

5<sup>th</sup> May, 2018

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 FY-2018**

Please find enclosed herewith a copy of Investor Presentation with respect to Audited Financial Results for the year ended 31<sup>st</sup> March, 2018.

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**

**Head Office :** 301, Arcadia, III Floor, Nariman Point, Mumbai - 400021 Maharashtra, India | **T** 91 22 4341 9500 | **F** 91 22 2282 3098

**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

**Spinning Division :** D1, MIDC, Gokul Shirgaon, Kolhapur - 416234 Maharashtra, India | **T** 91 231 268 7400 | **F** 91 231 267 2161

**Regd. Office :** Office No. 1, Plot No.266, Village Alte, 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



# Investor Presentation – FY18

May 2018



# Safe Harbor



This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Indo Count Industries Ltd** (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.

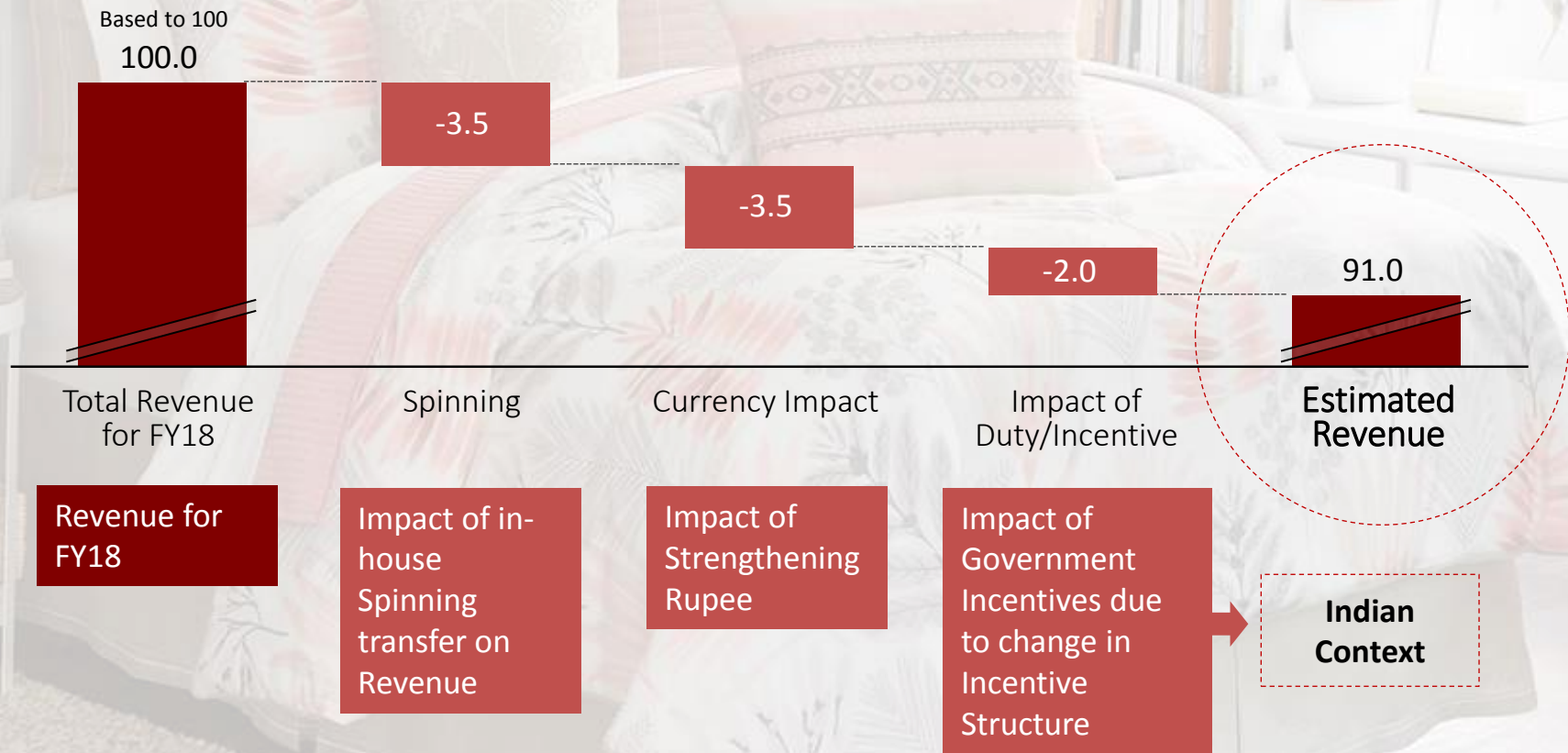
# Chairman's Message



**Commenting on the results, Mr. Anil Kumar Jain, Executive Chairman, said, “FY18 has been a challenging year for the industry on account of multiple headwinds. However, our sales volume for H2FY18 has been better and we expect this trend to continue going forward.**

**Our customer centric approach with innovative and functional product lines will ensure positive momentum to continue, so, we remain optimistic on growth.”**

