

11<sup>th</sup> February, 2017

The National Stock Exchange of India Limited  
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**

**Subject: Investor Presentation**

Please find enclosed herewith a copy of Investor Presentation with respect to Unaudited Financial Results for the quarter and nine months ended 31<sup>st</sup> December, 2016.

Kindly take the above on record.

Thanking you,

Yours faithfully,

For **Indo Count Industries Limited**



**Amruta Avasare**  
**Company Secretary**  
**ACS No.: 18844**

Encl: A/a

**INDO COUNT INDUSTRIES LIMITED**

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**Marketing Office :** 25, Vardhaman Industrial Complex, Gokul Nagar, Thane (W) - 400601 Maharashtra, India | **T** 91 22 4151 1800 | **F** 91 22 2172 0121

**Home Textile Division :** T3, Kagal - Hatkanangale Five Star, MIDC Ind. Area, Kolhapur - 416216 Maharashtra, India | **T** 91 231 662 7900 | **F** 91 231 662 7979

**Regd. Office :** Office No. 1, Plot No.266, Village Aite, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416109 Maharashtra, India | **T** 91 230 3292933 | **F** 91 230 2483275

**CIN** L72200PN1988PLC068972 | **E** info@indocount.com | **W** www.indocount.com



## 9M FY17 Investor Presentation



# Safe Harbor Statement



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# Comments of Executive Chairman, Mr Anil Kumar Jain, on the results



*Commenting on the results, Mr. Anil Kumar Jain, Executive Chairman, “Against the backdrop of challenging market environment, our business continues to track ahead satisfactorily on back of dynamic response to market trends, enduring customer relationships, ‘Customer First’ approach and strong product portfolio. The operational performance in conjunction with steady cash accruals has been indicative of our company’s inherent strength.*

*As we enter our next phase of growth, we see several untapped opportunities along with better acceptability in the three new segments of Fashion, Utility and Institutional bedding across a widening footprint. We are enthused at the positive response to our recently launched brands. The augmentation of capacity will further enhance our position in the market.*

*Our company is committed towards profitable and equitable growth. We are confident that our focus on innovation, customer centricity and prudent business practices will lay the foundation for growth in the years to come.”*

# Business Today – BEST CEO Award (Textile & Apparel)



Mr. Anil Kumar Jain (Executive Chairman) at the award ceremony



Mr. Anil Kumar Jain (Executive Chairman) and Mr. Mohit Jain (MD) with the award

Mr. Anil Kumar Jain, Executive Chairman, was honoured with “Business Today Best CEO (Textiles & Apparel)” Award for the year 2016 in December 2016. The Award was presented by Hon’ble Union Minister of Law & Justice, Government of India - Mr. Ravi Shankar Prasad in the presence of Mr. Aroon Purie – Editor in Chief Business Today and Mr. Manpreet Chadha - Wave Group Vice Chairman at “Business Today Best CEO Awards – 2016” in New Delhi.



# Key Financial Indicators

REVENUE (RS.CRS)

**1,572**

9M FY17

**1,535**

9M FY16

EBITDA (RS.CRS)

**329**

9M FY17

**321**

9M FY16

EBIT (RS.CRS)

**305**

9M FY17

**301**

9M FY16

PAT (RS.CRS)

**179**

9M FY17

**170**

9M FY16

CASH PAT (RS.CRS.)

**244**

9M FY17

**218**

9M FY16

NET DEBT/EQUITY (X)

