

INDO COUNT
INDUSTRIES LIMITED



The Power of Commitment

Annual Report
2014-15

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■ **OUR COMMITMENT TO VALUE CREATION** is the touchstone of our turnaround, from the toughest market scenario that we faced to where the Home Textile business stands today. ■





The Power of Commitment

Hard work delivers more when assigned an aim. Aim becomes meaningful when assigned a mission. Aims which are shared by a group yield transformational outcomes. Dream of winning an Olympic gold for the Country, more so in a team event, pumps more adrenalin into veins than that of realizing an individual goal.

Having met with challenges in our Home Textiles business started in 2007, we directed all our energies and resources back to the drawing board. Collective commitment was made to take the adversity head-on and convert it into a promising opportunity. We took all the stakeholders into confidence, drew out a differentiated action plan. With renewed commitment, we went on to stabilize and strengthen our value proposition.

The results of our absolute commitment started bearing fruits by way of prominent clients, sales growth and better profitability margins. Today, Home Textile business has grown more than 10 times in a short span of 8 years of commencing operations. We are proud to say our 8 year old Home Textile Business division, today ranks as the 3rd largest exporter of Bed Linen from India and the 4th largest Bed Sheet exporter to USA .

OUR COMMITMENT TO VALUE CREATION is the touchstone of our turnaround, from the toughest market scenario that we faced to where the Home Textile business stands today.

Having started in the toughest market conditions, grown and matured to an Integrated Home Textiles player in the global arena, today Indo Count is at an Inflection Point. With fire in our belly, we are raring for a quantum leap.

As a measure to salute the greater resolve of our stakeholders during tough times of yesteryears, we dedicate this Annual Report 2014-15 to the much celebrated and quintessential Indo Count belief namely the power of commitment.

Commitment to Excel

Commitment knows no limitations. It propels one to excel, along the current and also against the current. It is the commitment of those pursuing excellence that helps them convert adversities into unimaginable opportunities.

Our commitment to excel knew no limitations. Rising to the challenge, we drew a twin-pronged strategy of steadily improving our efficiencies at one hand and strengthening our balance sheet at the other. Our resolve to a faster exit from CDR has resulted into a much stronger Indo Count that is standing at an Inflection Point. As we are presented with a promising future of revenues, new markets, market share and margin growth; all this with an assured visibility over medium term, we are deepening our commitment to pursue excellence through this ensuing phase of accelerated growth.



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Seeds of excellence

- Expanding into new geographies such as UK, Australia, Europe, Japan and Middle East
- Efficient inventory management whereby Indo Count tracks its client's inventory levels towards maintaining an optimum level at each business center.
- Keep growing the value proposition of Home Textiles consistently

Fruits of excellence

- The 3rd largest exporter of bed linen from India
- The 4th largest Bed Sheet exporter to USA
- The 13th largest supplier into the US from across the globe in Home Textiles
- Receiver of Export Excellence Award for "Top Exporter-Non MSME- Trading House" category conferred by FIEO (Western Region)

The
3rd
Largest exporter
of bed linen
from India

The
4th
Largest Bed Sheet
exporter to USA



Fortune India, has ranked the Company at 49th position on Revenue and 73rd position on Net Profits.



Commitment to Differentiate

In the fast evolving global lifestyle, committing to create a differentiated value proposition would go on to instigate lasting value.

At Indo Count, we committed to make differentiation our trump card. From management thoughts and strategies to product innovation and mix, to customer engagement models and mix, to production focus and assets, we committed ourselves to develop and deploy a differentiated approach to business.

Our resolute single-minded focus on home

textiles has reaped rich dividends in bed linen segment. We are now expanding our focus on fashion beddings such as comforters and quilts and utility beddings, as the product segments. Additionally, we are fast growing the institutional customer segment such as hotels and hospitals.

