



Complete Comfort

6<sup>th</sup> December, 2021

**National Stock Exchange of India Ltd.**  
Listing Department  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (East),  
**Mumbai – 400 051**

**BSE Limited**  
Department of Corporate Services  
Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
**Mumbai – 400 001**

**Company Symbol: ICIL**

**Scrip Code No.: 521016**

Dear Sir/Madam,

**Sub.: Outcome of Board Meeting held on December 6, 2021 – Approval of acquisition of Home Textiles Business of GHCL Limited and specified assets of US subsidiary of GHCL Limited**

We are pleased to inform the exchanges that the Board at its meeting held today has approved (i) acquisition of Home Textile business of GHCL Limited, which includes manufacturing facilities at Vapi, Gujarat on a going concern basis, by way of slump sale in accordance with the terms of Business Transfer Agreement and (ii) acquisition of specified assets (inventory and intellectual property) of the US subsidiary of GHCL Limited in accordance with the terms of Asset Transfer Agreement.

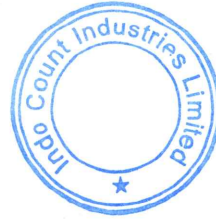
The disclosure pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached.

Kindly take the above information on record.

Thanking you,

Yours faithfully,  
For Indo Count Industries Limited

**Amruta Avasare**  
**Company Secretary & Compliance Officer**  
**Membership No.: ACS 18844**



Encl.: A/a

## Indo Count Industries Ltd

Head Office: 301, Arcadia, 3rd Floor, Nariman Point, Mumbai - 400 021, Maharashtra, India; T: 022 4341 9500, F: 022 2282 3098  
Marketing Office: Dosti Imperia, 2nd floor, Manpada, Ghodbunder Road, Thane (w) - 400 607, Maharashtra, India; T: 022 4151 1800, F: 022 2172 0121  
Home Textile Division: T3, Kagal - Hatkanangale Five Star, MIDC Ind. Area, Kolhapur - 416216, Maharashtra, India; T: 0231 662 7900, F: 0231 662 7979  
Spinning Division: D1, MIDC, Gokul Shirgaon, Kolhapur - 416234, Maharashtra, India; T: 0231 268 7400, F: 0231 267 2161  
Regd. Office: Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra, India; T: 0230 2463100 / 2461929  
CIN: L72200PN1988PLC068972, E: info@indocount.com, W: www.indocount.com



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The details as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September, 2015 are given below:

Sl. No.	Details to be provided	Information																				
1.	Name of the target entity, details in brief such as size, turnover etc.	<p><b>Name of Target Entities:</b> GHCL Limited ("GHCL") ("Target Entity") and its Wholly Owned Subsidiary Grace Home Fashions LLC ("GHF") ("US Target Entity")</p> <p><b>Business of Target Entities:</b></p> <p>GHCL Limited is a well-diversified group with footprint in chemicals, textiles and consumer products segment. Its textiles operations is an integrated set up, encompassing spinning, weaving, processing, dyeing, printing and cut/sew facilities to manufacture and export of home textile products mainly bed sheets, bed linen, duvets etc. It has in-house spinning unit at Madurai, Tamil Nadu and a home textile facility at Vapi, Gujarat.</p> <p>Grace Home Fashions LLC, viz. ("GHF"), is a wholly owned subsidiary of GHCL. GHF carries on business of sale of home textiles products in the United States of America ("USA").</p> <p><b>Note: The Company would acquire the Home Textiles business of GHCL, including the manufacturing facilities of 45 million meters annually located at Vapi, Gujarat ("HT Business") and the Company's subsidiary, Indo Count Global Inc., would acquire the identified assets (i.e., inventory and intellectual property) of GHF. The assets of GHF would be acquired through our Wholly Owned Subsidiary viz. Indo Count Global Inc., USA.</b></p> <p><b>Financial Details as of Financial Year (FY) ended 31<sup>st</sup> March 2021</b></p> <p style="text-align: right;">(Rs. in crores)</p> <table border="1"> <thead> <tr> <th></th> <th>GHCL Standalone</th> <th>o/w Home Textile Business</th> <th>GHF Standalone</th> <th>GHCL Consolidated</th> </tr> </thead> <tbody> <tr> <td>Revenue from operations</td> <td>2,823.09</td> <td>435.41</td> <td>105.28</td> <td>2,900.09</td> </tr> <tr> <td>Profit before tax</td> <td>422.40</td> <td>4.07</td> <td>(1.00)</td> <td>438.57</td> </tr> <tr> <td>Profit after tax</td> <td>309.98</td> <td>NA</td> <td>(1.03)</td> <td>326.12</td> </tr> </tbody> </table>		GHCL Standalone	o/w Home Textile Business	GHF Standalone	GHCL Consolidated	Revenue from operations	2,823.09	435.41	105.28	2,900.09	Profit before tax	422.40	4.07	(1.00)	438.57	Profit after tax	309.98	NA	(1.03)	326.12
	GHCL Standalone	o/w Home Textile Business	GHF Standalone	GHCL Consolidated																		
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		<b>Financial Details as of Half Year (HY) ended 30<sup>th</sup> September 2021</b>			
		(Rs. in crores)			
		GHCL Standalone	o/w Home Textile Business	GHF Standalone	GHCL Consolidated
		1,827.97	385.95	44.83	1,836.71
	<b>Revenue from operations</b>				
	<b>Profit before tax</b>	287.78	45.73	1.38	289.45
	<b>Profit after tax</b>	210.89	NA	1.37	212.55
		<b>Note: Financials of Home Textiles Business is <u>excluding spinning business of GHCL</u></b>			
<b>2.</b>	Whether the acquisition would fall within related party transactions and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of the interest and details thereof and whether the same is done at 'arm's length'	The proposed acquisition does not fall within related party transaction and the promoters/ promoter group/ group companies of the Company have no interest in the entities whose business/assets are proposed to be acquired.			
<b>3.</b>	Industry to which the entity being acquired belongs	GHCL is engaged in multiple business segments. The business acquired is of the Home Textiles segment of GHCL (excluding spinning business), which is in Textile Industry.			
<b>4.</b>	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its	In order to meet the growing demand and capture the business opportunities, the Company's Board of Directors today approved the execution of the (i) Business Transfer Agreement with GHCL for the acquisition of its home textile business on a going concern basis by way of a slump sale and (ii) Asset Transfer Agreement with GHCL's Wholly Owned Subsidiary viz. GHF, GHCL and the Company's Wholly Owned Subsidiary viz. Indo Count Global Inc., USA for acquisition of specified assets (inventory and intellectual property)			