**0.24**

9M FY17

**0.58**

9M FY16

# Profit & Loss Statement



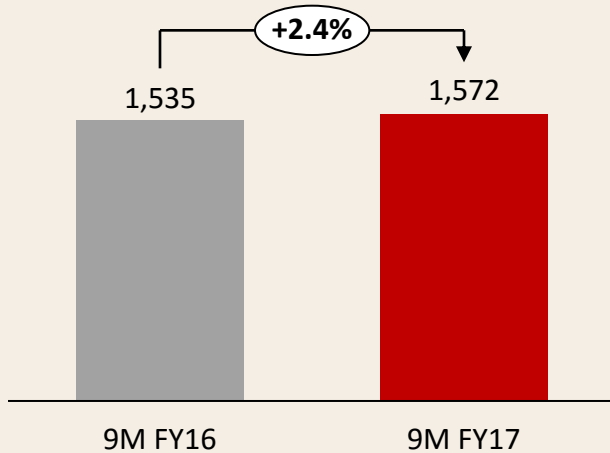
Particular (Rs. Crs)	9M FY17	9M FY16	Change %
<b>Total Revenue</b>	<b>1,571.9</b>	<b>1535.3</b>	<b>2.4%</b>
<b>Expenses</b>			
Material consumed	811.2	780.9	
Employee benefits	82.4	72.6	
Power & Fuel Cost	47.1	46.9	
Other expenses	302.6	313.3	
<b>EBITDA</b>	<b>328.6</b>	<b>321.4</b>	<b>2.2%</b>
<i>EBITDA margin %</i>	<i>20.9%</i>	<i>20.9%</i>	-
Depreciation	23.2	20.8	
<b>EBIT</b>	<b>305.4</b>	<b>300.7</b>	<b>1.6%</b>
<i>EBIT margin %</i>	<i>19.4%</i>	<i>19.6%</i>	
Finance charges	30.5	39.6	(22.8%)
<b>Profit before Tax</b>	<b>274.8</b>	<b>261.1</b>	<b>5.3%</b>
<i>PBT margin %</i>	<i>17.5%</i>	<i>17.0%</i>	<i>50bps</i>
Tax expense	95.6	91.3	
<b>Profit after Tax</b>	<b>179.2</b>	<b>169.8</b>	<b>5.5%</b>
Other Comprehensive Income	-0.4	-0.8	
<b>Total Comprehensive Income</b>	<b>178.8</b>	<b>168.9</b>	<b>5.8%</b>
<i>PAT margin %</i>	<i>11.4%</i>	<i>11.1%</i>	<i>30bps</i>
<b>Cash profit</b>	<b>243.6</b>	<b>218.1</b>	<b>11.7%</b>

The Board of Directors declared an Interim Dividend of 20% i.e. Re. 0.40 per Equity Share of Face Value of Rs. 2/- each for Financial year 2016-17

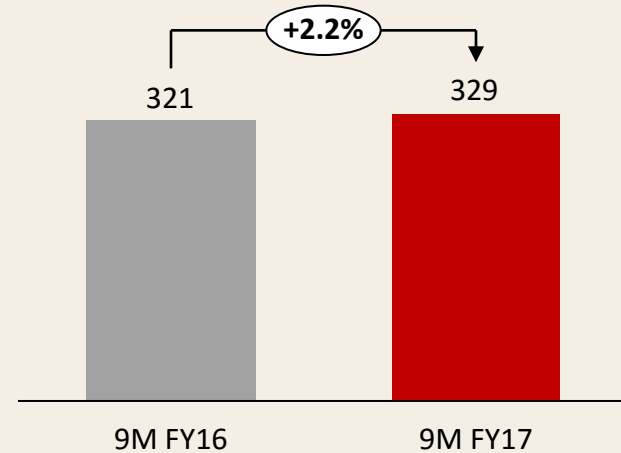
# Financial Highlights – 9M FY17



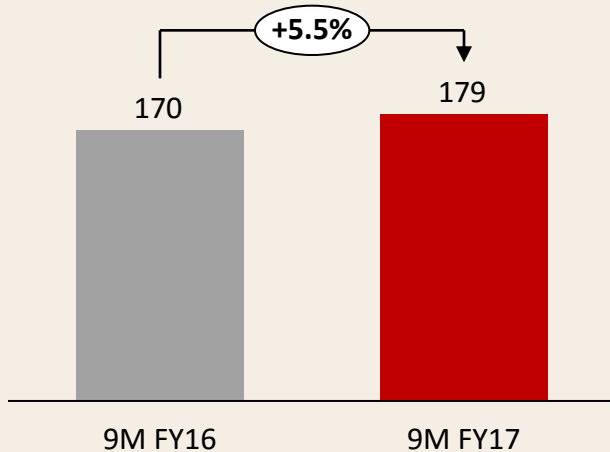
Revenue (Rs. In crs)



