that there will be surplus cotton in India, which will douse off the inflated prices to some extent, but the cotton demand will still persist as India is one of the largest supplier. India of course being a surplus country is expect -- there is an expectation that India supply to some of the countries which are falling short of cotton, cotton also is a sustainable fibre and therefore, the consumption is going to increase. This is a challenge. But of course, with all our experience being in the cotton industry for the last three decades, we ensure you that proper steps will be taken by the management to see how we manage this raw material challenges.
- On the government receivables side, we are on track the ROSCTL and ROVTL are to the current levels, and we are claiming that seamlessly and we are disposing of those trade scrips in the market on a consistent basis. There is a discount, which was to the extent of almost 15% earlier, because there were certain conditions on the trade scrips, where the transferee also has to ensure his own liability while buying this scrip. This was a big challenge with the government has now put onto hold and have cancelled this liability on the transferee side, this has made the market to move from 85% to 92% to 95%. We expect that the discount going forward should further reduce and we have made proper recommendation to the government to see that we get proper return on trade scrips. So that the middleman does not get the benefit out of it. The capacity utilization is where we are focusing upon as I mentioned that once the FTAs are signed the market will open up, this will help us in utilizing the capacity and this is a medium term and long-term plan for the company wherein we have invested instead of a Greenfield project. We have acquired an asset, which is world class, which is closer to the port, provides us de-risking between two states. And also there is no

customer overlapping. So this will help us to see that the company grows in the future as well.

- The current year market situation is a little bit slow on the demand side. As we see due to the geopolitical situation, the inflation has gone up to the roof in the major markets, we are engaging the customers to see that how the inventory pipeline can get liquidated by offering them solutions. And we ensure our shareholders that we will do all means of actions to see that how we tackle this situation to the best of our abilities going forward.
- The next question was Mr. Bharat Raj, again, I have answered that our company is well positioned to face the necessary challenges, we have a complete basket of products wherein we can service the entire range of bed linen starting from sheet sets to fashion to utility to institutional bedding. We are catering to all distribution channels, whether it is B2B, B2C, D2C brands. And we also intend to see that how we can invest into supply chain in order to reduce our lead time and service the customer better. Our value proposition is quite competitive, India is well positioned. So we all believe that with this positioning of our company, we should be able to tackle the challenges going forward and grab the opportunities which are thrown towards us due to the various FTAs which will be signed by the government in the near future.
- Mr. Yusuf Rangwala has questioned about the Kasturi brand. Now, this is an interesting fact that India of late has recognized the fact that like Egypt, as well as US, who has branded their cotton and have been able to make better realization for their farmers, they have realized that it's time that Indian brand of cotton should also be launched. Last year it was launched and we are taking all necessary steps to see that how we can promote this worldwide in order to provide our farmers a better return for our product. And our brand also stands out in the global textile space.
- With your visit to factory request, definitely our secretarial department, arranges visits to our factory from time to time. We will definitely get in touch with you and we welcome that. We will welcome you as our guest there.
- Mr. Jehangir Batiwala, thanks for your compliments, and we also feel proud of our secretarial department headed by Ms. Amruta Avasare, she is a good asset to the company. And she has delivered to everybody's expectations which we all feel proud of. The roadmap as I already mentioned, we are gearing up the company to take on to the next phase of growth. And we all expect that India should take a different positioning, which will --it will happen due to the China Plus One strategy. And definitely this China Plus One strategy will help India as a country and our company which is well positioned and delivering to global customers for the last three decades will benefit out of the FTA as well as the de-risking of brands and retailers from China as a single source supplier. And the future roadmaps of our company looks good. We are ready with capacity capabilities. And we are market ready to service our customers. We have got a complete product basket as well as a good customer base throughout 54 countries. And just to mention here, if we are able to service 54 countries, you can imagine that as your company, how it has geared up to meet the global challenges on the compliance side and on to building on a product basket which can meet the expectations of the various brands and retailers existing in this 54 countries.

- To the next question of Mr. Rohinton Batiwala, yes, we have a wonderful leadership with our Prime Minister, Mr. Narendra Modi, for whom we are very proud of who is leading the country to the next level and the scheme which they have come out with Aatmanirbhar Bharat explains that the companies in India are looking inward to invest into better technology, so that they are not reliant upon imports, as well as other countries to help them build their supply chain. And we strongly believe that in time to come, your company will also invest into such means to make it completely Aatmanirbhar and we'll take help of the various other skills with the government has recognized -- has given us to see that we step up to the next level. And we ensure you that we will, going forward utilize these assets in order to turn out better results in time to come with a better performance all the time. Thank you very much. I now hand over to Chairman for concluding the meeting.
- **Mr. Anil Kumar Jain - Executive Chairman, Indo Count Industries Limited:**
- I thank you all for joining this meeting. Please stay safe and take care. There is no other business to be transacted. I closed the proceeding of the meeting. The e-voting facilities will remain open for next 15 minutes from the closure of the meeting. I authorize Company Secretary and scrutinizer to complete the necessary formalities in this regard? Thanks. Over to Company Secretary.
- **Dr. Mrs. Vaijayanti Pandit - Independent Direct, Indo Count Industries Limited:**
- On behalf of the Board of Directors of Indo Count Industries Limited and my own I would like to propose a vote of thanks especially to the Chairman, Mr. Anil Kumar Jain and Mr. Mohit Kumar Jain, the Executive Vice Chairman and the management of the entire team of Indo Count Limited for the excellent performance during the year ended March '22. We do hope to continue the momentum of growth in the current year as well as in the years to come.
- With these words, may I seek the permission of the Chairman, for all the directors to be excused from the meeting now since the e-voting will be beginning. So thank you very much, Mr. Chairman. Please permit us all the directors to be excused from this meeting. Thank you very much.

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

After 15 minutes at 1.31 p.m. (IST) the proceedings of the meeting including e-voting were concluded.