# Revenue Assessment for FY18





# Standalone Key Financial Indicators Y-o-Y

## REVENUE (RS.CRS)

1,808

FY18

2,085

FY17

## EBITDA (RS.CRS)

265

FY18

419

FY17

## EBIT (RS.CRS)

235

FY18

388

FY17

## PAT (RS.CRS)

131

FY18

228

FY17

## CASH PAT (RS.CRS)

182

FY18

312

FY17

## NET DEBT/EQUITY (X)

0.38

FY18

0.39

FY17

## ROCE (%)

18%

FY18

34%

FY17

## ROE (%)

14%

FY18

28%

FY17

# Standalone Profit & Loss Statement

Particular (Rs. Crs)	FY18	FY17
<b>Total Revenue</b>	<b>1,808</b>	<b>2,085</b>
<b>EBITDA</b>	<b>265</b>	<b>419</b>
<i>EBITDA Margin %</i>	<i>14.7%</i>	<i>20.1%</i>
Depreciation	30	31
<b>EBIT</b>	<b>235</b>	<b>388</b>
<i>EBIT Margin %</i>	<i>13.0%</i>	<i>18.6%</i>
Finance Charges	33	39
<b>Profit before Tax</b>	<b>202</b>	<b>348</b>
<i>PBT Margin %</i>	<i>11.2%</i>	<i>16.7%</i>
Tax Expense	71	120
<b>Profit after Tax</b>	<b>131</b>	<b>228</b>
<i>PAT Margin %</i>	<i>7.2%</i>	<i>10.9%</i>
<b>Cash Profit</b>	<b>182</b>	<b>312</b>
<b>EPS (Rs)</b>	<b>6.64</b>	<b>11.55</b>

# Consolidated Key Financial Indicators Y-o-Y IndoCount COMPLETE COMFORT

## REVENUE (RS.CRS)

<b>1,958</b>	<b>2,258</b>
--------------	--------------

FY18

FY17

## EBITDA (RS.CRS)

<b>262</b>	<b>428</b>
------------	------------

FY18

FY17

## EBIT (RS.CRS)

<b>229</b>	<b>395</b>
------------	------------

FY18

FY17

## PAT (RS.CRS)

<b>125</b>	<b>232</b>
------------	------------

FY18

FY17

## CASH PAT (RS.CRS)

<b>176</b>	<b>319</b>
------------	------------

FY18

FY17

## NET DEBT/EQUITY (X)

<b>0.38</b>	<b>0.42</b>
-------------	-------------

FY18

FY17

## ROCE (%)

<b>17%</b>	<b>32%</b>
------------	------------

FY18

FY17

## ROE (%)

<b>13%</b>	<b>27%</b>
------------	------------

FY18

FY17



# Consolidated Profit & Loss Statement

Particular (Rs. Crs)	FY18	FY17
<b>Total Revenue</b>	<b>1,958</b>	<b>2,258</b>
<b>EBITDA</b>	<b>262</b>	<b>428</b>
<i>EBITDA Margin %</i>	<i>13.4%</i>	<i>19.0%</i>
Depreciation	33	33
<b>EBIT</b>	<b>229</b>	<b>395</b>
<i>EBIT Margin %</i>	<i>11.7%</i>	<i>17.5%</i>
Finance Charges	35	42
<b>Profit before Tax</b>	<b>194</b>	<b>353</b>
<i>PBT Margin %</i>	<i>9.9%</i>	<i>15.6%</i>
Tax Expense	69	121
<b>Profit after Tax</b>	<b>125</b>	<b>232</b>
<i>PAT Margin %</i>	<i>6.4%</i>	<i>10.3%</i>
<b>Cash Profit</b>	<b>176</b>	<b>319</b>
<b>EPS (Rs)</b>	<b>6.38</b>	<b>11.76</b>

The Board of Directors has recommended payment of Final Dividend @20% i.e. Rs.0.40 per equity share of Face Value of Rs. 2 each for the Year ended 31<sup>st</sup> March 2018 which together with Interim Dividend paid a@20% i.e. Rs. 0.40 per equity share aggregates to @40% i.e. Rs. 0.80 per equity share for the current year.

The Final Dividend of 20% i.e. Rs. 0.40 per equity share of Face Value of Rs. 2 each is subject to approval of Shareholders at the ensuing Annual General Meeting.

# Consolidated Balance Sheet

Particular (Rs. Crs)	Mar'18	Mar'17
Fixed Assets (Incl. CWIP)	564	543
Other Non-Current Assets	7	6
Inventories	591	472
Trade Receivables	287	311
Cash and cash equivalents	16	9
Other Current Assets	234	183
<b>TOTAL</b>	<b>1,699</b>	<b>1,524</b>
Equity Share Capital	39	39
Reserves & Surplus	924	815
Long Term Borrowings	49	21
Other Non-Current Liabilities	124	120
Bank Borrowings	322	282
Trade Payables	192	134
Other Current Liabilities	49	112
<b>TOTAL</b>	<b>1,699</b>	<b>1,524</b>

# Areas impacted in FY18

1

Raw material costs were volatile; going forward expect cotton prices to be stable

2

Power & fuel charges, job work charges and other expenses were higher in FY18

3

Strengthening of Rupee

4

GST impact and revision of Government incentives

5

De-stocking by few large retailers affected Revenues



# Phase II Capex operational by end FY20

## **Project Location**

.....  
Land for the same has been identified and is pending for government notification.