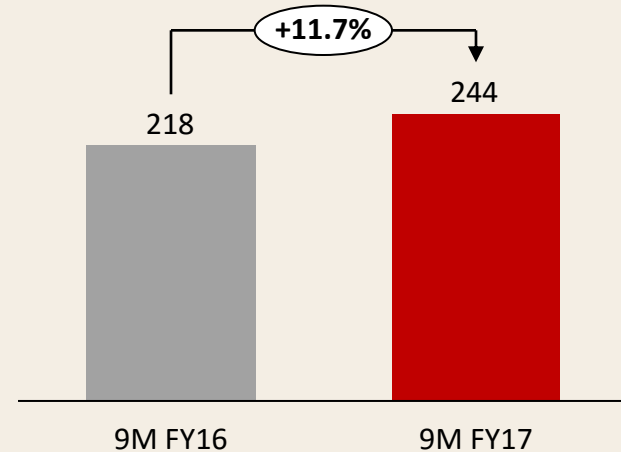
EBITDA (Rs. In crs)



PAT (Rs. In crs)



Cash PAT (Rs. In crs)



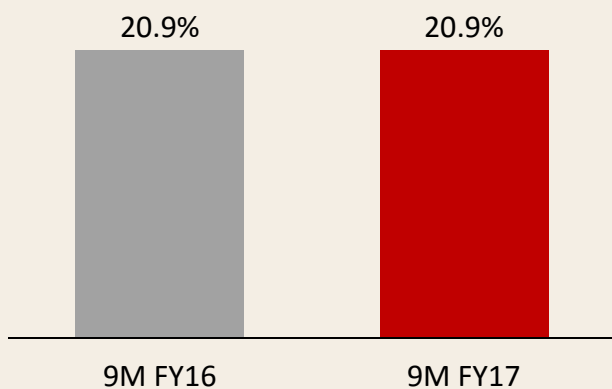


# Margin Profile – 9M FY17



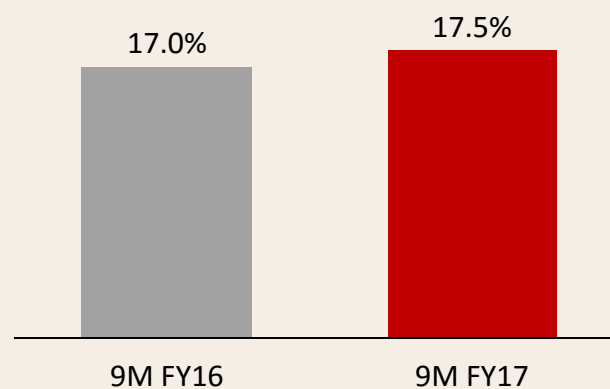
**EBITDA (%)**

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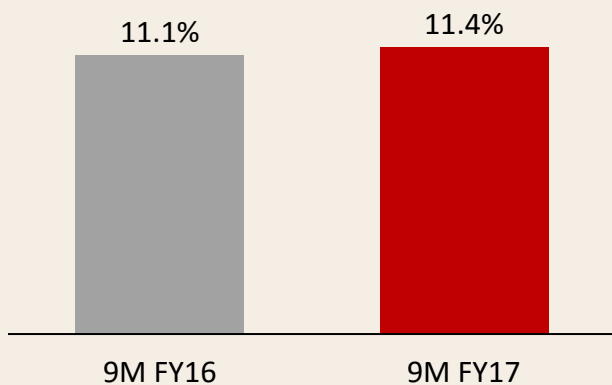
**PBT (%)**

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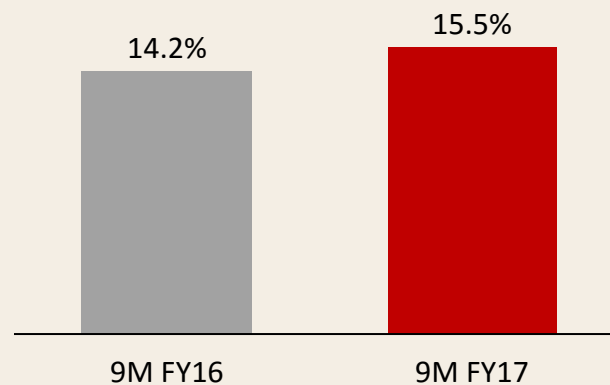
**PAT (%)**