Combined addressable opportunities in these three newer segments are estimated to be three times of what sheet-sets offers. We aim to increase the share of our new Bed linen categories from the current level of under 5% to 25% over the next couple of years.

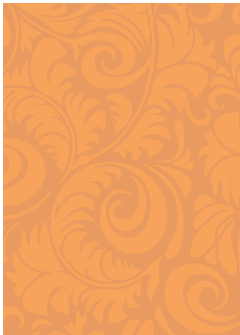




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Commitment to Delight



We hit the streets of USA and Europe to proactively research on the unmet desires and needs of home textiles consumers.

■ The manifestation of our unstoppable endeavors towards customer delight has come in many product, process and technique innovation, the most significant one being our first patented fitted sheet technology 'TRUE GRIP'. ■



Commitment made to oneself drives one further. Commitments made to those one values and cares for, drives much farther. The feeling to better the world of those one cares the most, adds extra spark to ones commitments.

At Indo Count, customers occupy the fulcrum of our commitment galaxy. Since our foray into home textiles in 2007, we have persevered hard to earn the trust and confidence of global customers of repute. Coming true to the higher prerequisite benchmarks of these reputed customers has been hard earned through consistent investments in our manufacturing facilities and processes, innovation and design capabilities, strengthened logistics capabilities, superior response timings and proactive mapping and management of their inventory positions. We have built all this brick by brick over a long period.

We didn't stop there. We undertook upon ourselves the responsibility of making their business better and their customers happier, by innovation and

delivering more value for every Dollar spent.

We hit the streets of USA and Europe to proactively research on the unmet desires and needs of home textiles consumers. We connect our feet-on-street customer insights with our design and development capabilities. The resultant new products help our customers sell more and sell fast. With customers' confidence rising, we have recently been expanding our delight sphere beyond bed linen with innovative range of fashion and utility beddings.

The manifestation of our unstoppable endeavors towards customer delight has come in many product, process and technique innovation, the most significant one being our first patented fitted sheet technology 'TRUE GRIP'.



Financial Highlights

Consolidated Financial Highlights Particulars (₹ In Crs)	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Revenue	1781.80	1497.90	1217.09	807.13	733.21
EBITDA	313.66	189.10	120.05	63.03	72.27
EBITDA Margin	17.60%	12.60%	9.90%	7.80%	9.90%
Depreciation	15.96	19.56	18.48	18.60	19.56
Interest	65.03	49.89	49.80	35.19	30.64
Exceptional item	25.74	0	15.69	12.35	4.60
Tax	61.05	9.26	6.56	-0.80	6.81
Net Profit	145.88	110.39	29.52	-2.31	10.66
Net Profit (Excl. Exceptional)	161.44	110.39	45.21	10.04	15.26
Net Profit Margin(Excl.)	9.10%	7.40%	3.70%	1.20%	2.10%
Cash Profit	179.02	114.87	49.00	15.24	37.02
Earnings Per Share (EPS) (₹)	38.95	30.96	8.23	-0.61	3.03
EPS excluding exceptional items (₹)	42.89	30.96	12.74	2.83	4.3
Long Term Debt : Equity	0.16	0.33	0.69	0.98	1.08
Total Debt : Equity	0.81	1.36	1.86	1.78	1.76
Current Ratio	1.17	1.05	0.90	0.88	0.97
Asset Cover	6.00	3.57	2.66	2.11	1.86
Total Outstanding Liabilities : Net Worth	1.92	2.45	3.28	2.81	2.55
Interest Cover	4.58	3.40	2.04	1.26	1.72
Return on Equity (%)	40.80	45.30	15.80	-1.20	5.50
Return on Capital Employed (%)	34.50	25.40	14.90	5.80	7.60
Fixed Assets Turnover(x)	4.42	4.32	3.37	2.18	1.88
Total Assets Turnover(x)	1.43	1.48	1.45	1.18	1.06
Cash Earning per share (₹)	43.31	36.62	13.53	4.59	8.52