## **Commissioning**

.....  
Commercialization will commence by end of FY20

# Outlook for FY2019 and beyond

## 01

### Product development

- Focus on Bed Linen in the Home Textiles sphere
- Focus on value-added products and innovation through R&D
- Strengthening design department to service fashion requirements

## 02

### Improving operational efficiency

- Moving towards overall sustainability
- Modernization of Spinning to cater to special fibre requirement
- Building strengths in processing
- Developing skill and talent of employees
- Prudent capital allocation for growth
- Committed to maintain the strong financial health of the company

## 03

### Global reach

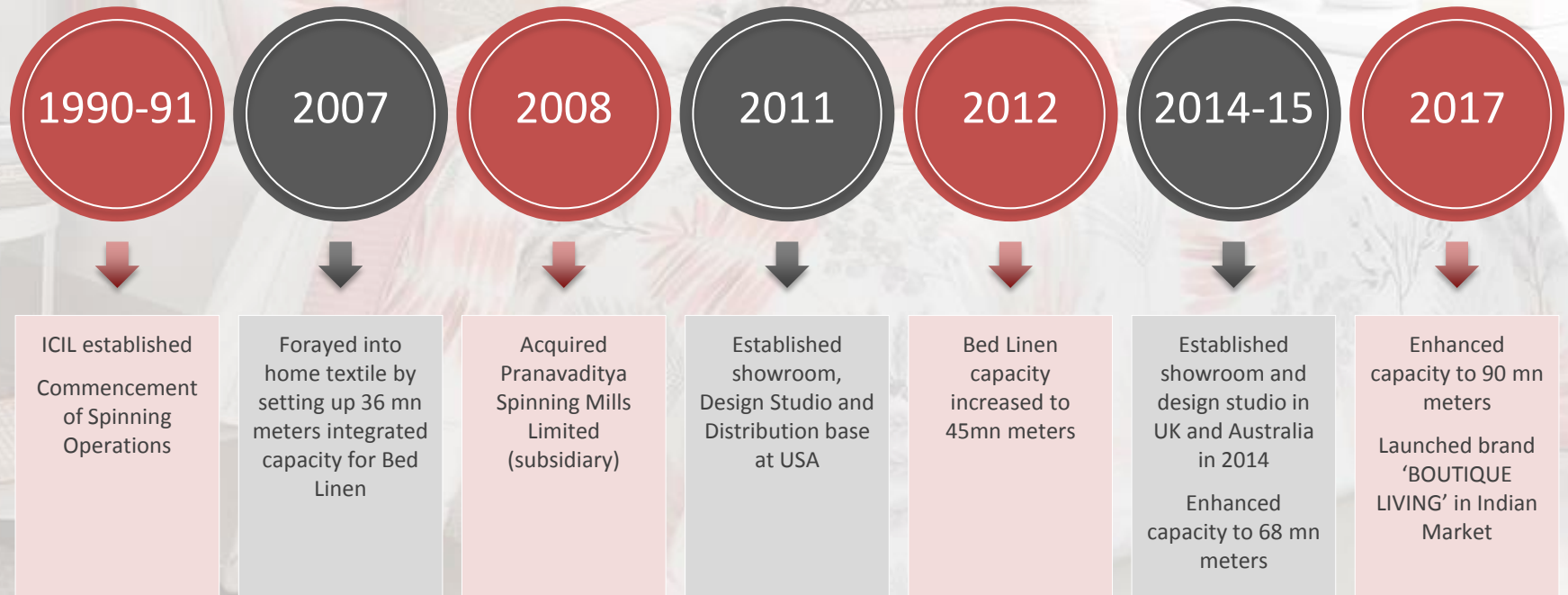
- Establish relationship with marquee global customers
- Extend focus from USA to other countries in the globe
- Initiatives in branding, distribution and e-commerce
- Thrust to promote products in the domestic market through strong brand and distribution network
- Enhance service to help customers improve their market share



# Strong Brands in the Global Home Textile Industry



# 26 years of our Journey



Highest manufacturer-exporter of bed sheets, bed linen, quilts from India and a 4-Star Export House

# Our competencies and differentiators

01

Global player

- Top market player with a wide product basket
- Established business with a vast global and domestic distribution network comprising prestigious clients
- Strong positioning
- Differentiation through innovation

02

Strong domain expertise

- Customer-centricity
- Wide and innovative product range
- Efficient marketing and branding
- Strong in-house R&D and designing team

03

Operationally efficient

- End-to-end operations starting from product development, spinning, marketing and branding
- Experienced management with a competitive track record
- Efficient and scalable operations
- Progressive investments in state-of-the-art technology



New Brand Launched in USA: 'HEIRLOOMS OF INDIA'





New Brand Launched in USA: 'BOUTIQUE LIVING COASTAL'  **IndoCount**  
COMPLETE COMFORT





# New Brand Launched in USA: 'ATLAS'



# Licensed Lifestyle Brands

New Brand Launched in USA: 'MORRIS & CO.'