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**Cash PAT (%)**

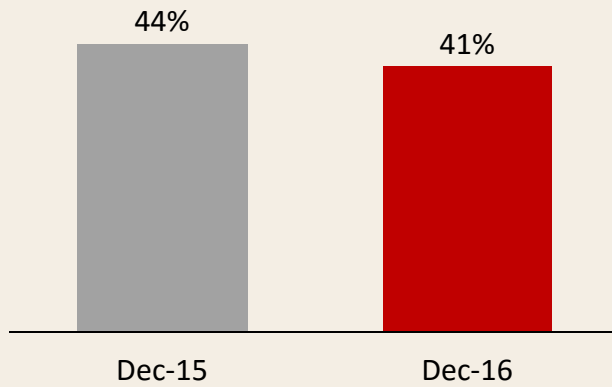
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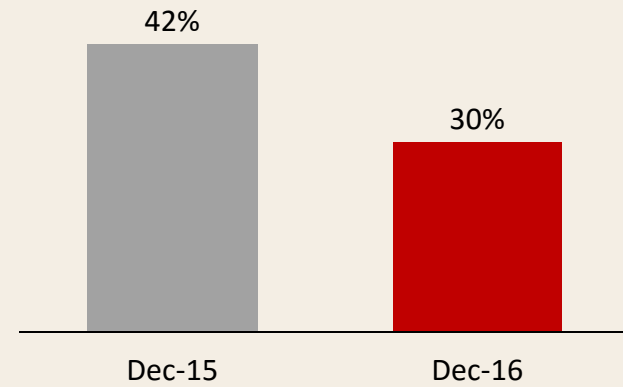
# Ratio Analysis – 9MFY17