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	business is outside the main line of business of the listed entity)	<p><b>Effects of acquisition:</b></p> <ul style="list-style-type: none"> <li>• This acquisition will catapult Indo Count to a leadership position in the Global Home Textiles Bedding segment.</li> <li>• With addition of almost 50% new capacity, Indo Count becomes the largest Home Textile Bedding company, globally, with annual capacity of approximately 153 million meters.</li> <li>• Indo Count adds a whole new avenue of customer base which is untapped, thereby leading to gain in global market share.</li> <li>• Leverage joint capabilities of Design, Innovation and Products to a wider spectrum of customers.</li> <li>• De-risking manufacturing facilities with twin state geographical diversity.</li> <li>• Potential addition of ~ Rs.1300 -1500 Crores p.a. to the topline of the Company.</li> </ul>
5.	Brief details of governmental or any regulatory approvals required for the acquisition	Not Applicable.
6.	Indicative time period for completion of the acquisition	Subject to satisfactory completion of the conditions under the Business Transfer Agreement, the parties aim to achieve the closing of the transaction in an efficient and expeditious manner, by March 2022.
7.	Nature of consideration-whether cash consideration or share swap and details of the same	Cash consideration.
8.	Cost of acquisition or the price at which the shares are acquired	<p>The overall consideration for acquisition of Home Textiles Business is Rs. 539 crores on a debt and cash free basis of which fixed consideration is Rs. 340 crores and balance Rs. 199 crores is towards net realizable current assets, subject to certain adjustments in accordance with the Business Transfer Agreement.</p> <p>Additionally, Indo Count Global Inc., USA, would be paying Rs. 37 crores to GHF as a purchase consideration towards the Assets purchased, subject to certain adjustments in accordance with Asset Transfer Agreement.</p>
9.	Percentage of shareholding /	No control or shares of the Target Entity or the US Target Entity are acquired.

*AAK*



	control acquired and / or number of shares acquired											
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	<p>GHCL Limited is a well-diversified group with footprint in chemicals, textiles and consumer products segment. Its textiles operation is an integrated set up, encompassing spinning, weaving, processing, dyeing, printing and cut/sew facilities to manufacturing and export of home textile products mainly bed sheets, bed linen, duvets etc. GHCL has integrated home textiles manufacturing facilities of 45 million meters p.a. located at Vapi, Gujarat which is fully operational.</p> <p>Grace Home Fashions LLC ("GHF"), a wholly owned subsidiary of GHCL, carries on business of sale of home textiles products in USA.</p> <p>As part of the acquisition, the Company would acquire the Home Textiles business of GHCL, having its manufacturing facilities at Vapi, Gujarat and assets (inventory and intellectual property) of GHF. Also, the intellectual property related to home textiles business held in the name of the GHCL and GHF will be transferred to the Company and its Wholly Owned Subsidiary viz. Indo Count Global Inc., US respectively, as specified in the Business Transfer Agreement and Asset Transfer Agreement.</p> <p>GHCL was incorporated on 14<sup>th</sup> October, 1983. The acquired unit was established in 2006.</p> <p>The turnover of the acquired business is as follows:</p> <p>Home Textiles (HT) Business <b>(excluding spinning business):</b></p> <p style="text-align: right;">(Rs. in crores)</p> <table border="1" data-bbox="576 1350 1345 1563"> <thead> <tr> <th></th> <th>HY ended 30<sup>th</sup> September 2021</th> <th>FY ended 31<sup>st</sup> March, 2021</th> <th>FY ended 31<sup>st</sup> March, 2020</th> <th>FY ended 31<sup>st</sup> March, 2019</th> </tr> </thead> <tbody> <tr> <td>Revenue from operations</td> <td>385.95</td> <td>435.41</td> <td>490.69</td> <td>611.60</td> </tr> </tbody> </table> <p><b>Countries in which the acquired entity has presence:</b></p> <p>The acquired entity has its manufacturing facilities in Vapi, Gujarat and has business presence in USA, Canada, UK, Europe and Australia.</p>		HY ended 30 <sup>th</sup> September 2021	FY ended 31 <sup>st</sup> March, 2021	FY ended 31 <sup>st</sup> March, 2020	FY ended 31 <sup>st</sup> March, 2019	Revenue from operations	385.95	435.41	490.69	611.60
	HY ended 30 <sup>th</sup> September 2021	FY ended 31 <sup>st</sup> March, 2021	FY ended 31 <sup>st</sup> March, 2020	FY ended 31 <sup>st</sup> March, 2019								
Revenue from operations	385.95	435.41	490.69	611.60								

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