# Own Lifestyle Brands



# Licensed Lifestyle Brands



HARLEQUIN

scion





# Aspirational Brand in India



Indo Count has a presence across **21** Indian States, achieving sales across **96** cities with **465** MBOs and **8** LFS

Online foray to widen customer base:  
[www.boutiquelivingindia.com](http://www.boutiquelivingindia.com)





# Global presence



## India

Headquartered in  
Mumbai

Manufacturing  
facilities in  
Kolhapur,  
Maharashtra

Showrooms and  
design studios



## USA

Showroom and  
design studio in  
New York

Warehouse for  
distribution at  
Charlotte



## UK

Showroom, design  
studio and  
warehouse in  
Manchester



## Australia

Showroom and  
design studio in  
Melbourne



## UAE

Opened office in  
Dubai to cater to  
global trade

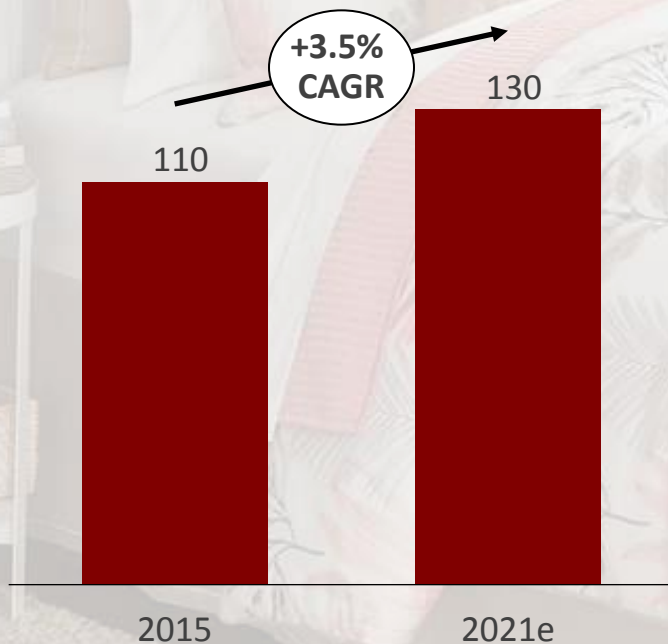
Indo Count exports to 54 countries and going forward to widen its geographical footprint



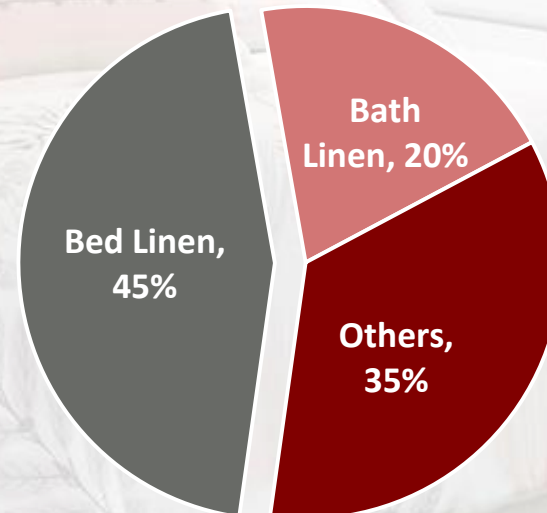
# Industry perspective

# Global Home Textile Market Overview

Global Home Textile Market (\$bn)



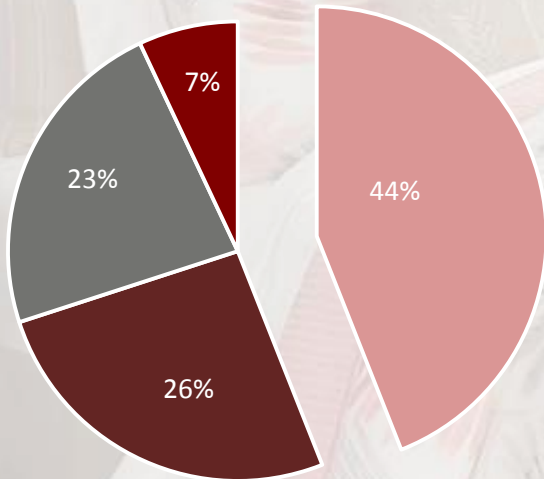
Global Home Textile Market Composition



Bed Linen & Bed Spread: Expected to grow at a highest CAGR of 4.4% to reach US\$60bn by 2020



## Global Home Textile Market Region-wise share



■ Asia Pacific ■ Europe ■ North America ■ RoW

### Asia Pacific

- Largest home textile market in the world
- Accounts to 44% of the global home textile market
- One of the most dominant producer and consumer of home textile