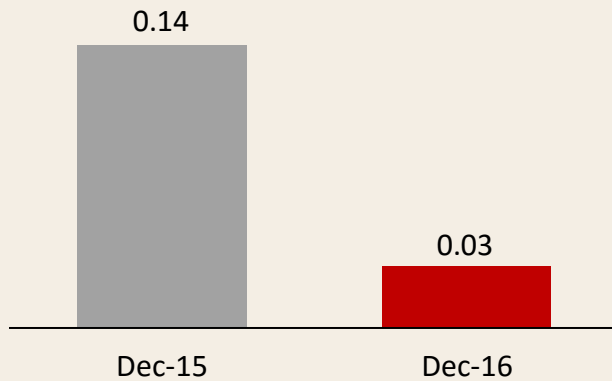
**ROCE (%)\***



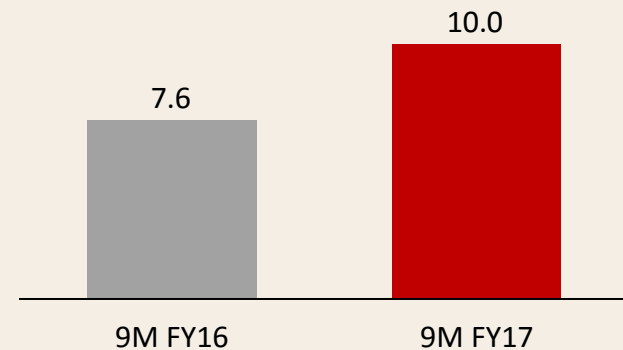
**ROE (%)#**



**Long Term Debt/Equity (x)**

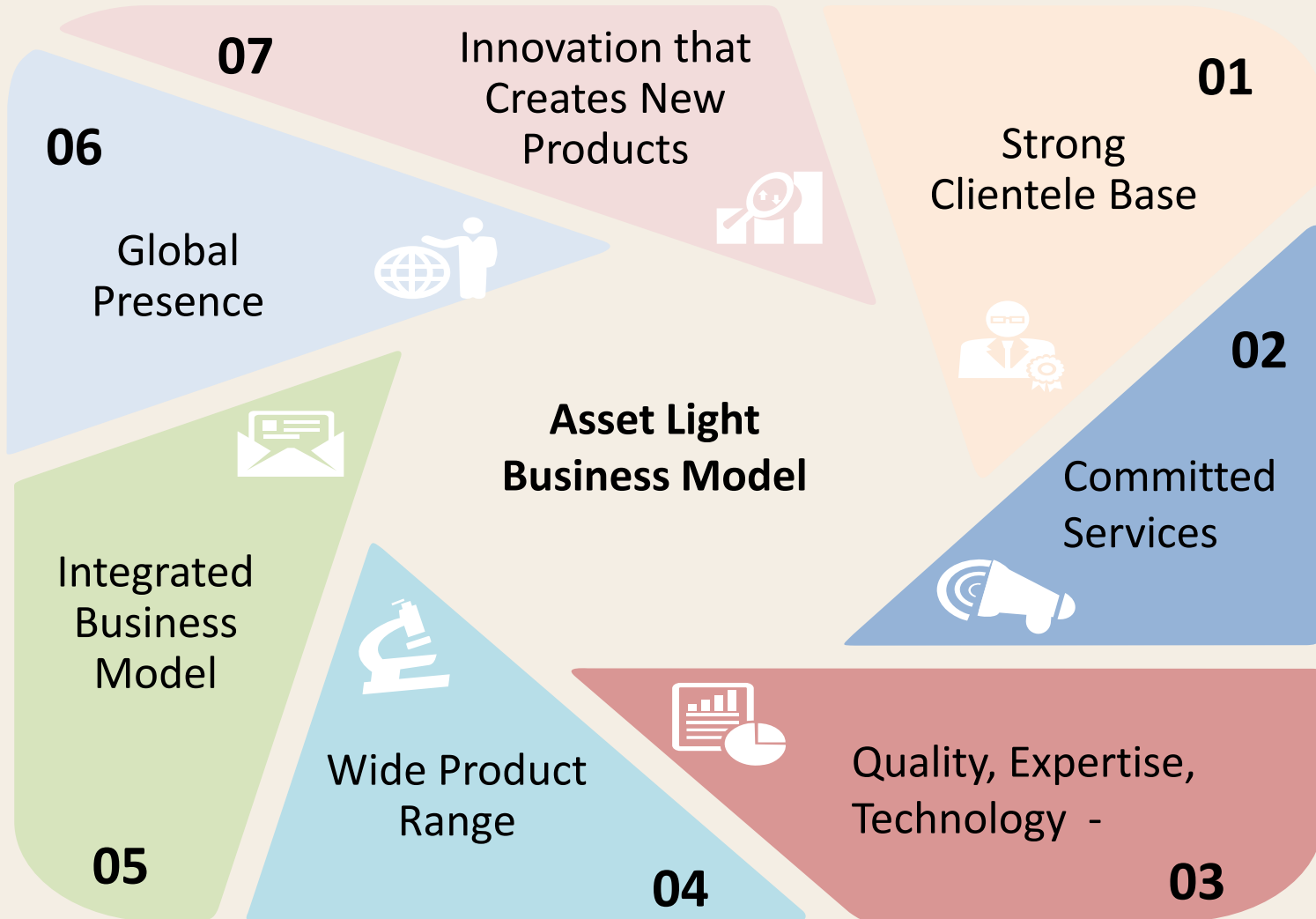


**Interest Coverage (x)**



*\*EBIT and # PAT on annualised basis*

# Our Strengths



# Our Achievements



## Leadership

2nd Largest manufacturer and exporter of Bed Sheets, Bed Linen, Quilts from India – TEXPROCIL

## Preferred Supplier

3rd Largest Supplier of Bed sheets into USA

## Global Player

11th Largest Home Textile Supplier into USA



## Recognition

Ranked **235 in profit** among India's top 500 companies by profit - Dun & Bradstreet (D&B)

## Strong Credit Profile

Credit Rating of "AA-" for Long-term bank facilities and "A1+" for Short-term bank facilities by ICRA and CARE

## Performance

Strong growth in Profits. Reducing Debt thus Increasing Network

# COMPANY OVERVIEW



# Vision



*“To be one of the Leading players in the Global Home Textile industry on the strengths of Technology, Experience and Innovation”*

# Management Team



## Mr. Anil Kumar Jain (Promoter) – Executive Chairman

- ✓ An Entrepreneur, with more than 37 years of experience in host of businesses.
- ✓ Envisioned Indo Count's foray into the Home Textile Business and has since been the guiding force behind the company's success.
- ✓ Distinguished in the industry for his outstanding ability of turning around businesses
- ✓ Known for his strong personnel management and leadership skills

## Mr. Mohit Jain – Managing Director

- ✓ Management graduate from Babson College, USA with over 18 years of experience in the company
- ✓ Introduced global entrepreneurship and management practices thereby building quality organisational culture
- ✓ Spearheading Indo Count's aspiration to become one of the key global home textiles players

## Mr. Kamal Mitra – Director (Works)

- ✓ Associated with the company for over 11 years with more than 35 years of experience in the Textile Industry
- ✓ Responsible for the manufacturing operations of the Spinning facilities

## Mr. K.R. Lalpuria – Executive Director

- ✓ Chartered Accountant with more than 33 years of experience in the Textile industry
- ✓ Associated with the company from past 6 years
- ✓ Widely recognised in the Indian Home Textiles Industry for his Global Connect within the Textile space

## Mr. Dilip Ghorawat – CFO

- ✓ Chartered Accountant with more than 25 years of experience in the Industry
- ✓ Responsible for Financial Strategy, Raising of Resources, Mergers & Acquisitions, etc.



