



Integrating values  
Inspiring growth

Indo Count Industries Limited | Annual Report 2012-13

## AT INDO COUNT

We have delivered growth that is exceptional as well as extraordinary.

It is exceptional considering it was achieved amidst challenging business environment.

It is extraordinary because of the sheer numbers, we achieved.

Highest Ever  
Revenue  
**₹ 1211 cr**

EPS  
**₹ 8.23**

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CAGR  
**45%**  
for the last 5 years

EBIDTA  
**₹ 114 cr**

AT INDO COUNT

WE CONSIDER THIS AS INSPIRING GROWTH.

We believe this inspirational growth is a result of our sustained commitment to values.

As the world becomes more globalised, as the industry we work in becomes more challenging, sustaining growth amidst this volatility comes from integrating values. We believe deeper values like customer oriented services, adapting to changing consumption patterns, technology driven innovation, updating of people skills and becoming more sustainable are what differentiates our current success and drives our future growth.

We believe, inspiring growth is not just about numbers and figures but also reflects our commitment to grow with all stakeholders.

At Indo Count, we are committed to continue this stellar performance, as we believe in

**Integrating Values. Inspiring Growth.**



## CHAIRMAN'S MESSAGE

" DURING THE  
YEAR WE ACHIEVED A  
MILESTONE TURNOVER OF  
₹1211 CR. COMPLEMENTING THIS  
MILESTONE, WE ALSO DELIVERED  
AN EXCELLENT EBIDTA OF ₹114 CR  
FOR THE YEAR 2012-13. "




### Dear Shareholders,

The year 2012-13 has been an exceptional year for your Company. At the outset, I congratulate all stake-holders of the Company on this outstanding performance. On 15th February 2013, we achieved a very significant milestone – our turnover touched ₹ 1,000 cr! Complementing this milestone, we also delivered an excellent EBIDTA of ₹ 114 cr for the year 2012-13. Thank you for your trust and faith in Indo Count and we assure you we will leave no stone unturned to keep up this performance and continue with our inspiring growth.

The year did present challenges to the Company particularly on the global economic front. Growth in the USA showed positive signs of improvement but was still not as improved as one would have desired it to be. Eurozone continued to remain sluggish with the debt-repayment crisis in Greece in the middle of 2012 and more recently in Cyprus in March 2013 contributing towards an already depressing situation there.

The Indian economic engine too slowed down with GDP growth slowing to its lowest in the last decade at 4.5%. Inflation remained high and as a result the government's fiscal policy remained tight with high interest rates. There was a positive development towards the end of the year when the central government went boldly ahead with the long-pending reforms, particularly allowing FDI in multi-brand retail as well as reforms in the insurance sector.



"I AM GLAD  
TO INFORM YOU THAT  
WE ARE APPLYING FOR NEW  
PATENTS AND TRADE-MARKS TO  
BE REGISTERED INTERNATIONALLY  
FOR SOME OF OUR PRODUCTS,  
WHICH WILL ADD VALUE TO OUR  
PRODUCT MIX."

Amidst these challenging circumstances, your Company achieved inspiring growth. During the year, we were successful in growing our business from ₹ 807 cr to ₹ 1,211 cr, an impressive growth of 50%. The improvement was also reflected in our margins. Our EBITDA improved from ₹ 63 cr to ₹ 114 cr in the current year, signifying an increase of 81%. For the year, our Cash Profit was ₹ 48 cr as compared to ₹ 15 cr in the previous year, an increase of 218%.

Our Revenue CAGR for the last 5 years has been an impressive 45%.

We achieved this INSPIRING GROWTH due to many right things we have been doing over the last few years, of which, adding new customers and serving them well is the foremost.

We have ensured that we utilise our capacity and resources optimally. Through performance, we have once again achieved in securing major business from all our customers, even as volatility in the cotton market-place, higher power costs and wages continued to put pressures on our manufacturing. We continue to take all necessary steps in countering such volatility from time to time on a constant basis.

As we look ahead, the outlook for the next year appears positive with the USA showing encouraging signs of improvements, even though this is yet to reach satisfactory levels. The recession in Europe is still continuing. We soon expect to have the FTA with Europe, which will definitely create a level playing field with our

competitors. This will open up new business opportunities in the time to come.

Your Company has always prided itself in being a responsible corporate citizen. We are taking many more steps towards CSR and we shall keep you informed on this appropriately. We are also assessing sustainability factors in our group to assess and identify gaps and ensure these gaps are filled up in the near future.

E-commerce is another evolving space. At Indo Count, we are exploring this upcoming opportunity and assure you that all steps are being taken to expand our domestic and international presence.

We are the third largest bed linen manufacturer and exporter from India and the fourth largest supplier of bed linen into the USA. We have implemented SAP across all locations. All derivatives ceased to exist after October 2012.

I am glad to inform you that we are applying for new patents and trade-marks to be registered internationally for some of our products, which will add value to our product mix.

We are constantly on the lookout for new markets and new customers to increase our business in the near future.

I thank you once again for being the inspiration behind the inspirational growth!