### China

- Largest manufacturer and consumer of home textile
- Market size estimated US\$ 30bn
- Steady demand growth driven by a burgeoning middle class

### India

- Third largest home textile market in the Asia Pacific region
- Projected to grow at a CAGR OF 7.2% to reach US\$ 5.6bn by 2020

### USA

- One of the globe's largest Home Textile market accounting for ~21.1%
- Projected to grow at CAGR 3% to reach US\$27bn by FY2020

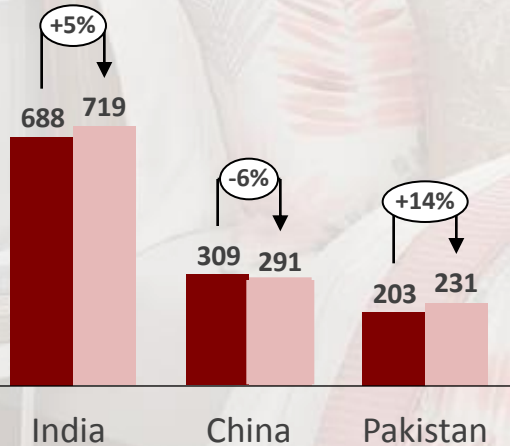
### Europe

- 2<sup>nd</sup> largest Home Textile market accounting for ~26.8%
- Bed linen accounts for 32% share of the Home Textile market
- Bed & Bath linen to grow at a CAGR of 1.7% to US\$17bn by 2020

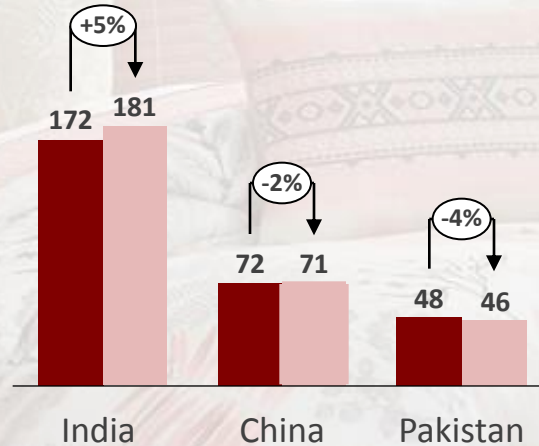
“India has gained market share in Bed Sheets in US imports”