# Innovative Products

## Institutional Linen

Flat sheets, pillow cases, duvet covers and shams; caters to hotels, hospitals and others



## Utility Bedding

Basic white bedding, mattress pads, protectors, white filled comforters filled with poly fill fibre



## Fashion Bedding

Comforters, bed in bag, quilts and coverlets, decorative pillows, etc.



## Bed Sheets

Flat sheet, fitted sheet and pillow cases



# Global Presence



## India

- Headquarters in Mumbai
- Manufacturing facilities in Kolhapur, Maharashtra
- Showroom and design studio



## U.S.A.

- Showroom and design studio in New York
- Warehouse for retail and e-commerce at Charlotte



## U.K.

- Showroom, design studio and warehouse in Manchester



## AUSTRALIA

- Showroom, design studio and warehouse in Melbourne

**Exporting to 54 countries and counting...**



# Proactive Manufacturing Capacity Investments

Phase 1

Board Approved Capex of  
Rs. 175 crs

Completed

- Setting up a state –of-the-art RO and water effluent treatment plant

By March 2017

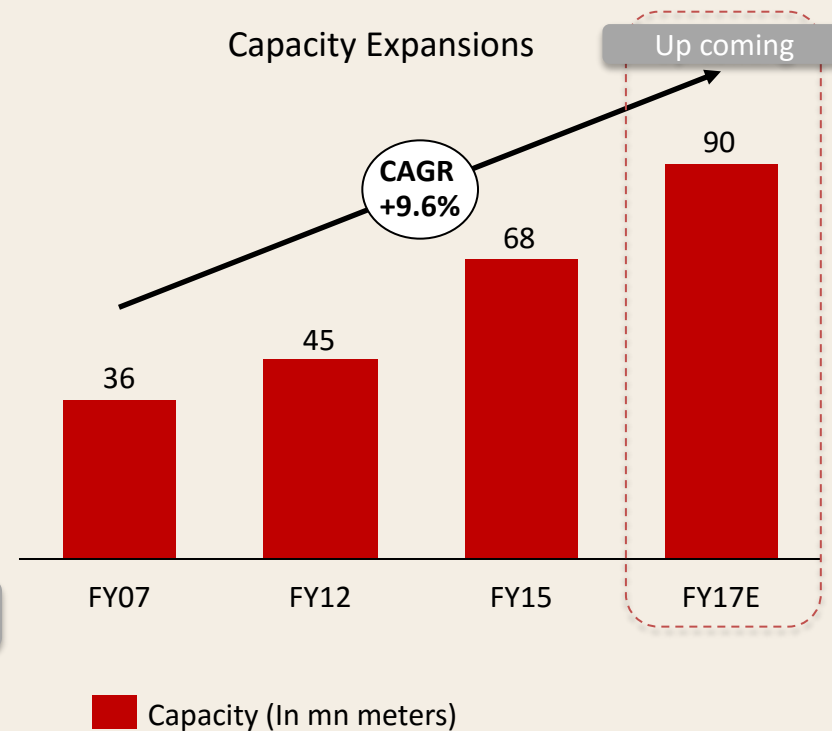
- Automation of cut-and-sew and warehousing
- Increasing processing capacity from 68 mn meters/annum to 90 mn meters/annum

Board Approved Capex of  
Rs. 300 crs

Phase 2

Under Progress

- To invest in additional weaving capacity (with specialized looms)
- To add value added equipments for the delivery of fashion and utility bedding
- To modernise existing spinning facilities