**Anil Kumar Jain**  
Chairman & Managing Director

# OUR LATEST VISITING CARD

## THE COMPANY

- Incorporated in 1988
- Commenced production in July 1991
- Listed on Mumbai and National Stock Exchanges
- Recognised Trading House under EXIM Policy
- Net Foreign Exchange earner for the country

## BUSINESS DIVISIONS

### SPINNING DIVISION

- State of the art plant and machinery from Rieter, Schlafhorst, Murata, Luwa, Volkman, Mayer & Cie, Laxmi Machine Works
- Advanced and sophisticated Quality Control instruments from Zellweger Uster
- 100% combed and carded cotton yarn, single and doubled of counts ranging from Ne 20 to Ne 100

### Products Manufactured

- Combed & Cotton Grey / Dyed Yarns
- Knitted Grey Fabrics

### Product Accreditations

- Amongst the few mills in the world using 'Rieter Yarn' mark
- 'Uster Analysed' certification signifying consistent high quality of yarn. OKO-TEX Certification indicating free from harmful substances







## HOME TEXTILE DIVISION

- Built on a spacious plot
- Only integrated Home Textile plant in Maharashtra
- State of the art plant and machinery imported from Benninger (Switzerland), Monforts (Germany), Osthoff (Germany), Tsudakoma Corp. (Japan)
- Air jet looms for wide width grey fabrics, processing (bleaching, mercerizing, dyeing and printing) capacity of 45 million meters per annum
- Stitching facilities for made up : capable of producing a wide product range

## PRODUCTS ARE EXPORTED TO

- USA, Canada, Brazil, Mexico
- UK, France, Germany, Austria, Spain
- UAE, Middle East, Australia, South Korea

## Products Manufactured

- Bed Sheet Sets
- Pillow Cases
- Duvet Covers
- Bed Skirts
- Comforters
- Window Covering
- Institutional Linen

## ELECTRONICS DIVISION

- Started in October 2004
- Manufacture of Electronic goods
- CTV / LCD / LED / Air-Conditioners / Washing Machines





# INSPIRING GROWTH

...AMIDST CHALLENGES AND VOLATILITY

EVERY  
INDUSTRY TODAY IS  
FACING CHALLENGING WINDS  
OF BUSINESS ENVIRONMENT.  
VOLATILITY IS REAL, AND IT IS HERE  
TO STAY. SUSTAINING GROWTH  
AMIDST THIS VOLATILITY IS  
WHAT DIFFERENTIATES  
INDO COUNT.

Be it the banking crisis that triggered the turbulence in world economy or the debt repayment in the Eurozone, be it the climate change driven irregular monsoons affecting the cotton prices or technological advances, we are today living amidst unprecedented volatility.

This volatility, caused by external factors or factors within the country, is closely correlated to the performance of any sector and likely to affect all industries operating within that sector. The textile sector is no different, having had more than a fair share of volatility in the past few years.

Navigating such strong winds of volatility requires more than a strong sail – it requires a deeper understanding of the winds.

While most react to volatility, at Indo Count, we take special efforts to understand this volatility. Because, we believe, that the first step to inspiring growth amidst challenging volatility is in understanding it.

We use our knowledge, experience and expertise, to examine and evaluate, assess and analyse each factor of volatility. We visualise multiple scenarios and critically scrutinise all our options. This deep and probing understanding is a core value at Indo Count, and underpins all our strategy and plans, and enables us to take better informed and well-thought decisions.



Globalisation is continuously changing the demand and consumption patterns of customers across the world. New technological advances are giving rise to never-before business models like e-commerce based sale and delivery platforms. Suppliers now need to understand not only their customers but also their customers' customers.

At Indo Count, we have transformed with the times. We believe we are in the service industry. We have adapted our internal capabilities from manufacturing to marketing to meet the growing needs of customisation of our customers. We have leveraged INNOVATION to make our solutions more customer-centric.

At Indo Count, we understand, we adapt, we customise, we transform. We integrate.

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# HOME TEXTILES DRIVER OF GROWTH



THE HOME  
TEXTILES BUSINESS OF  
THE COMPANY HAS BEEN THE  
STRONGEST DRIVER OF GROWTH  
IN THE LAST FEW YEARS. TODAY, IT  
IS THE 3RD LARGEST EXPORTER OF  
BED-LINENS FROM INDIA AND THE  
4TH LARGEST SUPPLIER  
INTO THE USA.

The home textiles business of the Company has been the strongest driver of growth in the last few years. Today, it is the 3rd largest exporter of bed-linens from India and the 4th largest supplier into the USA.

Behind the phenomenal success and growth of the Home Textiles business is foresight, planning and execution. Indo Count was early to realise the importance of moving up the value chain, and understand how this shift from spinning yarn to weaving fabrics and production of finished goods would be crucial to compete and deliver growth in market-place that was getting increasingly commoditised and constantly pressurised with high cost of materials and low margins.

Today, Indo Count is one of the leading players in this space. It has made its mark in western markets of the USA and Europe, supplying to all the leading retailers in those countries.