# USA textiles imports

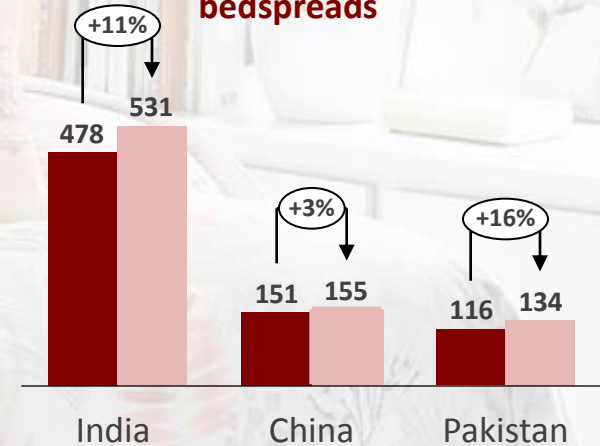
## Cotton sheets



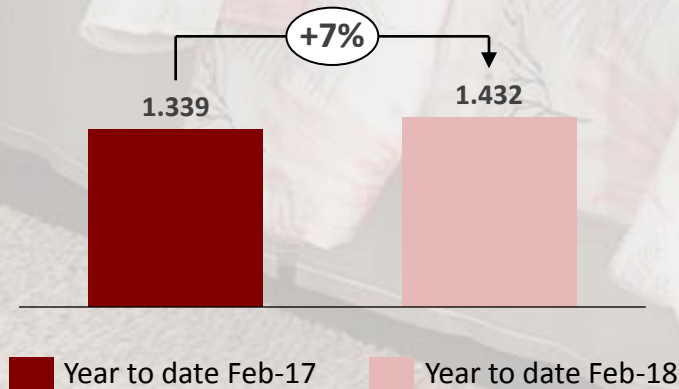
## Pillow cases



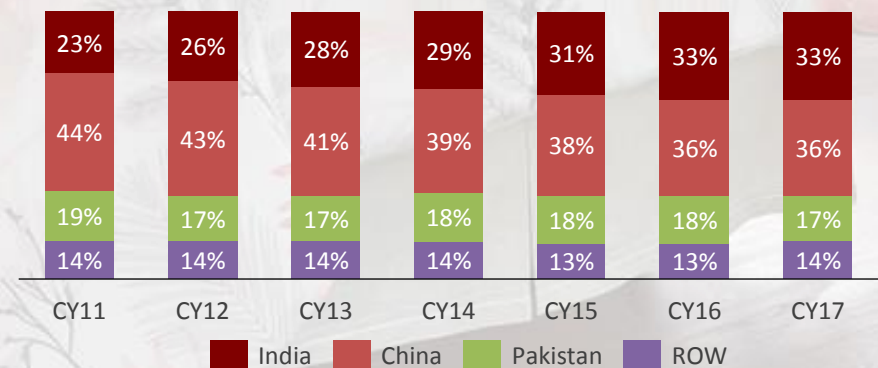
## Cotton bedspreads



## India's total contribution (in million \$)



## US – Import of Cotton Made-Up's Share



India's contribution in the Made-ups market share is growing in USA imports

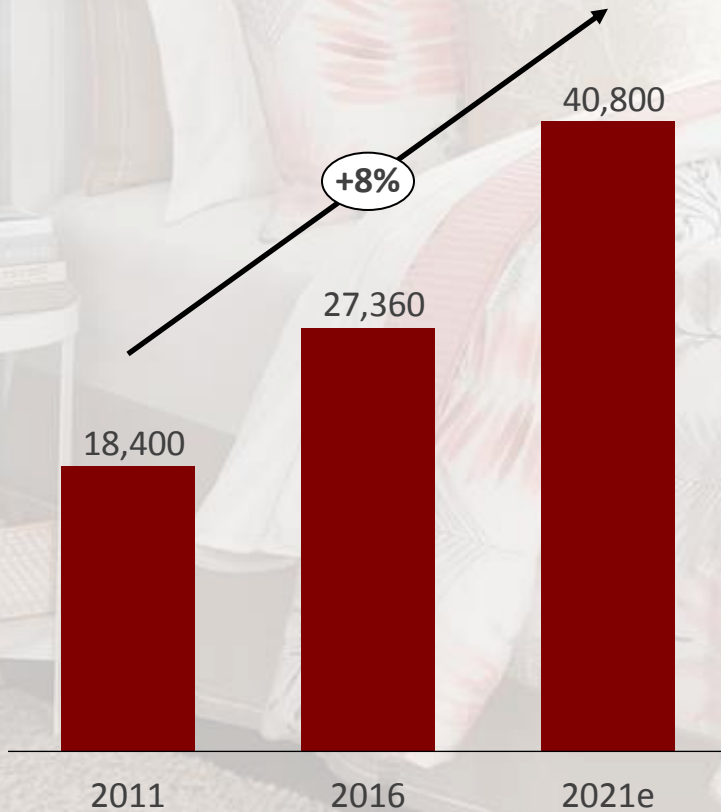
# India's edge in the home textiles market





# India's Consumption Basket

Domestic Home Textile Market (Rs.in Crs)



Category (Rs. In Crs)	2011	2016	2021(E)	CAGR (2011-21)
Bed Linen	8,965	13,170	19,350	8.0%
Towels	3,320	4,840	7,060	8.0%
Curtains	1,850	2,975	4,790	10.0%
Blankets	1,465	2,040	2,850	7.0%
Upholstery	1,190	1,915	3,080	10.0%
Kitchen Linen	1,110	1,635	2,400	8.0%
Rugs & Carpets	500	790	1,250	9.5%
<b>Total</b>	<b>18,400</b>	<b>27,360</b>	<b>40,800</b>	<b>8.0%</b>

# Incentive and GST update

Incentive	Input Tax Credit (ITC)	Current
Duty Drawback	-	2%
GST	Yes	0%
ROSL	-	2.2%
MEIS	-	4%

- Overall, revision broadly neutral on company's profitability compared to pre-GST.