# Continuous Initiatives with 'Closer to Market' approach...



*Technology advancement for Customized Offerings*

*Building Brand Portfolio*

*Enhanced Product Mix with High Value Products*

*Increasing Target Market*

*Global Presence & 'Customer First' Approach*

*Domestic Brand Development*

**... strengthening Brand Positioning**

# Own Brands



# Licensed Brands



HARLEQUIN

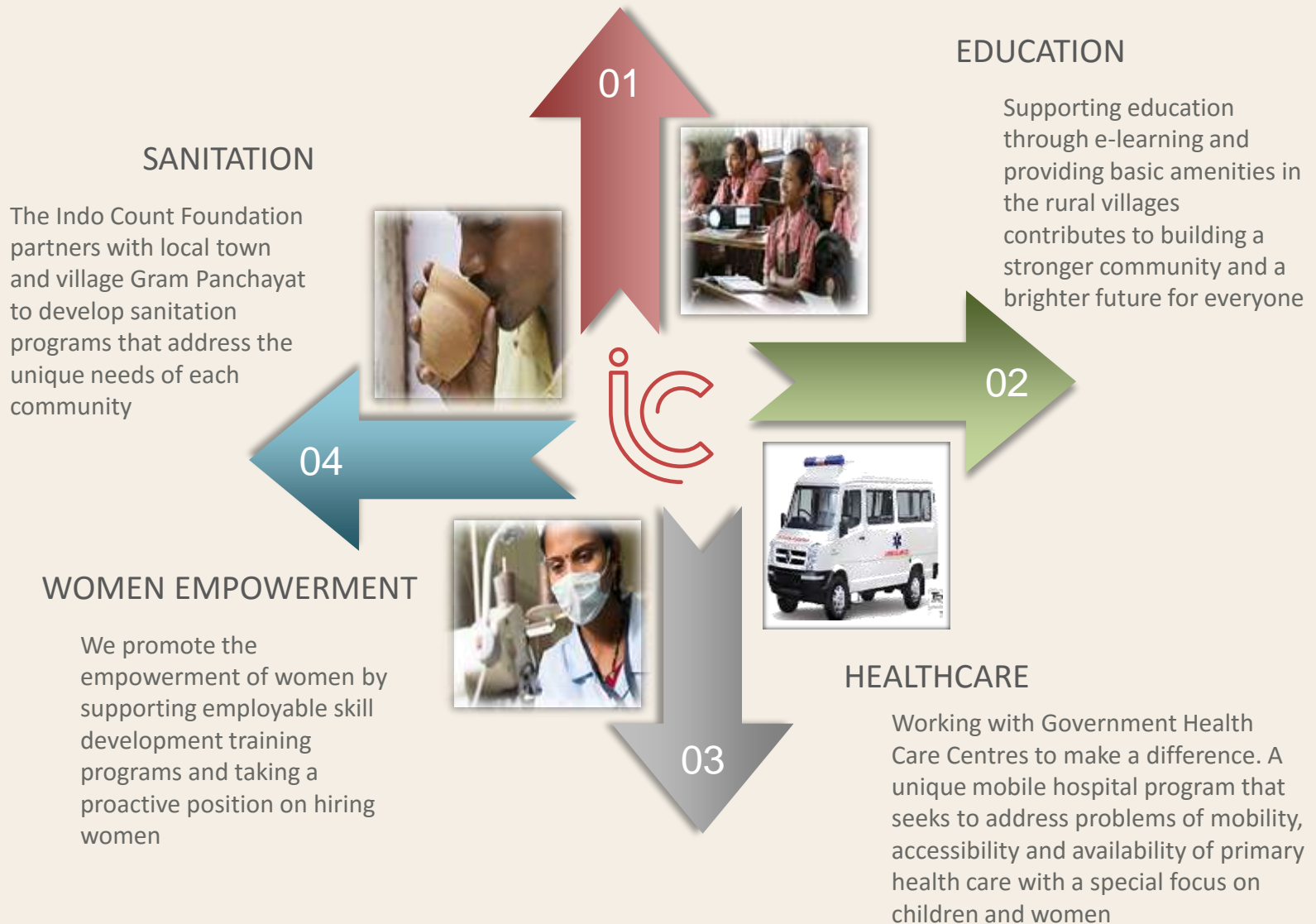


# Domestic Venture in India: Aspirational Brand





# At Indo Count 'Every Smile Counts'



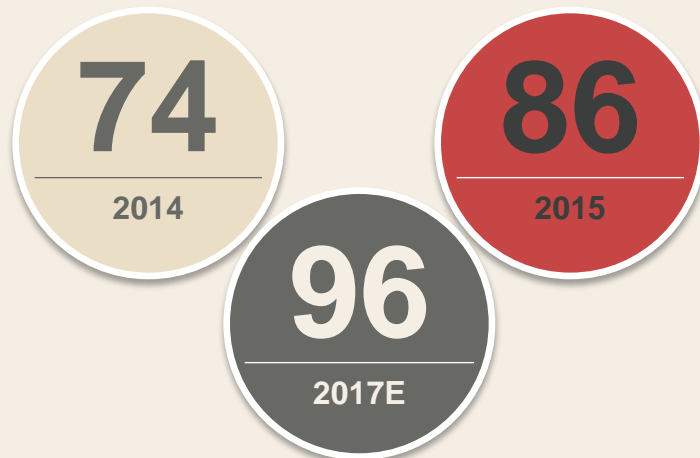


# Industry Discussion

## \*The global home textiles industry

- Industry growth of 4% expected to sustain through 2017
- Bed linen nearly 35% of the total home textiles industry (by volume)
- Growing market for higher value home linen
- Widening home linen product mix

*Global home textiles market at Retail end*



(\*Source: Global and Indian Textile Apparel Trade-Technopak Analysis)

## Indian Textiles industry

- Indian textiles industry contributes ~14% of Index of Industrial Production (IIP) and for around 4% of GDP
- Textiles contribute around 13% of India's export earnings
- Indian textiles market around US\$108 billion

## India's Home Textiles Industry

- Expected to expand at a CAGR of 8.3% to USD 8.2 billion in 2021 from USD 4.7 billion in 2014
- Accounts for 7% of global home textiles trade with a growing market share in key markets of USA and UK
- Future growth drivers globally: rising household income and growth of end use sectors like housing, hospitality, healthcare etc.

Source: IBEF



# India In A Position To Capitalize



# Our Future Agenda

- Increase capacity utilization
- Promote Bed Linen brands Globally
- Promote presence in Domestic market
- Strengthen customer mix
- Enhance margins



# About Us



Indo Count Industries Ltd (ICIL) (part of S&P BSE 500), is one of India's largest Home Textile manufacturer. Under the leadership of Mr Anil Kumar Jain who has been awarded as one of the India's Best Top 100 CEO's 2015, the Company has focused on some of the world's finest fashion, institutional and utility bedding and has built significant presence across the globe. Over the years, the Company has successfully carved out a niche for itself and has become a total bedding resource. The capacity expansion of the company from 68 million meters to 90 million meters is progressing satisfactorily.