# Increasing trend in production of raw cotton in India from FY2007 to FY2018E (in million bales)

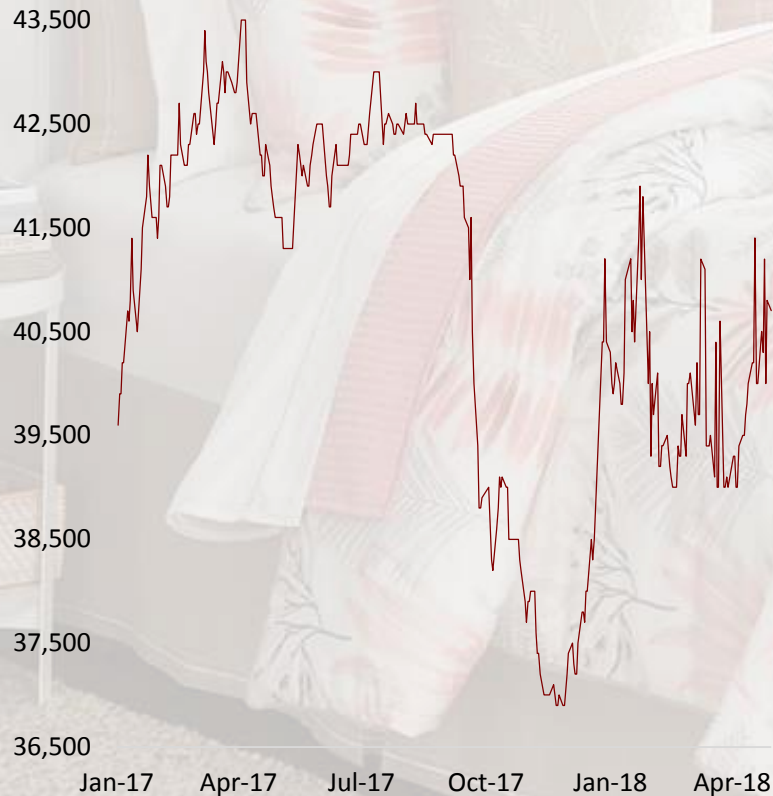




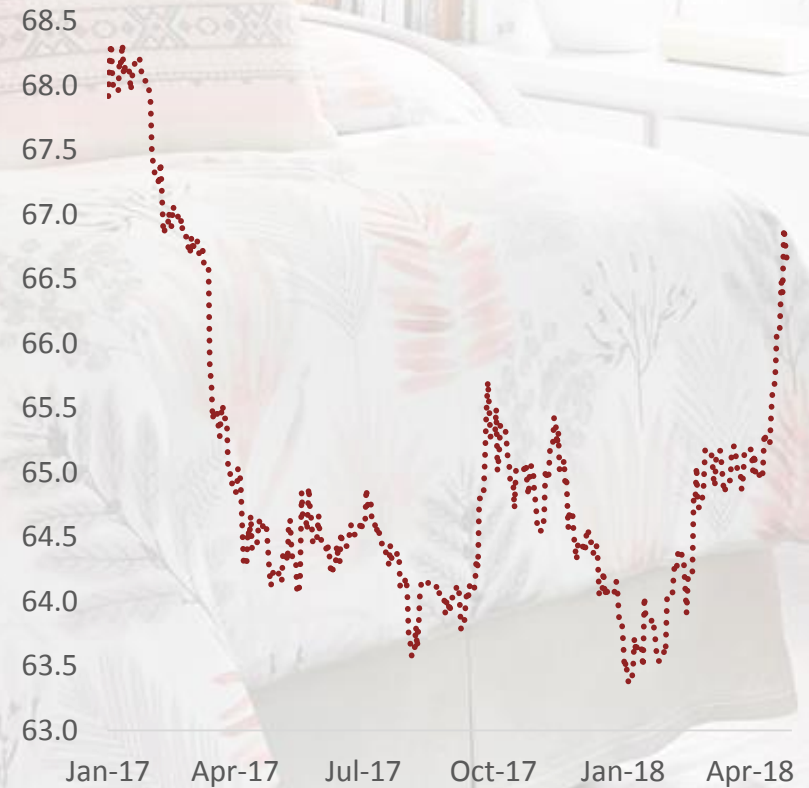
# Cotton and Currency Movement

Rs. per candy

Cotton Prices



USD/INR



1 candy = 356kgs

# 10 year fruitful journey to a Leadership position

2016-17  
Gold

Winner of Gold Trophy  
from Texprocil in 2016-17

2014-15  
Silver

2015-16  
Silver



2009-10  
Bronze

2010-11  
Bronze

2011-12  
Bronze

2012-13  
Bronze

2013-14  
Bronze



# Received Gold trophy from Texprocil



Our Chairman Mr. Anil Kumar Jain, receiving gold trophy presented by Texprocil for the highest export in Bed linen for the year 2016-17 at the hands of Textile Commissioner, Dr. Kavita Gupta



# Awards and recognitions



**Mr. Mohit Jain**, *Managing Director*, was honoured with one of “**India’s Top 40 under Forty**”, a prestigious celebration of India’s best business leaders, entrepreneurs and professionals under the age of 40. *Economic Times*, India’s leading business newspaper, in partnership with consulting firm Spencer Stuart, put together this definitive list of India Inc.’s future leaders. The award was presented by **Mr. D. Shivakumar**, *Chairman & CEO of Pepsico India*. This prestigious award is the outcome of a rigorous exercise, beginning with an initial shortlist of over 500 candidates and culminating in a list of the top 40 by the esteemed jury comprising **Mr. Harsh Goenka**, *Chairman of RPG Group*, **Ms. Shikha Sharma**, *MD and CEO of Axis Bank*, **Mr. D. Shivakumar**, *Chairman & CEO of Pepsico India*, **Mr. Janmejaya Sinha**, *Chairman of Boston Consulting Group (Asia-Pacific)*, **Ms. Vani Kola**, *Venture Capitalist and MD of Kalaari Capital*, **Ms. Roopa Kudva**, *MD of Omidyar Network India Advisors* and **Mr. Naveen Tiwari**, *CEO of InMobi*.