The Company's product comprises the following:-

**Bed Sheets:** Flat sheet, fitted sheet and pillow cases

**Fashion Bedding:** Comforters, bed in bag, quilts and coverlets, decorative pillows, etc.

**Utility Bedding:** mattress pads, protectors, comforters filled with poly fibre

**Institutional Linen:** Basic white bedding, duvet covers and shams; caters to hotels, hospitals and others

The Company has launched the following innovated products:-

**Infinity cotton:** Blend of a few finest cotton varieties in the world resulting in superior yarn

**Thermal balance:** Balances temperature between body and bed to deliver superior sleep characteristics

ICIL has introduced three lifestyle brands "Boutique Living", "Revival" and "The Pure Collection" in March, 2016 in US Market. Further 3 new brands viz Sanderson, Harlequin and Scion, licensed through Walker Greenbank PLC UK, having strong presence in UK & Australia were introduced in North America.

ICIL is second largest manufacturer and exporter of bed linen from India; amongst the top three bed sheet suppliers in USA and eleventh largest global home textiles supplier to USA. ICIL has a strong global clientele and exports to more than 54 countries. Major revenues are derived from USA, the Company's largest market; its other prominent markets comprise UK, Canada, Europe, MENA and Australia etc. The Company enjoys long-term relationships with large global marquee retailers.

ICIL has also been honoured in past with numerous prestigious awards from TEXPROCIL including Silver Trophy for second highest exports of Cotton Madeups in Category III for the year 2015-2016 & 2014-15, "Export Excellence Award" in the Top Exporter – Non MSME – Trading House Category by FIEO, Western Region.

CARE and ICRA have upgraded credit rating as "CARE AA- / ICRA AA-" for Company's Long Term Bank Facilities and "CARE A1+ / ICRA A1+" for short term bank facilities. ICRA has assigned outlook as stable.

# Investors Contact

For further information please contact:

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**Mr. Dilip Ghorawat** - *CFO*

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