# CSR: At Indo Count ‘Every smile counts’



## WATER & SANITATION

- 46 pure water units and three RO systems installed in schools and remote villages to provide safe drinking water and benefitting ~17,000 people
- Built four toilet blocks with the help of local *zila parishad* and *gram panchayat*. Benefitting ~10,000 people

## EDUCATION

- Implemented e-learning programme linked to state curriculum, benefitting ~39,000 students of 100 government-aided schools
- Helped in academic improvement, renovated classrooms and washrooms of a school for the visually-impaired and distributed bags among ~17,000 students

## HEALTHCARE

- 4 Health on Wheels reached 96 distant villages, tackling accessibility issues and provided free medicines and check-ups for 320 patients per day
- Till date ~85,389 patients benefitted
- Renovated the cardiac department of a government hospital

## WOMEN EMPOWERMENT

- Started a Skill Development Centre in collaboration with IL & FS, training ~436 women in stitching and providing employment to 233 women
- Aimed at making women independent and upgrading their standard of living



# The New Age of Sustainability and LEEDS Certification



**Life**

Plant oil based mint "Botanical Extract" applied on 100% Cotton sheets.

**Salient Features:**

- Protection from Microbes
- Protection from Dust - Mite
- Protection from Odor

**Bamboo Charcoal**

Charcoal derived from Bamboo naturally increases moisture wicking and odor absorption while gently cleansing the skin during sleep.

**Salient Features:**

- Deodorization effect
- Moisture regulations
- Radiating far infrared rays

**Refibra™**  
Blend of 80% Virgin Tencel® & 20% UpCycled Cotton

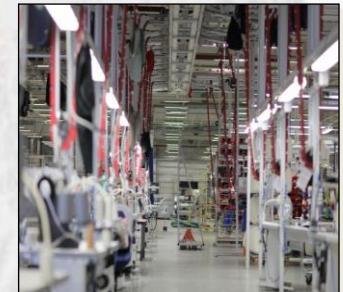
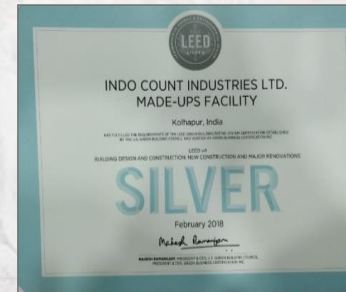
**ReCycling**  
Textile trimmings recaptured to produce Tencel® fibers.

**ReUse**  
Cotton fabric scraps in garment factories are reused.

**RePulping**  
An innovative cellulose conversion technology.

**LEEDS Certified by US Green Building Council**

- At Indo Count we firmly believe in preserving our planet for our community.
- Sustainable Innovations to incorporate improved features which excite today's customers and result in improved solutions for customers' needs.
- Our company is committed to responsible use of natural resources and measurably reduced impact on the environment.





# About us



**Indo Count Industries Ltd (ICIL)** (part of S&P BSE 500), is one of India's largest home textiles manufacturer.

Mr. Anil Kumar Jain, Executive Chairman, has been ranked 10<sup>th</sup> amongst the India's Best Top 100 CEO's 2017 by *Business Today*. Under his leadership, the Company has focused on some of the world's finest fashion, institutional and utility bedding and sheets and has built significant presence across the globe.

Over the years, the Company has successfully carved a niche for itself and has become a one stop provider of all bedding products. The company's capacity currently stands at 90 million metres.

## Our Vision

To be one of the leading players in the global Home Textile industry on the strengths of technology, experience and innovation.

## Our Mission

Indo Count is committed to provide all our customers desired quality, services and value for money through our technological and organizational strengths.

## Award and Credit Rating

ICIL has also been honoured in past with numerous prestigious awards from various Government organizations. Recently the Company had won Gold Trophy for highest exports of Cotton Made-ups in Category III for the year 2016-17 from TEXPROCIL.

CARE has upgraded credit rating to CARE AA (Double AA) with Stable Outlook in August 2017. ICRA's credit rating is ICRA AA- (Double AA-) for Company's Long-Term Bank Facilities and ICRA A1+" for short term bank facilities. ICRA has upgraded the outlook to positive from stable.

# Investor Contact



*For further information please contact:*

**Indo Count Industries Limited**

**CIN:** L72200PN1988PLC068972

**Mr. K.R. Lalpuria**, *Executive Director*

[kklalpuria@indocount.com](mailto:kklalpuria@indocount.com)

**Mr. Dilip Ghorawat**, *Chief Financial Officer*

[dilip.ghorawat@indocount.com](mailto:dilip.ghorawat@indocount.com)

**Ms. Ruchita Maheshwari**, *Sr. Manager Investor Relations*

[ruchita.maheshwari@indocount.com](mailto:ruchita.maheshwari@indocount.com)

**P:** +91-22-43419500 **W:** [www.indocount.com](http://www.indocount.com)

*Investor Relations Advisors:*

**Strategic Growth Advisors Pvt. Ltd.**

**CIN:** U74140MH2010PTC204285

**Mr. Shogun Jain | Ms. Neha Shroff**

**P:** +91 77383 77756 | +91 77380 73466

**E:** [shogun.jain@sgapl.net](mailto:shogun.jain@sgapl.net) | [neha.shroff@sgapl.net](mailto:neha.shroff@sgapl.net)

**W:** [www.sgapl.net](http://www.sgapl.net)